**Finova Finance Task2  
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**Week 2 Report: Basics of Banking**  
There are different types of Accounts a person can store their money in, based on their use case.  
Banks generate money by charging more interest to its lenders, than the interest they provide to those who deposit their money.  
Also learnt about stricter and tighter rules and regulations post 2008 financial crisis which exposed a ton of flaws within the system.   
  
Transactions are what create the market, by connecting lenders with borrowers. Spending beyond one’s income is what boosts the economy but can lead to consequences like debt.   
  
RBI is responsible for safeguarding the economy of India and ensures financial stability. Banks operate by lending out a portion of their deposits while keeping some in reserve.   
  
UBI demonstrates that poverty can be reduced and improve economic stability, which I felt is something along the lines of communism. It encourages productivity and entrepreneurship. Its demerits, as explained in the video include the fact that some policies lead to a barrier, constricting those trapped within as they cannot generate more income for them. Inflation is also an issue.