

Financial Education Workbook for Class VII Draft Edition.

Disclaimer

This book is presented as a reading and teaching material with a sincere purpose of making the reader financially literate. It is not intended to influence the reader in making a decision in relation to any particular financial product/s or service/s.

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भारत का संविधान

उद्देशिका

हम, भारत के लोग, भारत को एक सम्पूर्ण 'प्रभुत्व-संपन समाजवादी पंथनिरपेक्ष लोकतंत्रात्मक गणरान्य वनाने के लिए, तथा इसके समग्त नागरिकों को:

> सामाजिक, आधिक और राजनैतिक ऱ्याथ, विचार, अभिव्यक्ति, विश्वास, धर्म

> > और उपापना को स्वतंत्रता,

प्रतिष्ठा और अवसर को समना

प्राप्त कराने के लिए तथा दन सब में व्यक्ति की गरिमा

'और राष्ट्र की एकता और अखंडता

सुनिष्टिचत करने वाली वंधता बढ़ाने के लिए

बुद्धसंकल्प होकर अपनी इस संविधान सभा में आज नारीख 26 नवम्बर, 1949 ई॰ को एतबुद्धारा इस संविधान को अंगोकृत, अधिनियमित और आन्मार्पित करते हैं।

1. मॅकिशन (जयालोसजा मंत्रोधन) अशितियम् 1976 की थाए 2 द्वारा (3.1.1977) से "प्रभुक्त मगज लोकतत्रात्मक गणराज्य" के स्थान पर प्रतिस्थापित। 2. सॉकिशन (जयालोतथा संसोधन) अधिनियम, 1976 की थारा 2 द्वारा (3.1.1977) से "राष्ट्रा यो एकता" के स्थान पर प्रतिस्थापित।

भाग 4 क

मूल कत्तव्य

51 क, मूल कर्तन्य - भारत के प्रत्येक नागरिक का यह कर्तन्य होगा कि वह -

- (क) संविधान का पालन करे और उसके आदली, संस्थाओं, सप्दम्बज और मन्द्रमान का आदर करे:
- (@) स्वतंत्रता के लिए इमारे सम्हीन आंदोलन को प्रेरित करने वाले उच्च आदशों को इडव में संबोध गई और उनका पालन करें।
- (म) भारत को प्रभुता, एकता और अखंडता को न्या करें और उसे अधुरण रही;
- (ध) देश की रक्षा कर और आहबल किए जाने क साद की सेवा करे;
- (ङ) भारत के रुभी लोगों में समस्यता और समान प्र तृत्व की भावना का निर्माण कर जो धर्म, भाग और प्रदेश या तर्ग पर आधारित सभी। भेदभाव में गरे हों, ऐसी प्रथाओं का त्याण करें जो स्लियों के सम्मान के लिहड़ हैं;
- (च) हमारां समाहित्व संस्कृति को गौरवशाली परंपर का मटस्व रूपहे और उसका परिस्क्षम करे;
- (छ) प्राकृतिक पर्यावरम को जिसके अंतर्गत वन, होता, नदी, और वन्द्र जीव है, रक्षा करे और उसका संवर्धन करे तथा प्राणी पात्र के प्रति दयाभाष रखे:
- (ज) वैज्ञानिक दुष्ट्रिकोण, मानवचाद और ज्ञानार्जन तथा सुधार को भावना का विकास करे:
- (ङ) मावजनिक संपनि को सुरक्षित रखे और हिसा से दूर रहे;
- व्यक्तिगत और सामूहिक गतिविधियों के सभी क्षेत्रों में उत्कर्ष की ओर वढ़ने का सनन प्रयास करे जिससे राष्ट्र निरंतर वहते हुए प्रयत्न और उपलब्धि की नई डांचाइयों को खु ले:
- '(ट) यदि माता-पिता या संरक्षक है, छह वर्ष से चौदह वर्ष तक को आयु वाले अपने, पथारिश्वति, बालक या प्रतिपाल्य के लिये शिक्षा को अवसर प्रदान करें।

1. – – सनिधान (छयामीनां समोधन) अधिनिचम, 2002 की आस 4 द्वारा प्रतिस्थापित।

THE CONSTITUTION OF INDIA

PREAMBLE

WE. THE PEOPLE OF INDIA, having solemnly resolved to constitute india into a 'SOVEREIGN' SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens.

JUSTICE, social, economic and political.

LIBERTY of thought, expression, belief, faith and worship:

EQUALITY of status and of opportunity; and to promote among them all

FRATERNITY assuring the dignity of the individual and the² unity and integrity of the Nation;

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.

Subs. by the Constitution (Forty Second Amendment) Act. 1976, sec. 2, for "Sovereign Democratic Republic" (w.e.f. 3 1.1977).
 Subs. by the Constitution (Forty Second Amendment) Act. 1976, sec. 2, for "unity of the Nation" (w.e.f. 3.1.1977).

THE CONSTITUTION OF INDIA

Chapter IV A

FUNDAMENTAL DUTIES

ARTICLE 51A

Fundamental Duties - It shall be the duty of every citizen of India-

- (a) to ablde by the Constitution and respect its ideals and institutions, the National Flag and the National Authem;
- (b) to chertsh and follow the noble ideals which inspired our national struggle for freedom;
- (c) to uphold and protect the sovereignty, unity and integrity of india;
- (d) . To defend the country and render national service when called upon to do so:
- (e) To promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;
- (i) to value and preserve the rich heritage of our composite culture;
- (g) to protect and imprave the natural environment including forests, lakes, rivers, wild life and to have compassion (or living creatures;
- (h) to develop the scientific temper, humanism and the spirit of inquiry and reform;
- (i) to safeguard public property and to abjure violence,
- (i) to strive rowards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievement;
- '(k) who is a parent or guardian to provide opportunities for education to his/her child or, as the case may be, ward between age of 6 and 14 years.

