

Div – XII Com.
Sub: Eco.

Weekly Test
Ch. :- 13 & 14

Marks - 30
Date :-

Q. 1 A) Fill in the blank. (02)

- 1) To increase credit creation central bank ----- the debentures.
- 2) Currency rate of India to other currency means -----.

Q. 1 B) Match the following. (02)

“A” Group

“B” Group

- | | |
|--------------------|--|
| 1) Commercial Bank | 1) Credit Creation |
| 2) Accept Deposits | 2) Saving for a definite future plan |
| | 3) Highest rate of interest |
| | 4) Primary function of commercial bank |

Q. 1 C) True or False. (02)

- 1) Commercial banks are non-profit making organization.
- 2) Central bank works as a bank of people.

Q. 2 A) Define / Explain. (Any 2) (04)

- 1) Commercial Bank
- 2) Central Bank
- 3) Bank rate

Q. 2 B) True or False with reasons. (Any 2) (04)

- 1) There are no restrictions on credit creation by commercial bank.
- 2) Bank rate is fixed by commercial bank.
- 3) RBI has complete monopoly of note issue.

Q. 3 A) Distinguish Between. (Any 2) (04)

- 1) Saving Account & Fixed deposit Account
- 2) Quantitative measures & Qualitative measure
- 3) Central Bank & Commercial Bank

Q. 3 B) Give reason (any 2) (04)

- 1) Recurring deposit encourages habit of small saving.
- 2) Clearing house function reduces use of cash.
- 3) Current account are suitable for businessman.

Q. 4 A) Explain the procedure of credit creation? (08)

OR

What are the methods of credit control?