

BCM School, Basant Avenue, Dugri Road, Ludhiana

Class – XII

Subject – Economics

Answer Key of Assignment1

Ans. 1) Bank Rate, Repo Rate, Reverse Repo Rate, CRR, SLR, OMO (Any two)

Ans.2) Demand Deposits are chequeable deposits which can be withdrawn on demand as and when needed. It includes Saving Account Deposits and Current Account Deposits.

Ans. 3) (a) Short Term borrowings by commercial banks.

Ans. 4) Governor of RBI

Ans. 5) (a) **Government's Bank**

- As a banker
- As an agent
- As a financial advisor

(b) **Banker's Bank**

- As a banker
- As a supervisor
- Lender of last resort
- Custodian of Cash Reserves
- Clearing House Function

Ans. 6) During Inflation, RBI soaks the money supply.

During deflation, RBI releases the money supply.

(Detailed Explanation)

Ans. 7) Total deposits will be ₹ 5,000.

- Table
- Explanation