Sucs. by the Constitution (Eighty - South Amendment) Act, 2002

PREFACE

The CBSE's Financial Education curriculum for Classes VI-X, is marked by its strong dynamism, continuous evolution and development. The curriculum has been developed by adopting a functional approach. In the current climate of psychological, social and economic changes, society is influenced by explosive knowledge creation and exponential technology growth.

Financial education is needed to improve our understanding of basic financial concepts and how to use them in our daily life. We need to know about various financial products and to become more aware of financial risks and opportunities to enable each one of us to make informed choices, and in return we can improve our financial well-being.

The vision of financial education is that it could enable students, at their level of need, to understand the role of money in their life, the need for and use of savings, the advantages of using the formal financial sector and the various options to convert their savings into investments, protection through insurance and a realistic recognition of the attributes of these options.

This financial education will help us learn more about the importance and advantages of savings, the importance of staying out of unproductive loans that are beyond our capacity to repay, borrowing from the formal financial sector, the concept of interest and the power of compounding, the time value of money, inflation, the need to insure, the role of major financial sector institutions such as ministries, regulators, banks, stock exchanges and insurance companies and basic concepts about the relation between risks and rewards.

Through this we can help ourselves and others in managing money more effectively by accessing the appropriate financial products and services provided by various financial regulators.

Financial education will help especially those who are financially excluded at present.

The objective of this workbook is to create awareness and educate students on access to financial services, the availability of various types of products and their features and to make students understand their rights and responsibilities as clients of financial services.

Teachers handling the course need to inform themselves regarding the effective use of course content, teaching methodology, management of group work and independent individual work, management of large classes, appropriate use of assessment tools, grading and record-keeping to benefit their students.

We would like to thank the stakeholders - the Reserve Bank of India, Securities and Exchange Board of India. The Insurance Regulatory and Development Authority of India and the Pension Fund Regulatory and Development Authority - for taking the time and effort to develop these books.

The development of this book would never have been possible but for the sincere effort, devotion and leadership of Ms. Sugandh Sharma, Additional Director (Research & Innovation), CBSE and Mr Sandeep Sethi, Education Officer with his team. Any further suggestions are welcome and will be incorporated in the future editions.

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Mathematics 1	Go Shopping	
Mathematics 2	Simple Interest Rates	

I, **Rashi**, will tell you how to calculate simple interest, the need for borrowing and the sources and banking using the Internet and mobile phones.





I, **Mudra**, will explain the role and function of the Reserve Bank of India and how we can shop without cash.

I am **Saif** and I am going to protect you as a consumer and will tell you what we should check before buying.



So, let us have fun with crosswords, puzzles, jumbled words and abbreviations.

ad the second

Nuances of Financial Management

ATM

Bank Account

Simple Interest

When from banks, money we borrow We promise to return it after a particular number of tomorrows. There's one rule that binds us all That is about an interest levied on what we take, however big or small.

The Reserve Bank of India plays several roles. With consumer protection, many things the customer controls. When dad signed to pay my school fee a cheque I wonder why suddenly he turned into a wreck.

> Nowadays the Internet helps us pay our dues As for e-banking we'll learn with some clues Can we get any___ a credit card or a debit card___ based on whichever we choose?

Financial education makes me sound smart. Let's try and understand why and not by-heart. In case I get confused, I quickly sketch a chart. That is something that helps set clarity apart.

Banks and credit and e-banking and the RBI It is difficult but fun, I won't deny. Some rules with which we need to comply. There's a lot in real life waiting for us to apply.

Consumer protection and its nitty-gritty Have you wondered if there is such a committee? Financial management is becoming a subject so busy It forms the core in each and every small and big city.



Class VI Review

Barter

Metal Coins



Rupee Note



Plastic Money



Need Want

I am thirsty





I am hungry







Can I borrow a pen from you?



Subject: History Class: VII Term: 1

Need for Borrowing and Sources



National Bank

12.3



The Need for borrowing

One day when Karthik opened his bag, he couldn't find a pen in it. He realised that while he was packing his school bag in a hurry he had forgotten to put in his pen. He decided to buy a new pen. The shopkeeper told him that a new pen would cost him 30 rupees, but Karthik had only 20 rupees with him. He asked his friend Anil to help him by giving him 10 rupees which he would return the next day. This is an example of borrowing money. Karthik borrowed 10 rupees from his friend Anil. We borrow because there is a gap between what we have and what we need. Karthik borrowed because he had only 20 rupees while he needed 30 rupees to buy the new pen.



Sources of borrowing

While in the above example Karthik borrowed from his friend Anil, there are several other sources from which one can borrow money. We sometimes borrow money from our friends, family, relatives, etc. These are known as internal sources of borrowing. Apart from these we borrow money from banks and other financial institutions like Non Banking Financial Companies. These are known as external sources of borrowing.

Loan – It is a sum of money borrowed from a financial institution and it is repaid with an Interest. Banks accept deposits from people who have savings and lend to people who need them for various purposes such as setting up a business, buying equipment for a factory, to buy a house or to pay for an education. Banks charge interest on the money lent to people (which is called a loan) and this interest forms part of the income to the bank. Interest is the extra money we pay along with the principal amount borrowed. Let us assume your father borrows 10,000 rupees from a bank. This is known as the principal amount. Now when your father decides to repay the loan after one year, it is found that he has to give the bank 11000 rupees. Why do you think your father needs to pay more than what he borrowed? This is because the bank lent money to your father when he sought it from the bank as a loan.

Your father paid 1000 rupees extra money to the bank as interest. Common interest is expressed as a percentage. In this example we can say that your father paid an interest of 10% on the loan. This interest amount is an income for the bank.

