

ECON-242  
OBJECTIVES

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1. NABARD came into existence in the year **1982**.
2. Under single window system, cooperative marketing is under **two** tier structure.
3. The second spell of nationalization of banks was done in the year **1980**.
4. RRBs came into existence in the year **2 October, 1975**.
5. PACS have been organized based on **Raiffeissen** model.
6. The process of repaying loan amount in series of installments is known as **Amortization**.
7. To overcome risk element in agri-business, farmers **insure their crops**.
8. The temporary transfer of assets or wealth from those who have to others who have not is referred as **credit**.
9. The ability of the farmers to clear off the loan amount obtained for production purposes within the stipulated time to the bank is called **repayment capacity loan**.
10. AIRCSC was under the Chairmanship of **A. D. Gorwala**.
11. **RBI** is the chief monetary controlling authority in India.
12. The ability of the farmer to withstand the risks that arise due to financial loss is known as **risk bearing ability**.
13. Production loans are also called as **crop loans/ SAO loans/ ST loans**.
14. Repayment period for short-term loans is **6-18** months.
15. In Andhra Pradesh state, co-operative marketing societies have **two** tier system.
16. **Farm finance** is an applied science of allocating financial resources to agricultural sector.
17. **Credit** is a device to provide the power of purchase of capital goods even for those who do not possess capital.

18. NABARD was recommended by the **CRAFICARD** committee.
19. PACS have been organized based on **Raiffeissen** model.
20. **Cooperation** is self-help made effective by organization.
21. The scale of finance for crop loans should not exceed **50%** of gross returns as per RBI guidelines.
22. CCIS was introduced by GIC in the year **1985**.
23. The boom period of cooperation related to the years **1920-29**.
24. AIRCRC was under the Chairmanship of **B. Venkatappaiah**.
25. Tractor loans are cited an example for **long-term loans**.
26. Government providing loans directly to the farmer-borrowers constitute **Taccavi loans**.
27. The apex bank under cooperative credit system disbursing **ST and MT loans** to the farmer-borrowers is State Co-operative Bank.
28. "As per RBI guidelines, scale of finance should not exceed **50 %** of gross returns.
29. If character and capacity proved to be inadequate, the only aspect of risk bearing ability is **capital**.
30. In purveying LT loans in India, Government adopted **2** tier system.
31. Risk in farm business is directly influenced by **leverage ratio**
32. The state level apex agency to look after marketing credit in Andhra Pradesh is **MARKFED**.
33. **Reserve/Future repayment plan** facilitates the farmer-borrower to repay the advanced installments at times of good harvest in the farm business.
34. Ratio between A and B components in fixing scale of finance for wheat is **3:01**
35. In Single Window System, production credit is provided through **three** tier system.
36. In purveying ST and MT loans in India, Government adopted **three** tier system.
37. **Agricultural Finance** deals with the study of financial aspects of agriculture at aggregate/national level.

38. The word 'credit' is derived from **credo**, which means to **trust**
39. The temporary transfer of capital from a person who has to another person who do not have, but with the promise that, the later will repay to the former after a specified date is called **credit**.
40. The repayment period for MT loans is **15 months to 5 years**.
41. The repayment period for LT loans is **5-20 years or > 20 years**.
42. Medium term loans and Long term loans together called as **Term loans**.
43. Term loans are otherwise called as **Investment loans**.
44. Term loans/investment loans fall under **partial-liquidating loans**.
45. The return derived from the loan investment is not sufficient to clear off the entire loan in the same accounting year, but cleared off in a series of installments is called **partial liquidating loan**.
46. Partial liquidating loans are also called as **non-liquidating loan**
47. In I spell of nationalization of commercial banks, 14 banks were nationalized having deposits **more than Rs.50 crores**.
48. I spell of nationalization of commercial banks was done in the year **1969**.
49. In II spell of nationalization of commercial banks, 6 banks were nationalizes having deposits **more than Rs. 200 crores**.
50. II spell of nationalization of commercial banks was done in the year **1980**.
51. Total numbers of commercial banks nationalized so far in india are **20**.
52. The nationalization of commercial banks in India to improve the flow of credit to agricultural sector was done as per the recommendations of **Indira Gandhi**
53. Committee on Taccavi loans and Cooperative credit came into existence in 1962 under the chairmanship of **B.P. Patel**
54. Committee on cooperative administration came into existence in 1964 under the chairmanship of **V.L Mehta**

55. The cooperative credit societies in India were organized based on **Reiffeissen** model.
56. The co-operative credit societies in India have three tier structures for disbursing **ST and MT loans**.
57. The co-operative credit societies in India have two tier structures for disbursing **LT loans**.
58. The co-operative credit society functioning at village level in India for disbursing ST and MT loans is **PACS**
59. The co-operative credit society functioning at district level in India for disbursing ST and MT loans is **DCCB**
60. The co-operative credit society functioning at state level in India for disbursing ST and MT loans is **State Cooperative Bank**.
61. The co-operative credit society functioning at state level in India for disbursing LT loans is **CLDB**.
62. The co-operative credit society functioning at taluka level for disbursing LT loans is **PLDB**.
63. PACS supervises the end use of credit at the **farmers' level**.
64. Single window system was first started in **Andhra Pradesh** state in India
65. The cooperative credit society functioning at village level in Andhra Pradesh for disbursing ST, MT and LT loans is **PACS**
66. The cooperative credit society functioning at district level in Andhra Pradesh for disbursing ST, MT and LT loans is **DISCOBARD**
67. The cooperative credit society functioning at state level in Andhra Pradesh for disbursing ST, MT and LT loans is **APCOBARD**
68. The cooperative credit society functioning at state level in Andhra Pradesh for disbursing marketing loans is **MARKFED**.
69. The cooperative credit society functioning at district level in Andhra Pradesh for disbursing marketing loans is **DCMS**.
70. Single window system came into existence in **Andhra Pradesh** in the year **1967**.
71. Single window system came into existence in Andhra Pradesh based on the recommendations of **Mohan Kanda**.

