

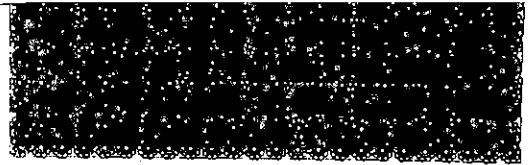
### **Financial Literacy marks distribution STD-IX (First Term)**

<b>Sr. No.</b>	<b>Topic</b>	<b>Marks</b>
<b>1.</b>	<b>Part I: RBI [Central Bank]</b>	<b>2</b>
	<b>Part II: Budgeting</b>	<b>3</b>
<b>2.</b>	<b>Part I: Banks and Loans</b>	<b>2</b>
	<b>Part II: Inflation</b>	<b>1</b>
<b>3.</b>	<b>Insurance Terminology</b>	<b>1</b>
<b>4.</b>	<b>Introduction: Risk and Insurance</b>	<b>1</b>

**Study material attached:**



RBI, apex bank of India.



Hollow craft sticker

# RBI: Central Bank

## Meaning:

- The Reserve Bank of India (RBI) is the central bank i.e. the apex institution of monetary and banking system of our country. It was established on 1st April 1935 during the British Raj in accordance with the provision of the Reserve Bank of India Act, 1934. Initially it was constituted as a private shareholders' bank. It was **nationalized** on 1st January, 1949 and is fully owned by the Government of India.
- The general direction and superintendence of the RBI is entrusted with the Central Board of Directors headed by the **Governor** of the RBI. The Central Board is supported by four local boards at Delhi, Kolkata, Chennai and Mumbai.
- The Preamble of the RBI describes its basic functions i.e. to **regulate** the issue of bank notes, keep reserves to secure **monetary stability** in India and operate the **currency and credit system** in the best interests of the country.

## Functions of RBI



Who issues currency?

The main functions of the RBI are given below

- Issue of Currency:** The RBI is the sole authority for **issuing currency** in India except one rupee notes and coins. RBI issues new currency and also destroys old currency which is not fit for circulation. Every banknote issued by Reserve Bank of India (`10, `20, `50, `100, `500 and `1000) shall be legal tender at any place in India. At present, there is no printing of `2 and `5 denominations note due to coinisation. However, recently Central Government has printed `1 notes. Notes of the denomination `1, `2 and `5 issued earlier which are still in circulation continue to be legal tender throughout the country and are acceptable for transactions. No one can refuse to accept these notes throughout the country. Since the coins are issued by Government they constitute the liabilities of the Government, one rupee note is also liability of the Government of India. Reserve Bank of India decided to **withdraw** from circulation all banknotes issued prior to 2005 as they have fewer security features as compared to banknotes printed after 2005. It is a standard international practice to withdraw old series notes.
- Banker to Government:** Like individuals, businesses and banks, governments need a banker to carry out their **financial transactions** in an efficient and effective manner, including the raising of resources from the public. Reserve Bank of India is the banker to the central government and also acts as the banker to those state governments that have entered into an agreement with it. The Reserve Bank maintains its accounts, receives money into and makes payments out of these accounts and facilitates the transfer of

government funds. The Government keeps its cash balances in the current account with the RBI. The RBI is also charged with the responsibility of managing the public debt. As debt manager, it manages the government's domestic debt with the objective of raising the required amount of public debt in a cost-effective and timely manner.

- c) **Banker to Banks:** Similar to individual consumers, banks also need their own mechanism to transfer funds and **settle inter-bank transactions** - such as borrowing from and lending to other banks. As the banker to banks, the Reserve Bank fulfills this role. All banks operating in the country have accounts with the RBI. As the banker to banks, RBI focuses on:
- Clearing and settlement of **inter-bank obligations**.
  - Providing an efficient means of **funds transfer** for banks.
  - Maintaining **banks accounts** for the purpose of statutory reserve requirements.
  - Acting as **lender of the last resort**.
- d) **Controller of Credit and money supply:** An important function of RBI is to control the total supply of money and bank credit in the economic interest of the country. RBI formulates **monetary policy** for the afore-said purposes. The main objectives of monetary policy of RBI are:
- Maintaining **price stability**.
  - Ensuring adequate **flow of credit** to the productive sectors of the economy to support economic growth.
  - **Financial stability**.
  - The RBI controls credit and money supply through its **monetary policy**.

RBI uses several direct and indirect instruments in the formulation and implementation of monetary policy.

Who regulates all other banks in our country?