Exercise

Ram Lal, a farmer, wants to buy a tractor. The price of a tractor is 3,20,000 rupees. However, Ram Lal has only 20,000 rupees with him. He decides to borrow the rest of the amount he needs to buy the tractor. He goes to a bank and the bank agrees to loan Ram Lal the amount he needs.

Suppose Ram Lal has to repay the bank 3,45,000 rupees. Calculate the interest amount.

Fill in the blanks

- 1) The gap between what we have and what we need is known as
- 2) Internal sources of borrowing are _ _____ and _____

3) External sources of borrowing are _____ _____ and _____

4) _____ is a sum borrowed from a financial institution.

5) We pay ______ to a financial institution from where we borrow money.

6) Interest is generally expressed in _____ terms.

Match the following

- 1) Income to bank
- 2) Borrowing money from a bank is called a b) Non-Banking Financial Corporation
- 3) 10% on loan
- 4) NBFC

- a) Interest percentage
- c) Interest on loan
- d) Loan

Jumble Time



Jumbled Words	Clue	Solution
Spoh Kpeere	Owner of a shop	
Brroow	Opposite of Lend / May I?	
Fialancin itlontitusns	A group of banks	
lano	You may take this from a bank	
	but have to return it	
iestrtne	We get this on our principal	
Ppalicnir	Original amount	

- **Fun Time** is a sum of money borrowed from a financial 1) institution and is repaid with an interest.
 - a) Loan b) Principal
 - c) Interest d) Money
- 2) on a loan becomes income for the bank.
 - a) Loan b) Principal
 - d) Money c) Interest
- is the extra money we pay along with the principal 3) amount borrowed.
 - b) Principal a) Loan
 - d) Sum of money c) Interest
- 4) An external source of borrowing money is_
 - a) Money lenders b) Family
 - c) NBFC's d) Both (a) and (c)
- 5) Which one of these is not a valid reason to get a loan from a bank?
 - a) Setting up a business b) Purchasing a house
 - c) Education d) To eat ice cream at ice cream parlour





We can borrow money from banks and other financial <text><text><text><text><text>



Role and Functions of the RBI

In every country there is one organisation that works as the central bank. The function of the central bank of a country is to regulate and monitor the banking and financial system of the country. In India, the Reserve Bank of India (RBI) is the central bank.





The RBI was established in 1935 and was nationalised in 1949. The RBI plays the role of a regulator of the banking system in India. The Banking Regulation Act 1949 and the RBI Act 1934 has given the RBI the power to regulate the banking system. The RBI has different functions in different roles. The main functions of the RBI are :

- Monetary authority
- Issuer of currency
- Banker and debt manager to the government
- Banker to banks
- Regulator and supervisor of the financial institutions
- Manager of foreign exchange
- Regulator and Supervisor of the Payment and Settlement Systems
- Maintaining financial stability
- Development role

The RBI is responsible for regulating the overall operations of all banks in India. These banks may be:

- Public sector banks
- Private sector banks
- Foreign banks
- · Co-operative banks,
- · Regional rural banks

As a regulator, the RBI helps maintain people's confidence in the banking system and also provides forums for redressing customer's grievances. Along with supervising the banking system in India, the RBI also issues currency notes. However, coins and one rupee notes are supplied by the Government of India and the RBI only helps in its distribution. Have you seen that all currency notes issued by the RBI have, "I promise to pay the bearer the sum or Rupees....."written on it? This is called the promissory clause and it refers to the Bank's obligation to pay. While every bank note issued by the RBI also has signature of the RBI Governor on it, one rupee notes have the signature of the Finance Secretary, Government of India.

Exercise

1) What is the name of India's central bank?

2) When was the RBI established?

3) Who issues currency notes in India?

4) Who is the present Governor of the RBI?

Fill in the blanks

1) The function of the central bank is to ______ and monitor the ______
and ______ system of the country.

2) The ______ is the central bank of India.

3) The ______ and _____ has given the RBI power to regulate the banking system.

- The ______ issues currency notes.
- 5) "I promise to pay the bearer the sum" written on the currency notes is called the

Match the following

- 1) 1935
- 2) 1949
- 3) Banker to banks
- a) The RBI Governor
- b) The RBI
- c) The RBI was nationalised d) The RBI was established
- 4) Chief executive of the RBI



Jumbled Words	Clue	Solution
Cralten Bnka	Controls commercial banks	
Rervese Bnka fo liand	Apex bank of India	
Pcilbu Srotce Bkna	Bank where the majority stake is held by the government.	
Patevir Srotec Bkna	Banks where greater parts of equity are held by private shareholders	
Fignore Bkna	Bank with its headquarters in a foreign country	

			Fun Time	a la
1)	is th	ie d	central bank of India.	10.
	a) The Reserve Bank of India k	c)	The State Bank of India	() · · · · ·
	c) The Rupee Bank of India	(c	The Delhi Bank of India	(1)
2)	The RBI was established in			
	a) 1950 b	c)	1935	And and a
	c) 1949 c	d)	1950	Q
3)	is responsib	ole	for controlling the overall operations	S.
	of all banks in India.			
	a) The RBI	D)	The SBI	
	c) The RPI c	(c	The SPI	
4)	Banker and debt manager to the	e go	overnment is a function of	
	a) The SBI b	c)	The BOI	

- a) The SBIb) The BOIc) The RBId) The PNB



Out for shopping... Time to learn



Subject: Civics Class: VII Term: 1



Consumer protection







Shivansh, a 13-year-old boy, loves to accompany his mother shopping. He enjoys shopping but feels very bad when he buys something that stops working or breaks within a week after buying it. He then loses confidence in shopping and feels very low. Please help him and make him aware about his rights as a consumer.

