

Money and credit :-

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(1)	<u>Formal</u>	<u>Informal</u>
→	Among the formal sector people can take loans from banks and cooperative	→ The informal lenders include moneylenders, traders, employers and friends, etc.
→	It is the richer household who receives credit.	→ The poor have to depend on the informal sources
→	In these loans are given at a low rate of interest	informal sector loans are given at a high rate of interest.

(2) credit at reasonable rate should be available for all to enable the poor to get cheaper loans. usually they avoid loans due to high rate of interest. If cheaper loans are available for them, they will improve their condition by dint of this facilities

(3) Yes there should be a supervisor for looking into the loans activities of informal lenders. It is difficult because informal sector constitutes many people such as money lenders, friends, relatives, traders etc. they are not registered with govt.

(4) The share of formal credit is higher for richer households compared to the poorer household have better capacity to repay the loans within given frame of time. Also they have collateral and other necessary documents which are required by the bank. Poor people don't have collateral or other assets.