

CLASS X

PRACTICE QUESTIONS- SET 3 CHAPTER 3- MONEY AND CREDIT

1. Find the incorrect option:

- (A) Demand deposit shares the essential features of money.
- (B) Demand deposit makes a person economically better off than before.
- (C) Demand deposits are safe way of money transformation.
- (D) Demand deposit facility is like cheque.

2. Sumit is using his money to buy assets like house, commercial land and machines. What is he actually doing?

- (A) He is saving money.
- (B) He is earning profit.
- (C) He is investing.
- (D) He is spending money for consumption purposes.

3. Banks use the major portion of the deposits to _____.

- (A) Invest in infrastructure.
- (B) Extend loans.
- (C) Deposit in foreign banks.
- (D) None of the above.

4. Which of the following defines the term “ terms of credit” ?

- (A) Funds which can be withdrawn without advance notice.
- (B) A paper instructing the bank to pay a certain amount.
- (C) Conditions under which a loan is given

(D) Assets pledged by the borrower

5. Why do the banks keep a certain portion of their deposit as cash?

(A) To spend the money for buying machines

(B) To save the money for future use

(C) To pay the depositors who might come to withdraw money on any day.

(D) To extend loans

6. How are cooperatives functioning in the rural areas to solve the problem of credit? (3)

7. “Deposits with banks are beneficial to the depositors”-Defend or refute. Justify your answer. (3)

8. Why are poor households still dependent on informal sources of credit? (5)

9. Read the passage below and answer the following questions. (2+2)

We have seen that money is something that can act as a medium of exchange in transactions. Before the introduction of coins, a variety of objects was used as money. For example, since the very early ages, Indians used grains and cattle as money. Thereafter came the use of metallic coins like gold, silver, copper coins- a phase which continued well into the last century.

A) What are modern forms of currency?

B) Why is modern forms of currency accepted as a medium of exchange? Who issues currency in India?

PLEASE NOTE:

- **You are advised against doing selective study.**
- **The questions given above are sample questions for practice prior to the Board Examination.**
- **Although Answer keys will be provided, you are advised to**

answer them yourself.

Submission is NOT required.

- In case you have queries regarding a portion the chapters being revised here, you may send your query to your teacher through Chat section in MS Teams.
- Answer Key to Set 3 Economics questions will be posted on 29.01.2025.

Economics (Class 10)

Answer key of Revision Paper Set 2

Total marks 20

Time : 1 hour

Answer the following questions:

1. Which one of the following sectors shows the highest share in Gross Domestic product of a country?

(1)

- A) Primary
- B) Secondary
- C) Tertiary
- D) Quarternary

Ans: C) Tertiary

2. GDP of a country is based on :

(1)

- A) total value of goods and services
- B) final value of goods and services
- C) Initial value of goods and services
- D) intermediate goods and services

Ans: b) final value of goods and services

3. Arrange the following in the correct sequence:

(1)

i) Transporting cloth to the workshop
showrooms

ii) Sale in shops and

iii) Spinning the yarn

iv) Weaving the fabric

Options:

A) i), iv), iii), ii)

B) iii) ,iv) ,i) ,ii)

C) iv), i) ii) ,iii)

D) iii), iv), ii), i)

Ans: B) iii) ,iv) ,i) ,ii)

4. Read the following statements: **Assertion (A)** and **Reason (R)**. Choose the correct alternative from the options given below. (1)

Assertion (A): The Government of India buys wheat and rice from farmers at fair price.

Reason (R) : Public sector contributes to economic development of a country.

Alternatives:

a)Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

b)Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)

c)Assertion (A) is true and Reason (R) is false

d)Assertion (A) is false and Reason (R) is true

ANS: a)Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

5.A man is employed on a food processing farm where he has to do a lot of manual work. His wife and daughter helps him in his work on the farm.Of which type of employment is this an example?

- A. Disguised Unemployment
- B. Seasonal unemployment
- C. Open unemployment
- D. Cyclical unemployment.

Ans: A. Disguised Unemployment

6. "There is need for protection and support for the workers in the unorganised sector." Evaluate the statement. (3)

Ans: Protection of workers in the unorganised sector is required as

- i) They are often exploited and not paid fair wages.**
- ii) Low and irregular earnings**
- iii) Insecured jobs and can be asked to leave on the whims of the employer.**
- iv) No other benefit like PF, Gratuity, Medical Allowance etc. provided.**

They are thus vulnerable and hence need protection.

6. In what ways can employment be increased in urban areas? (3)

Ans: i) Rapid industrialisation can create employment opportunities for a number of people in urban areas.

ii) Tourism can be developed by opening hotels and restaurants for the tourists.

iii) Expansion of IT services whereby plenty of educated and trained people can be provided jobs.

(Or any other meaningful points)

7. Compare the economic activities of the Private sector with Public Sector. (5)

Ans:

Public Sector 1. Ownership of assets and control of enterprise lies with the Government.	Private Sector 1. Ownership of assets and control of enterprise lies with
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<p>2. Main aim of this sector is public welfare.</p> <p>3. This sector provides goods and services at a reasonable cost.</p> <p>4. Basic services like health ,infrastructure ,education is provided by the Government.</p> <p>5.Projects which do require heavy investment is undertaken .</p>	<p>the individuals or with the group of individuals.</p> <p>2. Main aim of this sector is to maximise profits.</p> <p>3. This sector provides goods and services at a relatively higher cost.</p> <p>4. This sector provides consumer goods etc. to the people.</p> <p>5. Projects which do not require heavy investment is undertaken usually.</p>
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5.Read the passage below and answer the following questions:

Tertiary sector helps in the development of the primary and secondary sector. Goods that are produced in the primary sector or secondary sector would need to be transported by trucks or trains and then sold in wholesale and retail shops. At times it is necessary to store them in godowns. Transport, storage, communication, banking, trade are examples of tertiary sector activities. Tertiary sector is also known as service sector.

- a) How is the tertiary sector different from secondary sector? (2)
- b) Give an example to show the interdependence of the primary sector and tertiary sector. (2)

Ans:a) Tertiary sector does not produce goods but provides services. Tertiary sector helps in the development of primary and secondary sector.

b)Sugarcane is produced in agricultural plot which comes under primary sector.

Sugarcane is transported to factories for further processing in trucks or wagons which comes under tertiary sector.

Sugarcane is also stored in godowns which comes under tertiary sector.