The rights of consumers in India are listed below:

- The right to be protected from all kinds of hazardous goods and services.
- The right to be fully informed about the performance and quality of all goods and services.
- The right to free choice of goods and services.
- The right to be heard in all decision-making processes related to consumer interests.
- The right to seek redressal, whenever consumer rights have been infringed.

If there is an infringement of the rights of a consumer, then a complaint can be made under the following circumstances:

- The goods or services purchased by a person or agreed to be purchased by a person has one or more defects or deficiencies in any respect.
- A trader or a service provider resorts to unfair or restrictive practices of trade.
- A trader or a service provider charges a price more than the price displayed on the goods or the price that was agreed upon between the parties or the price that was stipulated under any law that exists.

Exercise

Consider the following consumer issues and recommend the consumer rights in each situation:

- 1) I bought a shirt but when I came home I changed my mind. I took it back to the shop the next day but the staff would not give me a refund. Can they do this?
- 2) I bought new shoes but the heel of one shoe broke when I wore them for the second time. The shop is offering to repair them. Do I have to accept this?
- 3) I bought a pair of jeans for Rs 1,500 but discovered that a shop down the street was selling them for Rs. 1,280. What can I do?
- 4) My mother washed a pair of trousers that were labeled "hand wash only" in the washing machine, and they shrank. What can I do?
- 5) I bought a CD player after seeing an advertisement in a local newspaper. When I brought it home, I discovered that it wasn't working. What are my rights?
- 6) I bought a television set on my birthday but it doesn't work properly. The shop manager told me to send it back to the manufacturer, as the fault had nothing to do with the shop. Is this correct?

Identify the consumer right violated in the following cases:

- 1) Ankit purchased some crackers from the market, but there were no instructions written on it regarding how to use it. _____
- 2) Sita purchased ghee from the shop but there was no quality mark in it.
- 3) Fiona went to a shop to buy toothpaste and the shopkeeper kept insisting she buy a particular brand and refused her the other available brands.
- Which of the following is a consumer right in India?
 a) Right to speak
 - b) Right to be heard
 - c) Right of full disclosure
 - d) Right to complaint

We can enjoy shopping more, using our consumer rights



Subject: Civics Class: VII Term: 2

Introduction to Banking



Bank Casl

Introduction to Banking

What is a bank?

A bank is an institution that accepts deposits and gives loans in return for an interest. Can you name a few banks that operate in India?

Deposit

Bank... keep your money here.

Ioan

When a bank accepts money from the public, it is called a deposit. Since the person is depositing his money, the bank gives him some benefits in the form of interest.

Loans

When a bank gives money to the public for various purposes like building a house, buying a car or setting up a business, it is called a loan. The bank charges interest on the loans.



Credit card

A card issued by a financial institution, usually banks, giving the holder an option to buy goods and services without making any actual cash payment. This is a type of short-term borrowing. It works on the cardholder's promise to pay at a later date, varying from 30 to 50 days. If the holder fails to pay within the stipulated time period, the issuer of the card charges an interest.

Debit card

An electronic card issued by a bank that allows the holder access to his account to withdraw cash or pay for goods and services. This removes the need for the holder to go to the bank branch as they can now just go to an ATM or pay electronically at merchant

itional Bank

CREDIT CARD

2156 g112 min

locations. This type of card, as a form of payment, also removes the need for cheques, because the debit card immediately transfers money from the client's account to the merchant's account.



Automated Teller Machine

ATMs are electronic machines that, are operated by a customer for availing of various banking services such as cash withdrawals, checking account balance, bill payments, transfer of funds, etc. ATMs provide service round the clock. The customer can withdraw cash upto a certain a limit during any time of the day or night. To use an ATM, the customer has to obtain an ATM card from his bank. The ATM card is a plastic card that, is magnetically coded and contains a unique card number and some security information such as the expiration date. It can be easily read by the machine.

To operate an ATM, the customer has to insert the card in the machine and then enter the Personal Identification Number or PIN. If the authentication or PIN is correct, the ATM permits a customer to make transactions.

Cheque



Cheques are simply an instruction from an account holder to his/her bank directing it to pay a certain sum of money to a specific person or to the bearer of the instrument. An account holder should ensure that a cheque is issued only when there are sufficient funds in the account. On receiving a cheque, the beneficiary deposits it in his bank, which will collect the money through a clearing house. Clearing house is a system in which banks in a city exchange cheques with one another and settle the payments by arriving at a net amount of payables and receivables. After the cheque is exchanged, the account of the issuer of the cheque is debited and the credit is passed on to the beneficiary. Cheques drawn on any bank in the country can be cleared through various mechanisms available in the clearing house procedures.

Case study: ATM and its benefits

Mr. Sharma works with an MNC. Being busy, he is not able to devote time at home. His wife looks after all the household activities. One day, while Mr. Sharma was out of town on an official tour, his mother fell ill and was advised hospitalisation. Mrs. Sharma took her motherin-law to the hospital. It was late at night and she was worried that she had very little money with her. Suddenly she spotted an ATM booth near the hospital. She immediately took out her ATM card and used it to withdraw money. In this way she was able to arrange money for the treatment. After two days Mr. Sharma was back from his tour. His wife told him the whole incident. He was thankful that the bank had provided ATM cards to people so as to help them withdraw money at any time without using cheques