- e) **Regulator and Supervisor of the Banks:** As the regulator and supervisor of the banking system, the Reserve Bank **protects the interests** of depositors, ensures a framework for **orderly development** and conduct of banking operations conducive to customer interests and maintains overall **financial stability** through preventive and corrective measures.
- f) **Custodian of Foreign Exchange:** The Reserve Bank plays a key role in the regulation and development of the foreign exchange market by **regulating transactions** related to the external sector and facilitating the development of the foreign exchange market, ensuring smooth conduct and orderly conditions in the **domestic foreign exchange market**, managing the foreign currency assets and gold reserves of the country.
- g) **Regulator of Payment and Settlement System:** In this role, RBI focus on the development and functioning of safe, secure and efficient **payment and settlement** mechanisms.
- h) **Maintains financial stability:** RBI does this by continuous monitoring of the financial system
- i) **Developmental Role:** In this role, RBI ensures **credit availability** to the productive sectors of the economy, establishes institutions designed to build the country's financial infrastructure, expands access to affordable financial services and promotes financial education and literacy.





## Case Study

Suppose Ram deposits ₹ 1000 with a bank. The bank keeps 20% of ₹ 1000 with itself as cash for meeting the withdrawal requirements of its customers and lends the remaining to Sohan. Now, Sohan deposits this amount in his bank. Sohan's bank also keeps 20% of its and advances the remaining to Mohan. How much money is created in this process of far?

Now again, suppose, the Central Bank asks commercial banks to keep 25% instead of 20% with themselves in the above example. How much funds will be created for similar transactions in the new reserve requirements? Comparing two situations, where is the creation of more money?

## Exercise



Sculpture of Yakshini in front of RBI regional office in Delhi depicting "Prosperity through Agriculture".

1. Who controls and supervise foreign exchange?

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2. Explain the structure of RBI?

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3. What do we find on the seal of RBI?

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4. Which agency issues one rupee notes and small coins in India?

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5. Explain the Minimum Reserve System.

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6. How does RBI act as Banker's Bank?

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7. RBI restricts money supply due to inflationary pressure. How will RBI use its following instruments:

i) Open Market operation:

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ii) CRR:

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iii) SLR:

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iv) Bank Rate:

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8. What is the reserve requirement by RBI if out of the total deposits worth Rs. 100000, commercial banks lend ` 80000 to its customers?

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# Part II: Budgeting

## Preparation

A Sample Budget: Sumit Kumar, a full-time tour guide, has a monthly salary of ₹15,000. After he pays his taxes and health insurance, his net salary is ₹12,000. This is what Sumit's monthly budget looks like:

Expenses	Amount (Dr)	Income	Amount (Cr)
<b>Fixed Expenses</b>			
House Rent	2,500	Salary	12,000
Maintenance Bill	400	Interest on savings	200
Telephone bill	250	Gift received	500
Conveyance	500		
Insurance Premium	200		
<b>Variable Expenses</b>			
Food	4,500		
Medicines	400		
Entertainment	600		
Clothes	500		
Misc. Expenses	200		
<b>Savings</b>	2,650		
<b>Total</b>	12,700	<b>Total</b>	12,700

## Budgeting Your Financial Resources

Everyone needs a balance in every aspect of life, more so when it involves money. We all must spend wisely so that we never end up spending more than what we earn and also save a part of our earning for future. We must take our spending decisions very wisely, but it is not a very easy

task as sometimes the urge to spend overpowers us when we see something that we really like. In such a situation, we forget our income and our expenses exceed our earnings! So, to avoid such situations, we all must plan our budget, i.e. keep a track of our expenses and income for the entire month and at the end compare both to find whether our income exceeds our expenses or vice versa and take necessary measures, if the need be. Given below is a sample of monthly budget.

## Case Study

### Pihu's income and expenses:

Pihu works part-time at a greeting card company and net monthly income is ₹ 15000.

### Her Planned fixed monthly expenses include:

- ₹ 4500 for rent (she shares an apartment with two friends).
- ₹ 2000 for conveyance
- ₹ 1000 for mobile

### Her planned variable expenses include:

- ₹ 2500 for food
- ₹ 1500 for clothes
- ₹ 1000 for entertainment
- ₹ 500 for personal items
- ₹ 2000 for saving for higher studies

### Pihu's actual expenses include:

- ₹ 4500 for rent
- ₹ 1500 ↑ for conveyance
- ₹ 1250 ↑ for mobile
- ₹ 2750 for food
- ₹ 2000 ↓ for clothes
- ₹ 1000 for entertainment
- ₹ 1000 for personal item
- ₹ 1000 for saving for higher studies

1. What is the difference between Pihu's planned expenses and her actual expenses?

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2. In what areas did she overspend?

