

National Institute of Open Schooling
Secondary- Economics(214)
Lesson 15: Banking and Credit
Worksheet - 15

1. Banking system in the modern economy contributes towards regulating two functions i.e. store of value and future payments of money. How?
2. Banking sector has provided security to deposit and withdrawal behaviour of money by common people. Discuss.
3. Make a visit to the bank nearby and learn the process of opening an account in the bank. Summarise the process.
4. Advancing loans is one of the most important functions of a bank. How is it helpful for small businessmen to set up their business?
5. "How does the Bank guarantee the security to preserve valuable materials of depositors?" Explain the process.
6. "Cash reserve ratio is a percentage of total deposit kept by a commercial bank to meet the short term funding and extend the credit creation process". In the light of the statement, explain the credit creation process, if a bank receives a deposit of Rs. 1000.
7. Co-operative banking system has revolutionized the agricultural sector by facilitating agricultural credit policy to produce more agricultural products over the period of time. How?
8. "RBI plays an indispensable role in regulating the economy of a country". In the light of the statement, list out various functions of RBI.
9. Plan a visit to a bank in your locality and enquire about various functions of a commercial bank. Make a brief description of the functions of the bank.
10. How does a development bank contribute towards industrialization in the economic development of a country?