- 1) Mrs. Sharma withdraw money with the help of :
 - a) an ATM card b) a credit card
 - c) a cheque d) a withdrawal form
- 2) If you want to withdraw money from an ATM, you can withdraw,
 - a) Only in the day time
 - c) Only on week days

b) Any timed) Only on holidays



3) Where have you seen an ATM booth? a) Inside the banks c) In shopping malls	b) Outside banks d) All of the above
4) What is the full form of ATM? a) Automated teller machine c) Any time money	b)All time money d)Advance time machine
5) What are the benefits of having an ATM card? a) You can save time and it involves less paper work c) Checking your account balance is easy	b) You can withdraw money at any time d) All of the above
Exercise What are the things a customer can do with an 	ATM card?
2) How can a credit card company charge interes	st to the holder?
3) The bank pays an interest on	(deposits or loans).
4) What are the benefits of a debit card?	
 Fill in the blanks: 1) A bank is an institution that accepts	and gives in
 When a person is depositing his money, the form of 	e bank gives him some benefits in the
 When a bank gives money to the public for buying car, it is called a 	various purposes like building a house or
 4) A credit card is a form of 5) If the gradit card holder fails to pay within the second second	a stinulated time period, the issuer of the
card charges	le supulated time period, the issuer of the
 When a bank issues an electronic card to a account to withdraw cash or pay for goods 	person so that he can have access to his and services, it is called a
7) An allows a customer to wi	thdraw cash 24/7.
 another and settle the payments 	in a city exchange cheques with one
 Cheque processing usually takes place aro upon the local clearing house procedures. 	und days depending
10) An account holder should ensure that a che funds in the account.	eque is issued only when there are



Jumbled Words	Clue	Solution	
dsitope	Money deposited in a bank		
cditer cdra	A small plastic card issued by a bank		
dtibe cdra	An electronic card issued by a bank that allows the holder to access his account to withdraw cash.		
Enicortcel cdra	For example, debit card and credit card		
Atedamotu llerte mchaeni	An electronic banking outlet		

1) When banks accept money from public, it is known as _

a) Withdrawal b) Deposit

Al-Ma more

- c) Loan d) Acceptor
- 2) Which one of the following is short-term borrowing?
 - a) Deposit b) Loan
 - c) Credit card d) Debit card
- 3) Which one of the following is NOT true ?
 - a) A debit card removes the need for cheques. b) We can use a debit card only in ATM machines.

Fun Time

d) An ATM card is magnetically coded.

c) The bank charges interest on loans.



Banks gives us many facilities like debit card, credit card, ATMs and cheques.



 Different accounts
for different people?
 Subject: Geography
Class: VII
Term: 1

 Term: 1



Banking: Types of Accounts

A bank is an institution that accepts money from one person as a deposit and lends to other person as a loan in return for some interest. Traditionally, banks in India have four types of deposit accounts namely, Current Account, Savings Bank Account, Recurring Deposit and Fixed Deposit.





Current Accounts

Current account is mainly opened to run a business such as proprietorship, partnership firms, public and private companies, trust, association of persons, etc. that have a large number of daily banking transactions, i.e. receipts and/or payments. It is a noninterest bearing bank account and needs a higher minimum balance than a account. There is no restriction on the number and amount of deposits and withdrawals, as long as the account holder has funds in the bank account.

Savings Bank Accounts

Savings Bank Accounts are one of the most popular deposit accounts for individuals. Saving accounts are opened to encourage people to save money and deposit their savings. Interest is paid on saving accounts, which is often nominal. These accounts can be opened in single or joint names. The account holder is allowed to withdraw money from the account as and when required. These accounts not only provide a cheque facility but also have a lot of flexibility for deposits and withdrawal of funds from the account. Most banks have rules for the minimum balance requirement for these accounts. However, now banks are also required to open Basic Savings Bank Deposit Accounts that do not have a minimum balance requirement. The benefit of a savings bank account over a current account is that money in a savings bank account earns interest.

Recurring Deposit Accounts

Recurring Deposit Accounts are popularly known as RD accounts. They are opened by people who want to save regularly for a certain period and earn a higher interest rate than the Savings account offers. These are best if you wish to create a fund for a special pupose such as college education or to buy a car or to save for the future. In a recurring deposit account, certain fixed amount is accepted every month for a specified period and the total amount is repaid with interest at the end of the period. They are suitable for people who do not have a large amount of savings, but are ready to save a small amount every month. No withdrawals are allowed. However, the bank may allow the account to be closed before the maturity period. Any default in payment within the month attracts a small penalty. Recurring Deposit accounts are normally allowed for maturities ranging from 6 months to 120 months. These accounts can be opened in single or joint names.

Fixed Deposit Accounts

These are popularly known as FD accounts. They are opened for a particular fixed period (time) by depositing a particular amount (money). The period for fixed deposits ranges between 7 days and 10 years. The money deposited in this account cannot be withdrawn before the fixed period expires. The depositor is given a fixed deposit receipt, which he/she has to produce at the time of maturity. Withdrawals are not allowed; however, in case of need, the depositor can ask for the fixed deposit account to be closed by paying a penalty. The rate of interest paid for fixed deposit depends on the amount and period and differs from bank to bank. Usually fixed deposits are paid in a lump sum on the date of maturity. However, most banks also provide a facility to pay interest at the end of every month or quarter. The deposit can be renewed for a further period.

Do you know that you can open a bank account? According to Reserve Bank of India rules, minors above the age of 10 years are allowed to open and operate savings bank accounts independently. A minor of any age can also open a savings bank or fixed deposit or recurring deposit account through his/her natural or legally appointed guardian.

Exercise

1) Which type of account can be opened and operated independently by a minor above the age of 10 years?

2) What does the term 'fixed' in fixed deposit accounts refer to?

1) In recurring deposit accounts, you are required to deposit a small amount every month.

