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Important Questions 2010
Class-XII (Economics)

Q. 1. What is barter system? What are the drawbacks of barter system? How does the use of money overcome the drawbacks of barter system?

Q. 2. What are the functions of money?

Q. 3. Define –M1 ,M2 ,M3 ,M4, High powered money.

Q. 4. What are the functions of commercial banks ?

Q. 5. How do commercial banks create credit?

Q. 6. Define a central Bank?

Q. 7. What are the functions of Central Bank?

OR,

Explain any one of the following functions of a central Bank-i)currency authority, and ii)Lender of last resort.

Q. 8. How does the Central Bank perform the function of controller of credit?

OR,

State briefly the various instruments of monetary policy.