

2019

1. Explain the meaning of 'Currency'. 1M

OR

Explain the reason for the necessity of supervision by the Reserve Bank of India of formal sources of loans.

14. Explain any three reasons for the banks and cooperative societies to increase their lending facilities in rural areas. 3M

ANSWERS:

1. Any form of money that is approved by the government and used by the public for trading is known as currency. It can be soft money in the form of rupees or hard money in the form of coins. Every country has its own currency. For example, currency of India is Rupees

OR

The RBI monitors that the banks actually maintain the cash balance. The RBI sees the the banks give loans not just to profit making business and traders but also to small cultivators, small-scale industries, small borrowers, etc. Periodically, banks have to submit information to the RBI on how much they are lending, to whom, at what interest rate, etc.

17. The strengths and limitations of local self-government in a democracy are:

STRENGTHS:

- i). The Panchayat Raj system ensures greater participation of people in rural development programs.
- ii). Panchayats function as institutions of self-governance and it settles disputes between villages and individuals and this power has been decentralised by the Government of India to function at the village level.
- iii). Gram Panchayat is responsible for the construction and maintenance of water sources, roads, drainages, and other common property resources.

LIMITATIONS:

- i). There is no proper distribution of power. the question on what basis the work is assigned, who is eligible, and the qualifications required are not answered.
- ii). Insufficient funds this problem hinders the actual purpose of self-government due to limited financial powers.
- iii). These are a few of the limitations of local-self government. Indirect election to the Panchayati Raj allows for corrupt practices.

2018

7. Give any two examples of informal sectors of credit. (3M)

17. Why is cheap and affordable credit important for the country's development ? Explain any three reasons. (3M)