- 2) A minor of any age can open a fixed deposit account through his/her natural or legally appointed guardian.
- 3) Current accounts are most suitable for businessmen._____

Answer the following questions:

- 1) Name the different types of bank accounts.
- 2) Name the account opened by a business to run the business on a daily basis.
- 3) Is there any restriction on the number of transactions or the amount of deposits and withdrawals made in the current account?
- 4) Which is a non interest bearing bank account?
- 5) Name the most popular deposit account for individuals.
- 6) List one reason for opening a savings bank account.
- 7) Name a benefit of a savings bank account over a current account.
- 8) Name the account opened by those who want to save regularly for a certain period of time.
- 9) Opening a recurring deposit account is suitable for certain types of people; Explain this.
- 10) Will closing a recurring deposit attract any penalty? If so, how much?
- 11) What is the maturity period allowed for a recurring deposit?
- 12) Why is one type of a bank account called a fixed deposit account?
- 13) Is withdrawal allowed in a fixed deposit account?
- 14) When does a deposit holder show a fixed deposit receipt to the bank?



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Umile	WOLDS

Jumbled Words	Clue	Solution
centurr aoutncc	Account mainly used for a large number of transactions on a daily basis.	
Ssngiva Aoutncc	Account that has lot of flexibility for deposits and withdrawal of funds and also pays a nominal interest.	
rringeruc dsitope	Account mainly opened for saving small amounts and earning a higher rate of interest.	
fedix dsitope	Amount deposited in this account can not be withdrawn before a specified time.	

1) Which account should one open to run a business?

- a) Current Account b) Recurring Deposit Account
- c) Savings Bank Account
- d) Fixed Deposit
- 2) A_____ encourages people to save money and deposit their savings.
 - a) Current Account
- b) Recurring Deposit Account
- c) Savings Bank Account
- d) Fixed Deposit
- 3) A_____ is opened by those who wants to save regularly for a certain period of time.
 - a) Current Account
- b) Recurring Deposit Account
- c) Savings Bank Account d
- d) Fixed Deposit
- 4) The account that is opened for a particular fixed period by depositing a particular amount is known as _____.
 - a) Recurring Deposit Account b) Fixed Deposit Account
 - d) Savings Account
 - c) Current Account
- 5) The rate of interest paid for fixed deposit ______a) varies according to the period and amount
 - c) differs from bank to bank
- So, which bank account will you open?

d) Both (a) and (c)

b) is the same in all banks

Fun Time

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Subject: Geography Class: VII Term: 2



Banking: With new technology







Banking with New technology

The rapid advances in information and communication technology such as the widespread use of computers, mobiles and the Internet has enabled Indian banks to provide more diversified and convenient services to its customers. A few such technologyenabled services are as follows :

Real Time Gross Settlement

Real Time Gross Settlement (RTGS), is a system through which electronic instructions can be given to transfer funds from the account of a customer in one bank to the account of a customer of another bank. It facilitates instant transfer of money from one account to another across cities. As the name suggests, funds transfer between banks takes place on a 'real time' basis. Therefore, money can reach the beneficiary instantaneously and the beneficiary's bank has the responsibility to credit the beneficiary's account within two hours from the time the transaction is initiated. RTGS is settled on a gross basis, which means that each transaction is settled independently. Complete details such as the receiver's name, bank account number, account type (savings or current account), bank name, city and branch name, should be given to the bank when requesting such transfers so that the amount reaches the beneficiary account correctly and faster. This is basically a large value remittance system where funds can be transferred quickly with the minimum amount to be transferred through RTGS being 2 lakh rupees. This facility is useful to banks for their funds management, for companies to transfer large amounts and for individuals who require urgent payments.

National Electronic Fund Transfer

National Electronic Funds Transfer or NEFT is a system whereby anyone who wants to make payment to another person / company

can approach his bank and give instructions / authorisation to transfer funds directly from his account to the bank account of the receiver / beneficiary. NEFT operates in hourly batches and funds will be transferred after each settlement cycle. There are twelve settlement cycles during weekdays and six settlement cycles on Saturday. The amount is credited in the beneficiary's account within two hours. Complete details such as the receiver's name, bank account number, account type (savings or current account), bank name, city and branch name, should be given to the bank when requesting such transfers so that the amount reaches the beneficiary account correctly and faster.

There is no minimum or maximum limit for transferring money through NEFT.

Internet Banking

Internet banking allows individuals to carry out banking activities from anywhere and at any time via the Internet without visiting a bank branch. Through online banking, individuals can access their account information anytime and perform all kinds of routine transaction such as money transfers, balance inquiries and bill payments. Anyone with Internet access can avail of online banking facilities by registering with his/her bank. Online banking is also known as Internet banking, e-banking, web banking, virtual banking, etc.



Mobile Banking

Mobile banking refers to the use of a cellular device to perform banking activities such as monitoring account balances, transferring money and paying bills. Like online banking, a customer needs to register with the bank to avail of mobile banking facilities. Until recently most of the mobile banking facilities were offered via SMS and were known as SMS banking.



Exercise

True or False.

- 1) There is no minimum or maximum limit for transferring money through NEFT.
- 2) To avail of online banking facilities you have to register with your bank.

Answer the following questions

- 1) What is RTGS?
- 2) What is NEFT?
- 3) What is Internet banking?
- 4) What is Mobile banking?
- 5) List the various details that should be furnished to the bank at the time of requesting for RTGS facility.

6) What is the minimum amount that can be transferred through RTGS?

- 6) What is the minimum amount required to be transferred through RTGS?
- 7) What is the minimum amount that can be transferred through NEFT?
- 8) What are the other names for Internet banking?
- 9) Differentiate between NEFT and RTGS.

