

Answer 1.:

1. **Investment in Cash Deposits:** The rules for investment in cash deposits are outlined in the document under the section "Investment in Cash Deposits." These rules are designed to ensure that the investment in cash deposits is secure, liquid, and provides a stable return.
2. **Security:** The security of the investment is paramount. Cash deposits are considered to be among the safest investments because they are backed by the full faith and credit of the issuing bank. This means that the bank guarantees the return of the principal amount of the deposit, along with the interest earned, up to a certain limit.
3. **Liquidity:** Liquidity is another important consideration. Cash deposits are highly liquid, meaning they can be easily converted into cash without significant loss in value. This makes them an attractive investment for those who need quick access to their funds.
4. **Stable Return:** Cash deposits provide a stable return. The interest rate on a cash deposit is typically fixed for the term of the deposit. This means that the investor knows exactly what return they will receive over the term of the deposit.
5. **Term:** The term of a cash deposit can vary from short-term (as short as a few days) to long-term (up to several years). The term chosen depends on the investor's needs and risk tolerance.
6. **Interest Rates:** The interest rate on a cash deposit is determined by the market conditions and the creditworthiness of the issuing bank. Generally, longer-term deposits offer higher interest rates than shorter-term deposits.
7. **Risk:** While cash deposits are considered safe, they do carry some risk. The most significant risk is the risk of inflation. If the rate of inflation is higher than the interest rate on



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