SmartKalike

CBSE Class 10 · Social Science

Money and Credit

10 most probable questions for Boards 2027

Q1. 1 mark · Multiple choice

Which statement best describes Grameen Bank of Bangladesh? (A) It mainly lends to wealthy households at high interest rates. (B) It is a major success in providing poor people credit at reasonable rates. (C) It lends only to large businesses. (D) It provides credit exclusively to government departments.

Answer

(B) It is a major success in providing poor people credit at reasonable rates — Grameen Bank reaches the poor to meet their credit needs at reasonable rates.

Q2. 2 marks · Short answer

Why do farmers usually borrow at the beginning of the cropping season and repay after harvest? Mention the expenses and time gap involved in crop production.

Answer

Crop production requires expenditure on seeds, fertilisers, pesticides, water, electricity and equipment repairs. Farmers borrow at the season's beginning to meet these costs. Three to four months pass between buying inputs and selling the crop, so farmers usually repay their loans after harvest from farming income.

Q3. 3 marks · Medium answer

State Grameen Bank's membership and village reach in 2018. Also describe its borrowers and explain what their experience showed about poor women's reliability and income-generating activities.

Answer

1. In 2018, Grameen Bank had over 9 million members in about 81,600 villages spread across Bangladesh.
2. Almost all borrowers were women belonging to the poorest sections of society.
3. These borrowers have proved that poor women are reliable borrowers and can successfully start and run a variety of small income-generating activities.

Q4. 4 marks · Long answer

Explain Rama's credit arrangement with the landowner-employer. Include why she borrows, the interest and method of repayment, and how repeated borrowing affects her dependence on him.

Answer

Rama, an agricultural labourer, depends on her medium landowner-employer for credit in Sonpur.

1. She borrows during the months when she has no work to meet daily expenses. She also needs

loans for sudden illnesses and family functions.

2. The landowner charges interest at 5 per cent per month. Rama repays the loan by working for him.

3. Rama often has to take a fresh loan before repaying the previous one. She currently owes the landowner Rs 5,000.

4. Although the landowner does not treat her well, Rama continues working for him because she can borrow from him when in need. The landowner-employers are the only source of credit for landless people in Sonpur.

Thus, repeated borrowing keeps Rama dependent on her employer for credit.

Q5. 5 marks · Long answer

Explain how banks use deposits to meet borrowers' needs. In your answer, describe how banks mediate between depositors and borrowers and how the difference between interest rates contributes to bank income.

Answer

1. Basis of funds — Depositors: have surplus funds; borrowers: are in need of these funds. Banks mediate between them by linking depositors' funds with borrowers' needs.
2. Use of deposits — Depositors: place money with banks; borrowers: receive loans from the major portion of deposits. Banks keep only a small proportion as cash and use the major portion to extend loans.
3. Purpose of lending — Depositors: make their funds available through bank deposits; borrowers: use loans for various economic activities. Lending by banks meets the borrowers' loan requirements.
4. Interest — Depositors: receive interest on deposits; borrowers: pay a higher interest rate on loans. The difference between interest charged from borrowers and interest paid to depositors is banks' main source of income.

Q6. 1 mark · Multiple choice

Who founded Grameen Bank and received the 2006 Nobel Prize for Peace? (A) Amartya Sen (B) Muhammad Yunus (C) Rabindranath Tagore (D) Mahatma Gandhi

Full answer on SmartKalike: https://smartkalike.com/cbse/class-10/social-science/money-and-credit

Q7. 2 marks · Short answer

Why should affordable formal credit be expanded, particularly in rural areas?

Full answer on SmartKalike: https://smartkalike.com/cbse/class-10/social-science/money-and-credit

Q8. 3 marks · Medium answer

Explain what credit is and identify the roles of the lender and borrower in a credit agreement.

Full answer on SmartKalike: https://smartkalike.com/cbse/class-10/social-science/money-and-credit

Q9. 5 marks · Long answer

Compare the outcomes of credit for Salim and Swapna. Explain why credit increased Salim’s earnings but pushed Swapna into a debt trap, and how risks and support affect whether credit helps or harms a borrower.

Full answer on SmartKalike: https://smartkalike.com/cbse/class-10/social-science/money-and-credit

Q10. 1 mark · Multiple choice

Credit is an agreement in which a lender supplies money, goods or services in return for:
(A) immediate ownership of the borrower’s assets
(B) a promise of future payment
(C) a payment of interest by the lender
(D) a guarantee that the borrower will make a profit

Full answer on SmartKalike: https://smartkalike.com/cbse/class-10/social-science/money-and-credit

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