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3. In what areas did she spend less than she planned?

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Jumble  
Time

# jumble words

Jumbled Words	Clue	Solution
dugtBe	An estimate of income and expenditure for a set period of time.	
Chas eRveser itRoa	Commercial banks are required to keep certain percentage of total deposits in central bank as reserve	
yutroattS qidiyuLt atRio	Commercial banks are required to maintain some amount in the form of gold.	

- 1) RBI stands for \_\_\_\_\_.
- a) Reserve Bank of India      b) Rural Bank of India  
c) Regional Bank of India      d) Reverse Bank of India

Fun Time

- 2) RBI was established on \_\_\_\_\_.
- a) 1st April 1934      b) 1st April 1935  
c) 1st April 1936      d) 1st April 1933

- 3) RBI was nationalized on \_\_\_\_\_.
- a) 1st January 1949      b) 1st January 1948  
c) 1st January 1951      d) 1st January 1950

- 4) RBI is headed by \_\_\_\_\_.
- a) Government of India      b) President of India  
c) Governor of RBI      d) Prime Minister of India

- 5) Basic function of RBI is:
- a) issue of bank notes      b) make budget for the country  
c) issue debit and credit cards      d) monitoring all other banks of india

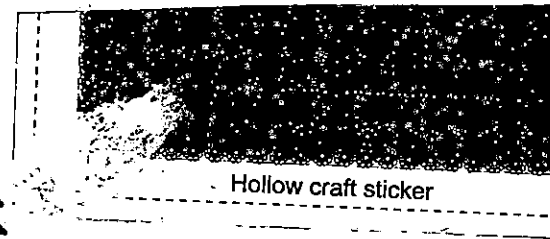
- 6) RBI controls credit and money supply through its \_\_\_\_\_.
- a) fiscal policy      b) banking policy  
c) monetary policy      d) public debt policy

RBI regulates  
all other Banks





Why chocolate costs high?  
My notebook price has gone up. Why?



# Part-I: Banks and Loans

## Types of Loans

Loan is a certain **amount of money** which a borrower takes from the lender with the promise of **returning** it back within a **fixed period** of time. A certain amount of **interest rate** is fixed by the banks for different types of loans as applied by the borrower. The borrower pays back the interest and the money in installments according to the agreement between the two.

The common loan types available in India:

### Home loan



Everyone dreams of having their own home. But buying a home requires a large amount of money at once which many people can't afford. To fill this gap banks provide home loans.

### Personal Loan

Personal loans are meant to meet the personal needs of an individual. People can use this money for anything they want. They can use this money for going on a holiday with family. The rate of interest of this type of loan is comparatively higher.



### Vehicle loan

Vehicle loans or car loans fulfill your dream of having a car or a bike. This is a secured loan hence if the installments are not paid on time the lender has the right to take back the vehicle.

### Education Loan

Banks also provide education loans to students who want to pursue higher studies. Once the student completes his/ her course and starts earning, they themselves can pay back the loan.

### Gold Loan

Gold loans can be availed from banks and other financial institutions in exchange for keeping physical gold as security. It is considered to be one of the easiest loans to procure since the loan is provided on the basis of the actual gold submitted by the borrower.

### Agricultural Loans

To cater to the needs of agricultural farmers banks offer various types of loans. Farmers can buy seeds, insecticides, tractors and other equipment needed for agriculture using the loan money and can pay back once their crops are harvested.

### Over Draft

Over draft is a type of loan where banks allow their customers to withdraw more money than they have in their account.

## Business Loans

This type of loan is provided to either existing business or those venturing into new business on the basis of borrower's credentials. To avail such loans the borrower needs to have a clear cut business plan to convince the banks.

## Process of applying for a loan

Taking a loan is not as complicated as most people think. The only thing which should be paid attention to is that genuine documents should be submitted to the bank on time. Different types of loans in India require different types of documents.

Few steps involved while applying for a loan are

### • Loan Application Form

An application form for loan is provided by the banks which should be filled correctly and the type of loan you need should be mentioned clearly.

### • Credit history check

Credit history check is done by the bank to know the credit worthiness of the borrower. CIBIL (Credit Information Bureau India Limited) collects and maintains the records of individual's payments pertaining to loans and credit cards.

### • Submission of Required Documents

The customers need to produce their identity proofs and other certificates to the bank so that they can trust you for providing loan. Hence, submission of the required documents is a very important procedure involved in the sanction of a loan.

### • Approval of Loan

Now, after reviewing all the submitted documents of the borrower, banks may approve or reject the loan application.

Fun Time

- 1) CIBIL stands for \_\_\_\_\_  
a) Current Information Bureau India Limited    b) Central Information Bureau India Limited  
c) Credit Information Bureau India Limited    d) Cooperation of Indian Banks Information
- 2) The loan which can be avail from Bank and other financial institutions in exchange for physical gold is \_\_\_\_\_  
a) Gold Loan    b) Education Loan  
c) Jeweller Loan    d) Home Loan
- 3) A type of loan where banks allow their customers to withdraw more money than they have in their account is \_\_\_\_\_  
a) Gold Loan    b) Education Loan  
c) Overdraft    d) Home Loan
- 4) Loan provided to students who wants to pursue higher studies is \_\_\_\_\_  
a) Gold Loan    b) Education Loan  
c) Jeweller Loan    d) Home Loan
- 5) Loan availed from bank for buying a house is \_\_\_\_\_  
a) Gold Loan    b) Education Loan  
c) Jeweller Loan    d) Home Loan
- 6) Loan meant to meet personal needs is \_\_\_\_\_  
a) Gold Loan    b) Education Loan  
c) Personal Loan    d) Home Loan
- 7) Loans that fulfill your dream of having a car or a bike or any other vehicle is \_\_\_\_\_  
a) Gold Loan    b) Education Loan  
c) Vehicle Loan    d) Home Loan



# Part II: Inflation

## Inflation – Its Causes and Effects

### What is inflation?

You may have heard your grand parents saying how things were different when they were of your age. It only cost a rupee to watch a movie. In all these years prices have risen. That is inflation.

Inflation is a persistent **rise in general prices** of goods and services in an economy.

### How is inflation measured?

Mathematically, Inflation is nothing but rate of increase in price. Inflation is measured by calculating the increase in rate of a price index i.e. Wholesale Price Index (WPI) and Consumer Price Index (CPI). WPI is the price of a representative basket of wholesale goods. CPI measures changes in the price level of a market basket of consumer goods and services purchased by households. The WPI is used extensively as a measure of inflation in India.

### What are the types of inflation?

#### ▪ Demand Pull Inflation:

It arises when aggregate demand in an economy outpaces aggregate supply. When there is **excess demand** in the economy, producers are able to raise prices and achieve bigger profit margins because they know that demand is running ahead of supply

#### ▪ Cost Push Inflation:

Cost-push inflation occurs because of rise in input prices i.e. **rising costs**. The producers increase their prices to protect profit margins.

#### ▪ Supply Shock:

It is a type of **cost-push inflation**. The basic concept of supply-shock inflation relates to a considerable increase in the cost of goods and services that are considered to be essential and somewhat difficult to substitute. Often, supply-shock inflation involves a trickledown effect that will cause changes in many sectors of the marketplace.

### What is the cure for inflation?

The Inflation can be controlled by better demand as well supply side measures.

Wholesale Price Index (WPI)	Consumer Price Index (CIP)
<ul style="list-style-type: none"><li>▪ Index of prices prevailing in the whole-sale market.</li><li>▪ Covers a fixed basket of goods comprising primary articles, minerals, fuel prices, machinery etc.</li><li>▪ Measured weekly in India;</li></ul>	<ul style="list-style-type: none"><li>▪ Index of prices prevailing in the retail market.</li><li>▪ Index presenting the basket of essential commodities purchases by the households – food, fuel, lighting, housing, clothing etc.</li><li>▪ Measured monthly in India.</li><li>▪ CPI is measured separately for 3 groups in India – Urban Non Manual Employees, Industrial Workers, Agricultural Labour.</li></ul>

### Exercise

Use the given words/phrases to fill in the blanks:

- 1) Inflation is described as a general increase in \_\_\_\_\_.
- 2) The government measures inflation by looking at price changes of a \_\_\_\_\_.
- 3) Inflation reduces the \_\_\_\_\_ of money over time.
- 4) Fall in production causes fall in supplies and therefore \_\_\_\_\_ in prices.
- 5) Cost push inflation occurs due to rise in \_\_\_\_\_ prices.

Basket of goods	Rise	Purchasing Power
Price levels	Input	



Jumble Time

## Jumble words

Jumbled Words	Clue	Solution
aonL	Amount given by the banks to the borrower against the rate of interest.	
oimcEcn tvAciyt	Any activity which helps in earning money.	
Bsnak	Financial organizations where funds are mobilized.	
terllalaoC	Security, which the banks keep against lending of loans.	
vgsinSa	Amount of money which is not spent.	
anillofnt	persistent rise in the price of goods and services over a period of time.	
tosC hPus ialnlfnt	Increase in price because of increase in price of raw material	
ndDmae luPI Itlanfion	Increase in price because of increase in demand of goods.	
eDoalnfnt	A general decrease in prices over a period of time.	

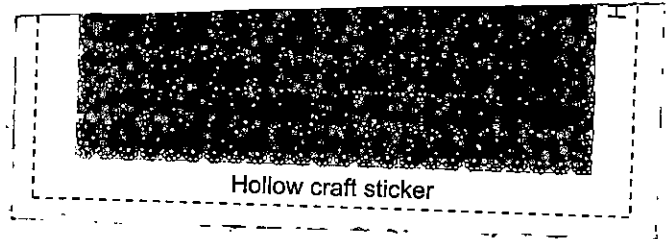
- 1) Inflation is persistent rise in general \_\_\_\_\_ of goods and services.
  - a) price
  - b) demand
  - c) supply
  - d) production
- 2) Demand pull inflation arises when \_\_\_\_\_.
  - a) Aggregate Demand > Aggregate Supply
  - b) Demand > Supply
  - c) Aggregate Demand < Aggregate Supply
  - d) Demand < Aggregate
- 3) Cost-pull inflation arises due to \_\_\_\_\_.
  - a) rise in final goods prices
  - b) rise in labour wages
  - c) rise in input prices
  - d) decrease in input price

Fun Time





Let us get ourselves insured.



# Insurance Terminology Scramble

## Worksheet - 1

Write the words which are described by the following statements in the spaces provided. (You can choose the words from the box below the quiz!).

- 1) Amount paid out of pocket by policy holder for the initial portion of a loss before the insurance company pays. \_\_\_\_\_
- 2) Protection for a dwelling against perils like fire and lightning. \_\_\_\_\_
- 3) Accident theft, damage, destroyed, unexpected. \_\_\_\_\_
- 4) Fee paid to the insurer to be covered under the specified terms. \_\_\_\_\_
- 5) Many high school students are covered under their parents for this type of insurance. \_\_\_\_\_
- 6) Consumer who purchases a policy. \_\_\_\_\_
- 7) People must have this type of insurance to drive their vehicle. \_\_\_\_\_
- 8) Contract between the individual and an insurer specifying the terms of the insurance. \_\_\_\_\_
- 9) Title of people receiving money from a life insurance policy after the insured person dies. \_\_\_\_\_
- 10) Arrangement between an individual and an insurer for protection against risk. \_\_\_\_\_
- 11) Insurance which helps to provide income during an illness or injury. \_\_\_\_\_



Risk, Insurance, Policy, Premium, Deductible, Policy holder, Automobile, Health, Life, Contract, Beneficiary, Disability, Homeowners, Renters, Peril, Income Protection Insurance.

## Worksheet - 2

### Say 'Yes' or 'No'

- 1) Auto insurance is required by law to drive an automobile. \_\_\_\_\_
- 2) Insurance plays a small role in most individual's financial plan. \_\_\_\_\_
- 3) Most individual or families can afford health care and medical expenses. \_\_\_\_\_
- 4) Life insurance is necessary for everyone. \_\_\_\_\_
- 5) Disability insurance is necessary only for people with disabilities. \_\_\_\_\_
- 6) When renting an apartment, the renter should purchase renter's insurance because the owner's insurance will not cover the renter's possessions. \_\_\_\_\_
- 7) Liability is the minimum amount of insurance required by law to be driving an automobile. \_\_\_\_\_
- 8) Insurance plays a large role in most individual's financial management plan. \_\_\_\_\_
- 9) Health care costs are extremely high and it can be hard for the average person to afford health care. Large medical expenses could wipe out an individual's savings. \_\_\_\_\_
- 10) Life insurance is necessary for only those individual's who have someone depending on them financially. \_\_\_\_\_
- 11) Disability insurance is necessary for anyone with a job. \_\_\_\_\_
- 12) The owner's insurance will cover the building's structure, but not the contents in a rented apartments. \_\_\_\_\_



Will you be getting your property insured?





