

Q1. Yes it is true. In situation of high risk taking credit may increase the problem. Borrower may not be able to pay back the credit taken & lose what borrower has to repay the loan back.

- Demand deposits
- Current account
- Savings account
- Fixed deposits

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1. Credit at reasonable rates should be available for all; so that the poor people can benefit from the cheaper loans.
2. There should be a supervisor for checking the loan activity.
3. The share of the formal sector credits is higher for rich & richer.