72. **RRBs** banks combine the features of both cooperative and commercial banks.
73. Regional Rural Bank (RRB) is also called as **Grameena Bank**.
74. RRBs mainly focus on the credit needs of **small and marginal farmers**
75. **RRBs** came into existence to serve the credit needs of the farming community with more dedication.
76. **M. Narasimhan** committee recommended the establishment of RRBs in the country.
77. The establishment of Farmers Service Societies was recommended by National Commission on Agriculture under the chairmanship of **T.A.Pai**
78. FSS came into existence in the year **1971**.
79. FSS mainly focuses on the credit needs of **weaker** section.
80. RRB is sponsored by **scheduled commercial banks**.
81. FSS is sponsored by **lead bank**.
82. The jurisdiction of each RRB is **1 or 2** districts.
83. Each RRB roughly covers about **20000** number populations.
84. The authorized share capital of RRB is **Rs. 1 crore**.
85. The issue capital of RRB is **Rs. 25 lakhs**.
86. The share capital of RRB is sponsored by the Central Government, Sponsoring bank and State Government in the ratio **50:35:15**
87. The contributive share of sponsoring bank in the share capital of RRB is **35 %**.
88. The contributive share of Central Government in the share capital of RRB is **50%**.
89. The contributive share of State Government in the share capital of RRB is **35 %**.
90. The number of Directors in the Board of Management of RRB is **8**.
91. The economic feasibility tests of credit comprises of **3Rs, 5Cs and 7Ps**

92. The 3 R's of credit include **Returns. Repayment Capacity and Risk Bearing Ability.**
93. While estimating, the repayment capacities of the farmer-borrower under risk conditions, **gross returns** are deflated.
94. **Capacity** of the farmer-borrower is synonymous with two R of credit.
95. The concept of repayment plan will arise only for **ST and MT** loans
96. The concept of repayment plan will arise only for **Term loan/Investment loan/Partial liquidating loan.**
97. The concept of repayment plan will not arise only for **ST/self-liquidating loan.**
98. The concept of repayment plan will arise only for term loans, because they are **partial-liquidating in nature.**
99. The concept of repayment plan will not arise only for ST loans, because they are **self-liquidating** in nature
100. Straight end repayment plan is otherwise called as Single/Lumpsum **repaying plans.**
101. The type of repayment plan in which the installment size gradually decreases and at the end, the installment is bigger in size is **Partial/Balloon repayment plan.**
102. The type of repayment plan in which the interest is regularly paid and principal amount is paid in lumpsum at the end is **Partial/Balloon repayment plan.**
103. Partial repayment plan is also called as **Balloon repayment plan.**
104. The repayment of entire loan amount in a series of installments is called as **Amortization.**
105. Amortization means **killing by degrees.**
106. In amortized decreasing repayment plan, the size of **installments decreases**
107. In amortized decreasing repayment plan, the **interest component decreases**
108. In amortized decreasing repayment plan, the **principal** component remains same
109. Amortized decreasing repayment plan is followed in case of **machinery**
110. In amortized even repayment plan, the size of installments **remains same**

111. In amortized even repayment plan, the interest component **decreases**.
112. In amortized even repayment plan, the principal component **increases**.
113. SFDA and MFAL are recommended by **AIRCRC** committee.
114. SFDA and MFAL came into existence in the year **1971**.
115. In SFDA, the extent of subsidy given to small farms is **2.5%**.
116. In MFAL, the extent of subsidy given to marginal farmers and agricultural labourers is **33.30%**.
117. Service area approach was recommended by **P.D. Ojha**.
118. Service area approach came into existence in the year **1989**.
119. Village adoption scheme came into existence in the year **1969**.
120. Village adoption scheme was first conceived by **SBI**.
121. Deposit Insurance and Credit Guarantee Corporation of India (DICGC) came into existence in the year **1978**.
122. **V. M. Dandekar** committee recommended the crop insurance in India.
123. Crop insurance scheme was first started in the year **1973**.
124. Crop insurance scheme was first started in **Gujarat**.
125. Crop insurance scheme was implemented based on **individual** approach.
126. Crop insurance scheme was first implemented by **H4** variety of cotton.
127. World Bank is officially known as **International Bank for Reconstruction and Rural Development**.
128. World Bank came into existence in the year **1945**.
129. World Bank is located at **Washington D.C.**
130. IMF came into existence in the year **1945**.

131. IFC came into existence in the year **1956**.
132. IDA came into existence in the year **1960**.
133. RBI came into existence in the year **1935**.
134. NABARD came into existence in the year **1982**.
135. The central bank of India is **RBI**.