What is risk?



Hollow craft sticker

## Introduction: Risk and Insurance

Risk is an inherent part of life. The term risk means the chance of **suffering loss** due to possibility of adverse events beyond control of man. The events that give rise to such risks are known as perils. Human lives, individual property, industries, infrastructure and other assets may be destroyed, lost or made non-functional due to sudden occurrence of floods, hurricanes, tornadoes, earthquakes and other **perils of nature**. There can also be loss of life and property due to **man-made perils** such as accidents, occurrence of fire, burglary etc. With the progress of civilization, the protection against the risks assumed various forms of social, economic and financial security. Man learnt mastery of risks as an integral part of the development process. People learnt to live against brutal forces of nature and thus evolved the concept of insurance as a part of risk management.

Insurance is a social device which combines the risks of individuals into a group, using funds contributed by members of the group to pay for losses." The essence of the Insurance scheme is that it is a

- 1) Social science;
- 2) Accumulation of funds;
- 3) It involves a group of risks;
- 4) Transfer of risk to the whole group.

Insurance as security is need of all human beings as man wants security. He is afraid of uncertainty, disability and death. Old age and death are certain for every human being while accident, illness, disability and destruction of assets may be random. The principal source of income of an individual comes from the compensation for work performed by him. If this source of income gets cut off then family will make social and economic adjustments like

- Children may have to go for work at the cost of education.
- Family members might have to accept charity from relatives, friends etc. at the cost of their independence and self-respect.
- Standard of living of the family might have to be reduced to a level below what is essential for health and happiness.

Insurance is an arrangement through which a person can plan for the continuation of income when certain events, e.g. disasters, illness, accident, death, or old age may disrupt one's ability to earn his/her livelihood.

Universally, insurance business is classified into **Life Insurance** and **General Insurance**. Life is invaluable and loss of life cannot be compensated by any amount of money. Therefore, **life insurance** policies are termed as benefit policies of protection and are normally considered a means of protecting one's family against the unforeseen circumstances of death of the earning

member. Further, there are various types of life insurance policies which help accumulation of savings, making life insurance as the common form of long term investment. Therefore, it is also seen as the saving and investment option catering to the needs at various stages of life. The **general insurance** industry provides many benefits to society through offering financial protection to individuals, families, businessmen and industries in the event of unforeseen catastrophe losses to their assets and property. The insurance companies invest premium collected in the capital market and they transfer their risks/ spread losses across the globe through reinsurance.

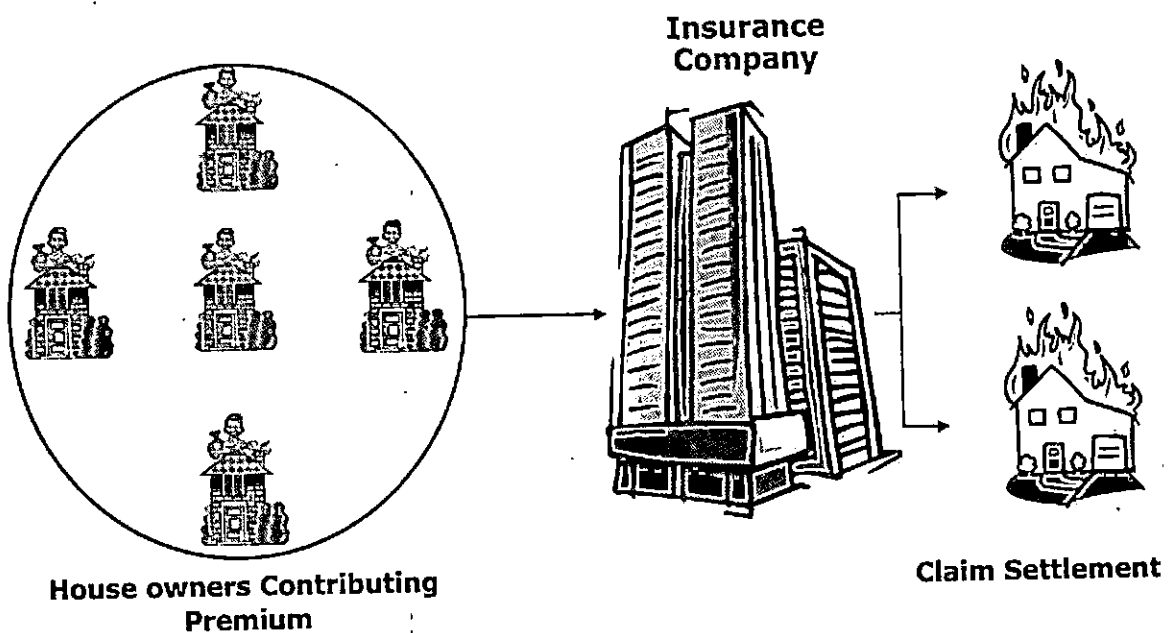
### How insurance works

Insurance works on the principle of law of large numbers where **losses of a few are shared by many.**

#### Example 1

In a village, there are 400 houses, each valued at ` 20,000. Every year, on average, 4 houses get burnt, resulting into a total loss of ` 80,000.

Number of houses	400
Value of each house	` 20,000
Houses that get burnt every year (average)	4
Total loss (4 houses X ` 20,000)	` 80,000
Contribution to be made by 400 house owners	





If all the 400 owners come together and contribute ` 200/- each, the common fund would be `80,000/- This is enough to pay ` 20,000 to each of the 4 owners whose houses got burnt. Thus, the risk of 4 owners is spread over 400 houses/ house-owners of the village.

But is this small sum of `200/- really the premium? Answer to this question is - No and Not in the least. We will have to add all costs & expenses of management with a small margin for profit.

### Example 2:

In a particular town having 1000 households on an average, 10 people die every year. Although it is estimated that 10 persons are prone to death in a year, it is not known which 10 individuals. Let us assume that each family to be given an assured benefit of ` 2 lakh due to death of earning member of family.

Number of persons	1000
Economic value of each person	` 2,00,000
Persons that may die during the year (average)	10
Total loss (10 persons X ` 2,00,000)	` 20,00,000
Contribution to be made by 1000 people to compensate	

Therefore, with a small amount of Rs. 2000/- each, 1000 people feel assured for payment of ` 2 lakh each in case of death.



Jumble Time

## jumble words

Jumbled Words	Clue	Solution
Riks	Chance of damage or loss	
racnlesnu Plociy	Document evidencing the insurance contract.	

- \_\_\_\_\_ means chance of suffering loss due to possibility of adverse events which are beyond control.
  - Risk
  - Peril
  - Loss
  - Accident
- The events that give rise to risks are known as \_\_\_\_\_.
  - risks
  - perils
  - losses
  - accidents
- The essences of the Insurance scheme is that it is a \_\_\_\_\_.
  - social science
  - accumulation of funds
  - involves a group of risks
  - all of the above
- \_\_\_\_\_ is an arrangement through which a person can plan for the continuation of income when certain events disrupt one's ability to earn livelihood.
  - Risk
  - Insurance
  - Perils
  - Hedging
- Insurance business can be classified into \_\_\_\_\_ insurance and general insurance.
  - life
  - motor
  - personal
  - car

Fun Time



We can protect ourselves from risk by getting insured.