Match the following

- 1) RTGS
- 2) Funds transferred on hourly basis
- 3) Mobile banking
- 4) Online banking

- a) Banking activities done through mobile
- b) Internet banking
- c) NEFT
 - d) Minimum amount to be transferred is 2 lakh

Fun Time

Fill in the blanks

- 1) In RTGS each transaction is settled on a _____
- 2) There are ______ settlement cycles during weekdays and ______ settlement cycles on Saturday in NEFT.
- 3) Virtual banking is also called
- 4) When mobile banking facilities are offered via SMS it is called as _____
- 5) The amount is credited in a beneficiary's account within ______ hours in NEFT.
- The minimum amount to be transferred through RTGS is ______
- 1) Under which system does a minimum of two lakh rupees need to be transferred?
 - a) RTGS b) NEFT
 - c) Internet banking d) Mobile banking
- 2) ______ allows individuals to carry out banking activities through the Internet.
 - a) RTGS b) NEFT
 - c) Internet banking d) Mobile banking
- 3) ______ allows the use of a cellular device for performing few banking activities.
 - a) RTGS b) NEFT
 - c) Internet banking d) Mobile banking

4) In NEFT, how many settlement cycles are there on weekdays?

- a) 2 b) 12
- c) 14 d) 11
- 5) In RTGS funds transfer between banks takes place on
 - a) Random time basis b) Real time basis
 - c) Rough time basis d) Real total basis
- 6) Which of the following is True?
 - a) Internet banking refers to the use of a cellular device.
 - b) Online banking is also known as virtual banking.
 - c) We need a special account to go through NEFT.
 - d) There is a minimum and a maximum amount for transferring money through NEFT.

We have our bank in our mobiles and computers.



Shopping without cash... How?



Subject: English Class: VII Term: 1

Living within your means







Living within your means

11-year-old Sneha was a happy little girl who lived with her parents and Grandma. When Diwali came, her father bought a lot of gifts for her. Sneha was excited and went to her Grandma's room to show her the gifts. "Look Grandma, Daddy bought me a whole load of Diwali gifts."

Her grandma looked up from the magazine she was reading and said, "That was very kind of him. It must have been expensive. "Yes," Sneha said. "He got me a Barbie doll that costs a lot of money and he also got me loads of other toys I wanted." She then paused and asked, "Grandma, Daddy hasn't got any money, has he?" Her granny put the magazine down and said, "What makes you say that?" "Well Daddy said he didn't have the money, so he put it on his card," said Sneha. "If you don't have any money, you can just put what you want to buy on your card, can't you Grandma?" Granny took a deep breath. "You still need to have money to pay back on the card," she pointed out but Sneha was already away to play with one of the toys her Daddy had bought her. Grandma shook her head and got up to find Sneha's father.

After hearing his mother's concerns, Sneha's father said, "I paid for the toys with a debit card that takes the money straight from my account. I did not pay from a credit card, where you pay interest and the debt can pile up if you let it."

Now Sneha does not understand the difference between a debit card and a credit card. The purchases we make using a debit card or the money we take out from an ATM is our own money that is deposited in our bank account. On the other hand, any purchases made using a credit card are a loan. We borrow money from the issuer of the credit card, usually a bank, to buy things with a promise to pay them later, generally within 30-50 days. But what if we do not have enough money to repay after that period? The issuer bank will charge interest as well as a fine for our failure to keep our promise. This will increase our loan amount. Hence, it is important to live within our means and not borrow money unnecessarily.

Exercise

1) How did Sneha's father pay for the toys he bought for her?

2) What was Sneha's Grandma concerned about?

3) What will happen if we fail to pay our credit card dues in time?

True or False.

Even if you don't have money, you still can buy things using your debit card.
 If you purchase things using your debit card, you are not borrowing any money.





Subject: English Class: VII Term: 2



The poor man's wealth





Ramchand used to be very relaxed and happy. He never bothered to close the doors and windows of his house at night. He had a deep, sound sleep. Although he had no money, he was peaceful.

Premchand used to be very tense always. He, on the other hand, closed the doors and windows of his house at night. He could not sleep well. He was always worried that someone might break open his safes and steal his money. He envied the peaceful Ramchand.

One day, Premchand called Ramchand and gave him a boxful of cash saying, "Look my dear friend. I am blessed with plenty of wealth. I find you living in poverty. So, take this cash and live in prosperity."



Ramchand was overwhelmingly happy. He was joyful throughout the day. Night came. Ramchand went to bed as usual. But to-day he could not sleep. He went and closed the doors and windows. He still could not sleep. He kept looking at the box of cash. The whole night he was disturbed.

As soon as day broke, Ramchand took the box of cash to Premchand. He returned the box to Premchand saying, "Dear friend, I am poor. But, your money took away peace from me. Please bear with me and take back your money."

Money cannot get everything. Learn to be satisfied with what you have and you will always be happy.

Exercise

1) Why could Premchand not sleep well at night?

2) What did Premchand give to Ramchand? What was the result?

3) Why did Ramchand return the money to Premchand?

	you borrow using a credit card,a) the issuer bank will let you go if you are poor.	b)	the issuer bank will charge interest.
	c) your bank account will be closed.	d)	you will be sent to jail.
2)	Why was Premchand very tense at night?		
	a) He had lots of expensive things in his house.	b)	He had a sleeping problem.
	c) He was scared of darkness.	d)	He thought the money might get stolen.
3)	Ramchand was not able to sleep the whole nigh	t be	ecause
	a) he was ill.	b)	he was worried about the box of cash.
	c) it was raining.	d)	there was a cold breeze.
4)	What took the peace from Ramchand?		
	a) Jewellery	b)	Gold
	c) Winds	d)	The money given by Premchand
	\$		

Can money give you peace? Keep your money safe...

Subject: Mathematics Class: VII Term: 1

Time for shopping... but be careful.

Go shopping



FAX RETAIL

PRICE Rs. 10.0

NET WT. 30 G



Marked Price: In big shops and department stores, every item is tagged and its price is written on it. This is called the marked price of that item. In India this is commonly known as the MRP or Maximum Retail Price. MRP is an upper limit on the price of an item set by the manufacturer, distributor or a government or regulatory authority. Shops cannot charge customers more than the MRP. Sometimes shops also charge below the MRP, i.e., they offer discounts, to draw more customers to their stores. However, in some remote areas, tourist spots and in situations where a product is difficult to obtain, consumers are often charged illegally over the MRP.

