

## Unit 1 - Money, Savings and Investments

Class: VIII

Subject: Social Science

### I. Choose the correct answer

1. Which metals were used for metallic money?

- a) gold      b) silver      c) bronze      **d) all the above**

2. Who designed the symbol (₹) of Indian rupee?

- a) Udayakumar**      b) Amartya Sen  
c) Abijith Banerjee      d) None of these

3. The value of money is

- a) Internal value of money      b) External value of money  
**c) Both a & b**      d) None of these

4. Which is the Bank Money?

- a) Cheque**      b) Draft  
c) Credit and Debit cards      d) All the above

5. Pick out the incorrect one: Investment can be made in different vehicle.

- a) Stock      b) Bonds      c) Mutual fund      **d) Pay tax**

6. Among the following who are responsible for Black Money?

- a) Tax evaders      b) Hoarders      c) Smugglers      **d) All of the above**

### II Fill in the blanks

1. Online Banking is also known as Not banking.

2. Money is what money does.

3. Electronic banking is also known as National Electronic Funds transfer.

4. Credit cards and Debit cards are Bank Money.

5. In the 1935 year Reserve Bank of India was established.

### III Match the following

- |                     |   |                              |     |
|---------------------|---|------------------------------|-----|
| 1. Barter system    | - | Tax evaders                  | [5] |
| 2. Reserve Bank act | - | Electronic Money             | [3] |
| 3. E- Money         | - | Consumer's disposable income | [4] |
| 4. Savings          | - | Exchanged goods for goods    | [1] |
| 5. Black money      | - | 1935                         | [2] |

### IV Write the one word answer

1. The word Money is derived from? Montejuno

2. Who Prints and issues paper currencies in India?

Reserve bank of India

### VI Find out the odd one

1. Recent forms of money transactions are

- |                |                         |
|----------------|-------------------------|
| a) Credit card | b) <b>Barter system</b> |
| c) Debit card  | d) Online banking       |

2. Effects of black money on economy is

- |                                    |                                |
|------------------------------------|--------------------------------|
| a) Dual economy                    | b) Undermining equity          |
| c) <b>No effects on production</b> | d) lavish consumption spending |

## **VII Write short answer**

### **1. What is the Barter System?**

Barter system is exchanging goods for goods without the use of money in the primitive stage.

### **2. What are the recent forms of money?**

The latest type of money is **Plastic Money**

### **3. Short note on E-Banking and E-Money.**

Electronic Money is money which exists in banking computer systems and is available for transactions through electronic system.

### **4. What are the essential of Money in your life?**

Money is used as the source to fulfill basics needs as well as comforts in life. it gets people accommodation ,cloths, food and other things which add to luxury in life it is an important source to live a healthy life too.

### **5. What is the Value of Money?**

1. Internal value of money
2. External value of money

### **6. What is Savings and Investment?**

<b>SAVINGS</b>	<b>INVESTMENT</b>
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Savings represent that part of the person's income which is not used for consumption

Investment refers to the process of investing funds in capital asset, with a view to generate returns

## **7. What is meant by Black Money?**

Black Money is a form of unaccountable Money

## **8. What are the effects of black money on economy?**

- Tax evasion, thereby loss of revenue to government.
- Undermining equity

## **VIII Write Brief answer**

### **1. What are the disadvantages of barter system?**

- Barter system is exchanging goods for goods without the use of money in the primitive stage. A barter system is an old method of exchange. This system has been used for centuries and long before money was invented.
- People exchanged services and goods for other services and goods in return. The value of bartering items can be negotiated with the other party. Bartering doesn't involve money which is one of the advantages.

## **2. Write about the evolution of Money.**

### **Commodity Money**

In the earliest period of human civilization, any commodity that was generally demanded and chosen by common consent was used as money.

### **Metallic Money**

With progress of human civilization, commodity money changed into metallic money. Metals like gold, silver, copper, etc.

### **Paper Money**

It was found inconvenient as well as dangerous to carry gold and silver coins from place to place. So, invention of paper money marked a very important stage in the development of money. Credit

### **Money or Bank Money**

People keep a part of their cash as deposits with banks, which they can withdraw at their convenience through cheques.

## **3. What are the functions of Money? And explain it.**

Primary or main functions and secondary function.

The important functions of money performed in every economy are classified under main functions:-

### **i) Medium of exchange or means of payment**

Money is used to buy the goods and services.

## ii) Measure of value

The values of all the goods and services are expressed in terms of money.

## Secondary functions

The three important secondary functions are

### i) Standard of deferred payment

A borrower borrowing money today places himself under an obligation to pay a specified sum of money on some specified future date.

### ii) Store of value or store of purchasing power

The introduction of money has helped to save it for future as it is not perishable.

### iii) Transfer of value or transfer of purchasing power

It was therefore felt necessary to transfer purchasing power from one place to another.

## Contingent functions

1. Basis of credit
2. Increase productivity of capital
3. Measurement and Distribution of National Income

## 4. Explain the types of bank Deposits.

### 1. Student Savings Account

Some banks offer saving accounts specifically for young people enrolled in high schools or colleges. The main features of these account is to maintain zero Balance.

### 2. Current Account Deposit

Current accounts are generally opened by business firms, traders and public authorities. The current accounts help in frequent banking transactions as they are repayable on demand.

### 3.Fixed Deposits

Fixed deposits accounts are meant for investors who want their principle to be safe and yield them fixed yields. The fixed deposits are also called as Term deposit as, normally, they are fixed for specified period.

## 5. What are the difference between savings and investment?

Savings	Investment
Savings represent that part of the person's income which is not used for consumption	Investment refers to the process of investing funds in capital asset, with a view to generate returns
Savings are made to fulfill short term or urgent requirements	Investment is made to provide returns and help in capital formation

Low or negligible	Very high
No or Less	Comparatively high
Highly liquid	Less liquid

## **6. What are the effects of black money on economy?**

1. Dual economy (Dual economy in terms of developed sector on one side under Developed sector on the other side.)
2. Tax evasion, thereby loss of revenue to government.
3. Undermining equity
4. Widening gap between the rich and poor
5. Lavish consumption spending
6. Distortion of production pattern
7. Distribution of scarce resource
8. Effects on production.