

National Institute of Open Schooling
Senior Secondary- Economics(318)
Lesson 28: Money and Banking
Worksheet- 28

1. “Before the introduction of money as a medium of exchange, people had many problems in exchanging goods for goods with a view to meet their needs and requirements.” In the light of the statement discuss the problems of barter system.
2. “The drawbacks of barter system has provided a basis for convenient way of transaction of goods and services with the introduction of money.” To support the statement, explain primary and secondary functions of money in the modern era of the economy.
3. “Money being medium of exchange provides basis for circular flow of income as an unending process of the economy and maintaining liquidity the economic system”. Support the statement on the basis of functions of money.
4. In the digital era of economy it is required to do transaction through electronic device. For this purpose you are willing to open a bank account in commercial bank in your nearby locality. Make a visit to bank and collect information regarding the process of opening an account. Explain the process.
5. The process of money supply is regulated by RBI in India. Discuss the various components two measures money supply in India.
6. “Higher LRR creates less amount of money and lower LRR creates more amount of money in the economy”. Justify the statement with suitable illustration.
7. Central Bank of India plays an important role to control the inflationary situation of the economy. In the light of statement explain the role of various instrument like bank rate, open market operations, cash reserve ratio and margin requirements of credit to control the situation by credit control policy measures.
8. “Acceptance of deposit is the most important function of Commercial Bank”. List out the types of deposit or accounts operated under this function.
9. “Central Bank holds a very important role to control the entire banking sector of the country”. In the light of the statement, discuss four functions of Reserve Bank of India.
10. In spite of the function of acceptance of deposits and extending loans, commercial bank performs some other functions with a view of providing facilities to common people of the country. Explain.