Selling Price: The price you actually pay to the shopkeeper for an item is called the selling price or SP. This may or may not be the marked price.



Cost Price: The price it costs to produce an item without making any profit is called cost price or CP. It is also known as the original price of an item.

Profit: When the selling price is greater than the cost price. Loss: When the selling price is less than the cost price.

Exercise

1) Rahul bought a shoe on which it was written MRP 500. However, the shopkeeper took only 450 rupees from him. Calculate the discounted amount.

- 2) On Snigdha's birthday, her mom bought a pizza for 300 rupees. Assuming that the cost price of that pizza is 180 rupees, calculate the profit made by the pizza outlet.
- 3) Why do shopkeepers sell products at lower than the MRP?
- 4) The selling price and cost price of a pen are 10 and 8 rupees respectively. Raju bought 5 pens. However, the MRP written on each pen is 12 rupees. Calculate the total profit and discount for 5 pens. Also find the profit and discount for 1 pen.



Acres 1	0.03		Series -
A		CTT N	1000
111	112	1110	100
1.11		P. L. Comp	

Jumbled Words	Clue	Solution
singell peirc	Price we actually pay the shopkeeper.	
ctos peirc	Cost to produce an item without adding any profit.	

- 1) The price tagged or written on a product in shops or **Fun Time** department stores is the___ a) Market price b) Selling price c) Discounted price d) Maximum Retail Price
- 2) The price we actually pay the shopkeeper for purchasing an item is the a) Market price b) Selling price

	s) eeg pee
c) Discounted price	d) Maximum Retail Price

is the cost to produce an item without adding any profit. 3) The_ b) selling price

a) market price	
c) discounted price	

- d) minimum price
- 4) When the selling price is greater than the cost price it is known as _____ a)Loss b) Profit
 - c) Margin of safety d) No profit no loss
- 5) When the selling price is less than the cost price it is known as ____
 - a) Profit
 - c) Margin of safety
- b) Loss d) No profit no loss

We should always check the marked and the selling price before buying any item.

Subject: Mathematics Class: VII Term: 2

Let us calculate simple interest.



Simple interest rates



National Bank

As we all know, it costs to borrow money, i.e., you have to pay interest. Similarly, we also earn interest if we deposit money in a bank account. Interest is always calculated for a specific period of time, usually a year. At the end of that period, the interest is calculated and added to the principal, i.e., the initial amount of money you borrowed or deposited. This is called simple interest and the rate at which it is calculated is called the Simple interest rate.



There is a formula to calculate simple interest: I = Prtwhere I = InterestP = Principalr = Interest ratet = Time



Case study

Rohan wanted to buy a bike to go on rides with his friends. He had saved 400 rupees but the bike is being sold at 6400 rupees. He went to his father to borrow the extra money he needed to buy that bike. But his father had a very different idea. He told Rohan to help him in cleaning up their garden for which he would pay him 500 rupees every month. In this way Rohan would be able to buy that bike after a year. His father also agreed to help Rohan open a bank account so that he could deposit his 500 rupees every month in a bank and earn interest.

Assuming that the bank agreed to pay an annual simple interest rate of 12 % to Rohan on his deposits, answer the following questions.

Exercise

1) Calculate and tell Rohan how much money he will have in his bank account at the end of the year.

2) What will be the total interest earned by Rohan?

3) Will Rohan have the required amount of money to buy that bike at the end of the year?





Jumbled Words	Clue	Solution
isteretn	Amount we get on the Principal	
ppalicnir	Amount invested	
temi	Duration for which principal amount is invested.	

1) The amount on which we get interest is known as ______.
a) Principal b) Interest
c) Sum of money d) Amount

2) _____ is the amount we get on principal invested.

- a) Principal b) Interest
- c) Sum of money d) Amount
- 3) We get simple interest on the principal for a specific ______.
 - a) Year b) Time
 - c) Term d) Day
- 4) The formula to calculate simple interest is _____.

a) I= PQR b) I=PQT

c) I=PRT d) I=QRT

I am going to calculate simple interest using the formula: SI = PRT





Time to solve crosswords Rashi Yeah, we will have fun Saif.



CROSSWORD



<u>Across</u>

2. A sum of money that is expected to be returned along with some compensation

3. A system through which payments between banks are processed and settled individually, on real time basis

5. A additional price paid for borrowing money

7. A type of short-term borrowing. It gives the holder an option to buy things without making an actual cash payment

8. These accounts are used by businesses and there is no limit to the number of transactions in a day

9. Oldest surviving bank in the world

10. An electronic telecommunications device that allows customers to complete basic banking transactions

<u>Down</u>

- 1. The payment date of a loan
- 4. First Governor of the RBI
- 6. A sum of money saved for a particular purpose



Time for more crosswords, Munaf.

Gaming and learning together! Isn't it great?





ACROSS

- 4 is the price actually paid to the shopkeeper for purchasing an item.
- is the extra money we pay along with the principal amount borrowed. 6
- 7 account is mainly opened to run a business that has a large number of daily banking transactions.

DOWN

- Assets that have a physical form are called 1
- banking is a system that allows individuals to carry out banking activities from anywhere 2 and at any time.
- card is an electronic card issued by a bank which allows the holder access to his 3 account to withdraw cash or pay for goods and services.
- 5 is a sum of money borrowed from a financial institution and is paid back with interest.

ABBREVIATIONS

- 1. ATM
- 2. PIN
- 3. RTGS
- 4. NEFT



Time for



Note:

Note:

