

CBSE CLASS X
Social Science (087)

QUESTION PAPER
AI-generated question paper

Code: HMJGC5

Questions: 20

Maximum Marks: 38

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SELECTIONS USED

Subject	Social Science
Lessons	3 Money and Credit
Level of understanding	Initial understanding
Question selection	Curated chapter coverage (~3 questions per section)
Model	claude-sonnet-4-6

Composition — Difficulty: 8 straightforward · 12 medium | Types: 10 Short · 6 Very short · 4 MCQ

Q1. straightforward initial-understanding § NOTES FOR THE TEACHER [1]

What constitutes the stock of money held by the public in an economy?

◆ Money and Credit

Q2. medium initial-understanding § NOTES FOR THE TEACHER [2]

What is demonetisation? State one reason why the Indian government encouraged digital transactions following the demonetisation of 2016.

◆ Money and Credit

Q3. medium initial-understanding § MONEY AS A MEDIUM OF EXCHANGE [3]

What is 'double coincidence of wants', and why is it a problem in a barter system but not in a money-based economy?

◆ Money and Credit

Q4. straightforward initial-understanding § MODERN FORMS OF MONEY [1]

Why is modern currency — paper notes and coins — accepted as a medium of exchange even though it is not made of precious metals and has no use of its own?

◆ Money and Credit

Q5. medium initial-understanding § MODERN FORMS OF MONEY [3]

What are demand deposits? Why are they considered equivalent to currency as a medium of exchange?

◆ Money and Credit

Q6. medium initial-understanding § MODERN FORMS OF MONEY [1]

A shoe manufacturer needs to pay his leather supplier but does not want to use cash. He writes a cheque instead. Which of the following correctly describes what happens next?

(A) The cheque amount is immediately withdrawn as cash from the shoe manufacturer's account and handed to the leather supplier.

(B) The leather supplier deposits the cheque in his own bank account, and the amount is transferred from the shoe manufacturer's account to the leather supplier's account.

(C) The cheque is first verified by the Reserve Bank of India before any transfer between the two accounts takes place.

(D) The shoe manufacturer's bank directly credits the leather supplier's account only if both hold accounts in the same bank.

A The bank gives the leather supplier cash equal to the cheque amount immediately from its vault.

B The leather supplier deposits the cheque in his own bank account, and the amount is transferred from the shoe manufacturer's account to the leather supplier's account.

C The cheque is sent to the Reserve Bank of India, which then prints new currency and hands it to the leather supplier.

D The shoe manufacturer's account is frozen until the leather supplier presents the cheque in person at the shoe manufacturer's bank.

◆ Money and Credit

Q7. straightforward initial-understanding § LOAN ACTIVITIES OF BANKS [1]

Banks do not keep all the deposits they receive as cash. Why are they still able to meet the withdrawal demands of their depositors on any given day?

◆ Money and Credit

Q8. straightforward initial-understanding § TWO DIFFERENT CREDIT SITUATIONS [1]

What is a 'debt trap'?

◆ Money and Credit

Q9. straightforward initial-understanding § TWO DIFFERENT CREDIT SITUATIONS [1]

Why do farmers need to take loans at the beginning of the crop season?

◆ Money and Credit

Q10. medium initial-understanding § TERMS OF CREDIT [3]

What is collateral, and why do lenders require it when giving a loan?

◆ Money and Credit

Q11. straightforward initial-understanding § Variety of Credit Arrangements [1]

What is the main reason most farmers and labourers in a village cannot access bank loans for cultivation?

◆ Money and Credit

Q12. medium initial-understanding § Variety of Credit Arrangements [3]

How do cooperative societies help farmers and rural households meet their credit needs?

◆ Money and Credit

Q13. medium initial-understanding § Variety of Credit Arrangements [1]

A farm labourer borrows repeatedly from her employer-landlord to cover daily expenses and repays by working for him. Which of the following best explains why this arrangement traps her in a cycle of debt?

- (A) She prefers to borrow from the landlord rather than from a cooperative society.
- (B) The high interest rate means each new loan is taken before the previous one is fully repaid, so the debt keeps growing.
- (C) She spends her earnings on things she does not need instead of repaying the loan.
- (D) The bank refuses to lend money to farm labourers.

A The landlord refuses to let her work on other farms, leaving her with no income.

B The high interest rate means each new loan is taken before the previous one is fully repaid, so the debt keeps growing.

C She spends her earnings on things she does not need instead of repaying the loan.

D The cooperative society has refused to admit her as a member.

◆ Money and Credit

Q14. straightforward initial-understanding § FORMAL SECTOR CREDIT IN INDIA [1]

Which of the following is an informal source of credit?

- (A) Commercial bank
- (B) Cooperative society
- (C) Moneylender
- (D) Reserve Bank of India

A Commercial bank

B Cooperative society

C Moneylender

D Reserve Bank of India

◆ Money and Credit

Q15. medium initial-understanding § FORMAL SECTOR CREDIT IN INDIA [3]

Poor rural households depend far more on informal credit than rich households do. Why does this gap exist?

◆ Money and Credit

Q16. medium initial-understanding § SELF-HELP GROUPS FOR THE POOR [3]

Why are the rural poor, especially women, often unable to obtain loans directly from formal sources of credit? How do Self Help Groups (SHGs) address this problem?

◆ Money and Credit

Q17. straightforward initial-understanding § SELF-HELP GROUPS FOR THE POOR [1]

In a Self Help Group, who makes the key decisions about loans – the bank, an NGO, or the group members themselves?

A The bank that sanctions the loan

B The group members themselves

C A government-appointed NGO

D The local moneylender

◆ Money and Credit

Q18. medium initial-understanding § SELF-HELP GROUPS FOR THE POOR [2]

Apart from providing credit, mention any two other benefits that Self Help Groups offer to their members.

◆ Money and Credit

Q19. medium initial-understanding § SUMMING UP [3]

Why is formal sector credit considered more beneficial for borrowers compared to informal sector credit in India?

◆ Money and Credit

Q20. medium initial-understanding § ADDITIONAL PROJECT / ACTIVITY [3]

Ramesh works as a daily-wage labourer on construction sites, while his neighbour Suresh is a salaried government employee. When both approach a bank for a loan, only Suresh's application is approved. Give one reason why Ramesh might have been denied a bank loan and state which source of credit he is likely to turn to instead.

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