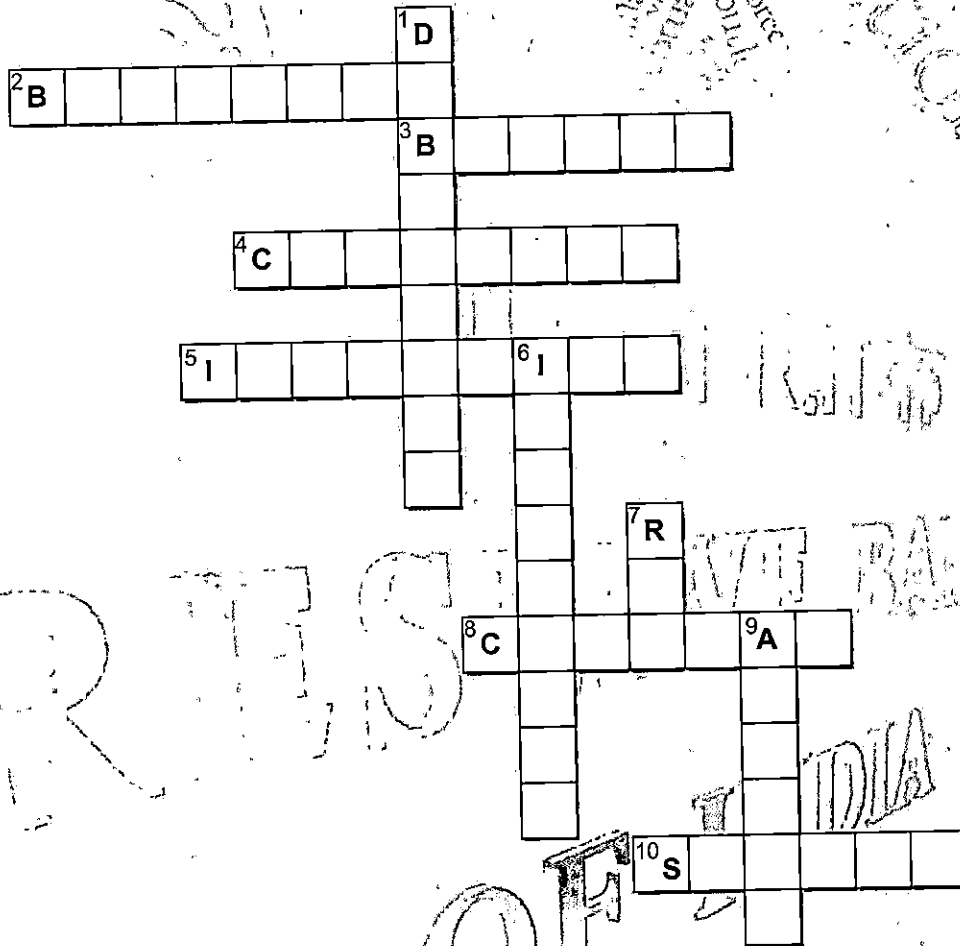


Time to solve crosswords Rashi

Yeah, we will have fun Saif.



# CROSSWORD



## Across

- 2. Rate of interest at which central bank lends to commercial banks
- 3. A tool which helps people manage their money
- 4. This type of inflation occurs because of rise in production cost
- 5. Persistent rise in prices of general goods and services
- 8. Money invested by owner in business
- 10. Small parts in which a company's capital is divided

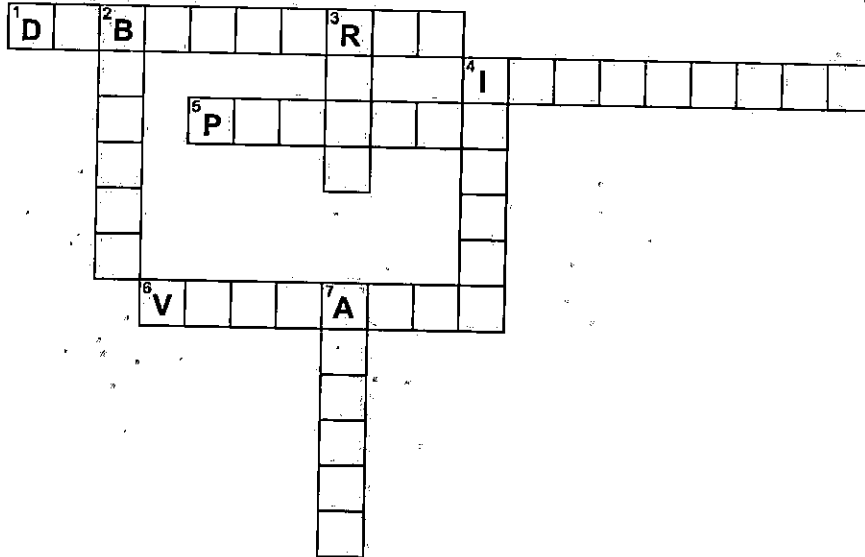
## Down

- 1. Another name for bank card or check card
- 6. A contract which guarantees compensation in times of loss
- 7. Apex bank of India
- 9. A card which will be issued by UIDAI to all residents of India



Time for more crosswords Munaf.

Gaming and learning together isn't it great



**ACROSS**

- 1 \_\_\_\_\_ is a source of finance issued to raise loan from the investor at specific rate of interest for a specific period.
- 4 \_\_\_\_\_ is a persistent rise in general prices of goods and services in an economy.
- 5 \_\_\_\_\_ is a contract for a fixed sum to be paid regularly to a person, typically following retirement from service.
- 6 \_\_\_\_\_ are the type of expenses that change each month.

**DOWN**

- 2 \_\_\_\_\_ is a planning tool that can be used to help individuals and families manage their money
- 3 \_\_\_\_\_ is the chance of suffering loss due to possibility of adverse events beyond control of man.
- 4 \_\_\_\_\_ is the money which is earned/received by the person.
- 7 the Unique Identification Authority of India issues \_\_\_\_\_ for residents of India.