

6. Institutes Supporting Business

Q. 1 A) Select the correct Option and rewrite the sentence.

1) Small Industrial Development Bank of India (SIDBI) was established in

..... .

(a) 1989 (b) **1990** (c) 1991

2) SIDBI was established under the Small Industrial Development Bank of India. Act,

(a) **1988** (b) 1992 (c) 1996

3) is Principal Financial Institution for Promotion, the Micro, Small and Medium Enterprise (MSME) sector in India.

(a) NABARD (b) KVIC (c) **SIDBI**

4) Came into existence on July 12, 1982

(a) **NABARD** (b) KVIC (c) SIDBI

5) A Committee to Review the Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD) was constituted under the Chairmanship of.....

(a) Kothari (b) **Shivaraman** (c) Rangrajan

6) All India khadi and village Industries Board was set up in the year

(a) **1953** (b) 1949 (c) 1948

7) In April KVIC was established.

(a) 1955 (b) 1953 (c) **1957**

B) Match the pairs. (Answers)

Sr. no.	Group A	Answers
1)	SIDBI	1990
2)	NABARD	1982
3)	World bank	1944
4)	Grameen bank	1983
5)	KVIC	1957

C) Give one word/phrase/term :

1) Life blood of business.

Ans: **Finance**

2) Principal Financial institution of promotion of the Micro, Small and Medium Enterprise (MSME) sector in India.

Ans: **SIDBI**

3) Advisor and mentor for MSMEs.

Ans: **SIDBI**

4) Wholly owned subsidiary of IDBI was set up in July 1999, is providing venture capital.

Ans: **SIDBI venture capital Ltd. (SVCL)**

5) Digital initiative by SIDBI launched on March, 17th, 2016

Ans: **SIDBI startup Mitra**

6) The apex institution for agricultural finance.

Ans: **NABARD**

7) The Bangladeshi economist, known as the Father of Micro-finance.

Ans: **Dr. Muhammad Yunus**

8) An international organization dedicated to providing finance, advice and research to developing nations.

Ans: **world Bank**

D) State True or False.

1) Small Industrial Development Bank was established on 2nd April, 1990.

Ans: **True**

2) SIDBI has its head office at Mumbai.

Ans: **False**

3) SIDBI is not working towards sustainable development of MSME's in India.

Ans: **False**

4) SIDBI, Startup Mitra scheme is launched on March 17, 2016.

Ans: **True**

5) NABARD came into existence on July 12, 1982.

Ans: **True**

6) The NABARD has been recognised as the apex institution for financing large scale industries.

Ans: **False**

7) KVIC is actively working for planning, promotion and production of Khadi as well as in setting up of village and rural industries of India.

Ans: **True**

8) Dr. Muhammad Yunus is known as the 'Father of Rural Banking.

Ans: **False**

9) Self Help Group is a large group of homogeneous individuals.

Ans: **False**

E) Complete the sentences. (Answers)

1) The lifeblood of a business is **finance**.

2) Micro, Small and Medium Enterprises (MSME's) are focused domains for **SIDBI**.

3) SIDBI takes structural initiatives to resolve the financial and nonfinancial hurdles of **MSMEs**

4) SIDBI is established to provide short-term and long-term finance to **MSME's**.

5) 'SIDBI Startup Mitra' launched on **March 17th, 2016** .

6) To improve accessibility of credit and handholding services to MSME's, SIDBI has launched the **Udyami Mitra**.

7) NABARD came into existence on **July 12th, 1982** .

8) Khadi and Village Industries Commission was set up in **1953**.

9) A statutory body of Khadi and Village. Industries Commission (KVIC) was created with a special Act of **Parliament**

10) The Grameen Bank in Bangladesh was set up in **October 1983** .

11) The father of Micro finance is **Dr. Muhammad Yunus**.

12) The World Bank came into existence on **1944 Bretton Woods Conference**.

13) The headquarter of World Bank is in **Washington D.C.**

14) Dr. Muhammad Yunus jointly won the Noble Prize in **2006**.

F) Select the correct option.

Sr. no.	A	B
1)	SIDBI	2nd April 1990
2)	12th, July 1982	NABARD
3)	KVIC	1953
4)	1944	World bank
5)	Grameen bank	Oct 1983

G) Answer in one sentence.

1) What is SIDBI?

Ans: SIDBI is Small Industrial Development Bank of India, which takes initiative to resolve the financial and non-financial hurdles of MSMEs.

2) What do you mean by NABARD?

Ans: NABARD is a National Bank for Agriculture and Rural Development, which was formed with an objective to provide and regulate credit and other facilities for the development of agriculture, small scale industries, cottage village industries, handicraft and other rural crafts and allied economic activities.

3) What is meant by Grameen Bank?

Ans: Bank which gives small loans to landless poor women to promote self-employment is called Grameen Bank.

4) What is SHG?

Ans: SHG is a small group of homogeneous individuals who come together with the objective creating common fund through savings and meet members emergency needs by providing collateral free loan.

5) What do you mean by World Bank?

Ans: The World Bank is an international organization dedicated to provide finance, advice and research to developing nations.

6) What is MSME's?

Ans: MSME'S are Micro, Small and Medium Enterprises, which play an important role in promoting entrepreneurship among women and economically weaker section in the country.

7) What is Udyami Mitra?

Ans: 'Udyami Mitra' is the digital portal launched by SIDBI, to improve accessibility of credit and handholding services to MSMEs.

H) Correct the underlined word and rewrite the following sentences.

1) SIDBI is established to provide only long -term finance to the MSME's.

Ans: SIDBI is established to provide short-term and long term finance to the MSME's.

2) The NABARD has been recognised as the apex institution for Industrial finance.

Ans: The NABARD has been recognised as the apex institution for Agricultural finance.

3) Khadi was symbol and the spirit of self-reliance in post-independence India.

Ans. Khadi was symbol and the spirit self-reliance of pre-independence India.

4) Self help group are based on the fundamental principle of to earn profit.

Ans. Self help group are based on the fundamental principle of 'helping each other' and "unity is strength".

(5) World Bank provides high interest loan.

Ans. World Bank provides low interest loan.

Q.2. Explain the following terms/concepts.

1) Udyami Mitra.

Ans: (I) This is the portal launched by SIDBI to improve accessibility of credit and handholding services to MSME's.

(II) Under this portal entrepreneurs can apply for loan without physically visiting any bank branches.

(III) The entrepreneurs can select and apply for preferred banks.

(IV) They can select suitable branch, track their application status and avail multiple loan benefits.

2) KVIC.

Ans: (I) KVIC was established to take over the work from All India Khadi and Village Industries Board.

(II) KVIC is working for planning, promotion and production of Khadi and setting up of village and rural industries in India.

(III) It gives emphasis on utilizing the locally available raw materials and human skills to generate non-farm employment opportunities in the rural areas.

3) World Bank.

Ans: (I) The World Bank is an international organization formed to provide finance, advice and research to developing nations.

(II) It was created at the 1944 Bretton Woods Conference along with the International Monetary Fund (IMF)

(III) The head quarter of World Bank is in Washington DC.

(IV) It provides financial as well as technical assistance to the member countries of the world.

(V) It comprises of two institutions namely the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

4) Self Help-Groups.

Ans: (I) Self Help Group (SHG) is a voluntary association.

(II) It is a small homogeneous group of people who come together with the objective of creating common fund through small savings and meet members emergency needs by providing collateral free loan at reasonable rate.

(III) Many SHG are linked to banking institutions for getting micro-credit.

(IV) All decisions are taken collectively by SHG members.

5) Collateral Free Loan.

Ans: (I) Collateral free loan are SHGs small loans provided to the poor individuals for undertaking Self-employment projects.

(II) Loans are given on the principle of mutual trust and either minimum or no documentation.

(III) The rate of interest generally charged are higher than the interest charged by banks.

(IV) It saves the poor individuals from the clutches of local money lenders.

Q.3. Study the following case/situation and express your Opinion.

1) Anand completed his MBA and wants to start a Small Scale Indus technology. He has very good business idea in mind and looking for a lender or investor.

(I) Who is promoter or businessman in this case?

Ans: A person who gets the idea of starting the business enterprise is called as promoter or businessman. In the above case Anand is promoter or businessman.

(II) What is full form SSI?

Ans: The full form of SSI is Small Scale Industry.

(III) Suggest digital ways to find lender or investor for this initiative.

Ans: SIDBI has started Digital initiatives / Digital ways to find lender or investor. For this initiative I can suggest the following ways:

(a) SIDBI Startup Mitra:

It brings together all stakeholders, start-up entrepreneurs, incubators, investors, industry bodies, mentors and advisors and banks on one platform. It helps in financing and development of new entrepreneurs.

(b) Udyami Mitra: This is a portal launched by SIDBI to improve accessibility of credit and handholding services to MSME's. Under this portal entrepreneurs can apply for loan without physically visiting any bank branches. The entrepreneurs can select and apply for preferred banks, they can select suitable branch, track their application status and avail multiple loan benefits.

Q.4. Answer in brief.

1) State any four features of NABARD.

Ans: Features of NABARD:

(I) Apex Bank: NABARD acts as an apex bank for meeting the credit needs of all type of financial institutions working in the field of agricultural and rural development. It works to frame policies and guidelines for rural financial institutions in India. It provides credit facilities to institutes working in agricultural finance.

(II) Refinancing Facilities: It provides refinancing facilities to State Co-operative Banks (SCBs), Land Development Banks (LDBs), Regional Rural Banks (RRBs) and other approved financial institutions for financing rural economic activities. It also provides short-term, medium term and long term credit to these institutes.

(III) Provides Credit for Rural Development: It takes initiatives in the development and promotion of different activities in rural area by providing funds to State governments. It also provides refinancing for Upliftment of weaker section of the society. It also works on improvement of small and minor irrigation by way of promoting agricultural activities.

(IV) Financing Rural Industries: It provides refinancing facility to small scale industries and other village and cottage industries. It provides loans to commercial and co-operative banks to promote rural employment. It organizes skill and entrepreneurship development programs to promote an entrepreneurial culture among the rural youth and encourage them to start enterprises in the rural areas.

2) State four objectives of KVIC.

Ans: Objectives of KVIC:

(I) Development of Khadi and Other Village Industries: KVIC is actively working for planning, promotion and production of khadi as well as in setting up of village and rural industries in India. It identifies the potential for the development of rural industries and undertakes the valuable task of promoting and developing locally operating village enterprises.

(II) Special Objective: KVIC has a special objective of providing employment. It gives emphasis on utilizing the locally available raw materials and human skills to generate non-farm employment opportunities in the rural areas. It plays a role of co-ordinator with other agencies engaged in rural development.

(III) Economic Objective: KVIC is actively working for planning, promotion and production of khadi as well as in setting up of village and rural industries in India. KVIC receives fund from the Ministry of MSMEs for effective implementation of various programs and schemes. It helps in producing saleable articles which helps the economic development of the country.

(IV) Wider Objective: It has a wider objective of creating self-reliance amongst the poor and building up of a strong rural community spirit.

3) Write any four features of World Bank.

Ans: Features of World Bank:

(I) Organization and Structure: The organization of bank consists of the Board of Governors, the Board of Executive Directors and the Advisory Committee, the Loan Committee and the President and other staff members. All the powers of the bank are vested in the Board of Governors which is the supreme Policy making body of the bank. The board consists of one Governor and an Alternative Governor appointed for five years by each member country. The Board of Executive Directors consists of 21 members, 6 of them are appointed by the six largest shareholders, namely USA, UK, Germany, France, Japan and India. The rest of the 15 members are elected by the remaining countries.

(II) Goals: The World Bank Group has two goals to be achieved by 2030.

(a) To end extreme poverty by decreasing the percentage of people living on less than 1.90 dollars a day to no more than 3%.

(b) To promote shared prosperity by fostering the income growth of the bottom 40% for every country.

(III) Innovative Knowledge Sharing: World Bank offers support to developing countries through policy, advice, research and analysis and technical assistance. Analytical works of World Bank often helps developing countries. It also helps in capacity development of the developing countries. World Bank also sponsors, host or participates in many conferences and forums on issues of development.

(IV) Social Development: Social Development focuses on the need to “put people first” in development process. The World Bank work with governments, communities, civil societies, the private sector and the marginalized for the cause of social development. Social Development promotes economic growth and leads to higher quality of life.

4) Describe any two features of Self Help Groups.

Ans: Features of Self Help Groups:

(I) Democratic Set up: SHG is group of the members, for the members and by the members. Every member of the group actively participates in the functioning of SHGs. Members are responsible for their own future by organizing themselves into SHGs. They elect or select leader for proper functioning of the group. Leader is responsible for holding regular meetings and maintaining records and accounts of the group.

(II) Collateral Free Loan: SHGs provide small loans to the poor individuals for undertaking self-employment projects. Loans are given on the principle of mutual trust and either minimum or no documentation. Generally the rate of interest are higher than the interest charged by banks. It saves the poor individuals from the clutches of local money lenders. The repayment of loans is ensured timely as all members of group are responsible for collecting repayment amount from the members who borrowed the loan.

5) Describe any two features of SIDBI.

Ans: Features of SIDBI:

(I) Financial Institute for Promotion of MSMEs: SIDBI is established to provide short term and long term finance to the MSMEs. It is principal financial institution for micro, small and medium sector units. It also co-ordinate the functions of institutions engaged in financing MSME's. It provides refinance to Banking and Non-Banking Financial Companies to increase supply of credit to MSMEs.

(II) Advisory Function: SIDBI also works as advisor and mentor of MSMEs. It helps MSMEs in expanding marketing channels for the products both in domestic

as well as international markets. It also initiates steps for modernization and technological upgradation of current units.

Q.5. Justify me following statements.

1) SIDBI acts as an institute for promotion of MSMEs

Ans: (I) There are many efforts taken by SIDBI to emerge as a brand which is customer friendly towards MSME's.

(II) It facilitates and strengthens credit flow to MSME's.

(III) It identifies financial and developmental gaps in the MSME's and take efforts to resolve the same.

(IV) SIDBI has dedicated its resources towards evolution of a vibrant ecosystem. SIDBI has taken Steps for technological upgradation and modernization of existing MSME'S

(VI) Thus, we can say that SIDBI acts as an institute for promotion of MSME's.

2) SIDBI provides different types of financial and non-financial services through its subsidiaries.

Ans: The following are the subsidiaries of SIDBI that provides financial and non-financial services:

(I) SIDBI Venture Capital Ltd. provides venture capital to emerging sectors, such as life sciences, biotechnology, pharmaceuticals, engineering and information technology.

(II) Credit Guarantee Fund Trust for Micro and Small Enterprises is a trust to implement the Credit Guarantee Scheme through which credit faculties are extended without third party guarantee on collateral security by eligible lending banks/financial institutions.

(III) SME Rating Agency of India Ltd. was set up by SIDBI, Dun & Bradstreet Information Services India Pvt. Ltd. and several public, private and foreign sector banks as an MSME. It is dedicated third-party rating agency and provide comprehensive, transparent and reliable ratings and risk profiling.

(IV) India SME Technology Services Limited is a platform where MSME's can tap global opportunities for acquiring new emerging technologies and establish business collaborations.

(V) India SME Asset Reconstruction Company Ltd. is an asset reconstruction company. It acquires non-performing assets and try to resolve them through its innovative mechanisms. It specially focus on the non-performing assets of MSME sector.

(VI) Micro Units Development and Refinance Agency is established for 'funding the unfunded' micro enterprises in the country.

(VII) Thus, SIDBI provides different types of financial and non-financial services through its subsidiaries.

3) The NABARD has been recognized as the apex institution for agricultural finance.

Ans: (I) India is an agricultural country.

(II) Agriculture and its allied activities act as main source of livelihood for most of the rural population of India.

(III) Government of India is aware about the need of boosting institutional credit in rural economy.

(IV) The RBI constituted a Committee to review the arrangements for Institutional Credit for Agricultural and Rural Development under the Chairmanship of Shri B. Sivaram, to take review of agricultural credit in India.

(V) The recommendation of the Committee was accepted and National Bank for Agriculture and Rural Development came into existence on July, 12, 1982 under the special Act of the Parliament, with an objective of providing credit and other facilities for the development of agriculture.

(VI) Thus, we can say the NABARD has been recognized as an apex institution for agricultural finance.

4) KVIC plays an important role in development of entrepreneurship.

Ans: (I) Entrepreneurship Development is one of the major functions of KVIC.

(II) KVIC helps to provide additional livelihood avenues to the village communities.

(III) KVIC generate self-employment opportunities through establishment of micro enterprises by organizing traditional artisans and unemployed youth. It increases the earning capacity as well as prevents migration.

(IV) KVIC actively participates in many international trade exhibitions for popularising its products in international markets.

(V) Thus, we can say that KVIC plays an important role in development of entrepreneurship.

5) Mutual Trust is the soul of SHG.

Ans: (I) Most of the Indian villagers are facing challenges such as poverty, illiteracy, lack of skills, health care, etc.

(II) There is a need of group efforts to solve these problems.

(III) The basic philosophy of forming SHGs is to overcome individual shortcomings and weaknesses with collective efforts.

(IV) Through mutual trust thousands of poor and the marginalized individuals are building their lives, their families and their society.

(V) Thus, we can say mutual trust is the soul of SHG.

6) SHG's play an important role in empowerment of women.

Ans: (I) The empowerment of women through SHG's would lead to benefits not only to the individual women but also for the family and community as a whole.

(II) The SHGs empower women and trains them to take active part in socioeconomic progress of the nation.

(III) SHG develops saving habits among the women.

(IV) It enhances status of women as they participate, lead, take decisions and get benefited through collective efforts Thus, we can say that SHG's play an important role in empowerment of women.

7) World Bank plays vital role in social development.

Ans: (I) The World Bank work with governments, communities, civil societies, private sectors and the marginalized ' for the cause of social development.

(II) Social development promotes economic growth and leads to higher quality of life.

(III) The World Bank work on social development, brings voices of the poor and vulnerable into development process.

(IV) World Bank is also undertaking timely social risk analysis, including poverty and social impact analysis.

(V) Thus, World Bank plays a vital role in social development.

Q.6. Attempt the following.

1) State the different forms of finance provided by SIDBI.

Ans: SIDBI offers the following finance facilities to its customers:

(I) Direct Finance: SIDBI offers direct financing to the MSMEs through financing Working Capital, Term Loan, Foreign Currency Loan, Equity Support, Energy Saving Schemes etc.

(II) Indirect Finance: SIDBI offers indirect assistance by providing refinance to banks, State Level Financial Institutions, etc. with an extensive branch network across the country.

(III) Micro Finance: SIDBI offers micro-finance to small businessmen and entrepreneurs for establishing their business.

2) State the role of SIDBI in sustainable development.

Ans: Role of SIDBI in sustainable development:

(I) SIDBI helps MSMEs in creation of economic wealth while preventing ecological wealth of the country. It promotes the culture of energy efficient and sustainable finance.

It takes initiative to enhance awareness of benefits of climate control amongst MSMEs.

(II) It focuses on lending schemes, promoting investments in clean production and energy efficient technologies. It helps to reduce the emission of greenhouse gases to contribute towards reduction in pollution.

3) Explain the role of NABARD in financing rural industries.

Ans: Role of NABARD in financing rural industries:

(I) It plays an important role in providing refinance to small scale industries and other village and cottage industries.

(II) It provides loans to commercial and co-operative banks to promote rural employment.

(III) It organizes skill and entrepreneurship development programmes .to promote an entrepreneurial culture among the rural youth and encourage them to start enterprises in the rural areas.

4) Explain the objectives of KVIC.

Ans: Objectives of KVIC are:

(I) The objectives of KVIC are broadly classified into three. i.e. social objective, economic objectives and wider objective.

(II) Through social objective, KVIC aims at providing employment to the rural unemployed.

(III) Through economic objective, it tries to produce saleable articles which will give promotion to KVIC products.

(IV) Through wider objective, it attempts to create self-refinance amongst the poor and building a strong rural community spirit.

5) Explain the role of KVIC in employment generation.

Ans: Role of KVIC in employment generation:

(I) Due to massive population growth agricultural sector is losing its ability to generate additional employment in rural areas.

(II) It is necessary to create employment opportunities for the fast increasing workforce in rural areas.

(III) Khadi and village industries are labour intensive in nature.

(IV) The KVIC is established with the broader objective to promote non-farm employment opportunities in rural areas.

(V) It also concentrates on the betterment of rural artisans and socio-economic weaker section of the society.

6) Explain in detail democratic setup in SHGs.

Ans: Democratic set up in SHGs:

(I) SHG is group of the members, for the members and by the members.

(II) It is the group which reflects the people's real participation in the process of development.

(III) Every member of the group actively participates in the functioning of SHGs.

(IV) Members are responsible for their own future by organizing themselves into SHGs.

(V) They elect or select leader for proper functioning of the group.

(VI) Leader is responsible for holding regular meetings and maintaining records and accounts of the group.

7) Explain organizational structure of World Bank.

Ans: Organizational Structure of World Bank:

(I) The organization of the bank consists of the Board of Governors, the Board of Executive Directors and the Advisory Committee, the Loan Committee and the President and other staff members.

(II) Board of Governors is the supreme policy making body of the bank.

(III) The board consists of one Governor and one Alternative Governor appointed for 5 years by each member country.

(IV) The Board of Executive Directors consists of 21 member, 6 of them are appointed by the six largest Shareholders, namely USA, UK, Germany, France, Japan and India. The rest 15 members are elected by the remaining countries.

Q.7. Answer the following:

1) Write important features of SIDBI.

Ans: Important features of SIDBI are as follows:

(I) Sustainable Development: SIDBI is working towards sustainable development of MSMEs in India. It helps MSMEs in creation of economic wealth while preventing ecological wealth of the country. It promotes culture of energy efficient and sustainable finance. It helps to reduce the emission of greenhouse gases to contribute towards reduction in pollution.

(II) Nodal/Implementing Agency: SIDBI has been assigned the role of nodal agency by the Government of India. It helps in implementing various subsidy schemes for MSMEs. These schemes help in upgradation, modernization and expansion of business.

(III) Financial Institute for Promotion of MSMEs: SIDBI is established to provide short term and long term finance to the MSMEs. It provides refinance to Banking and Nonbanking Financial Companies to increase supply of credit to MSMEs. SIDBI cater to the specific needs of Indian MSMEs that are not fulfilled through traditional sources of finance.

(IV) Advisory Function: SIDBI also works as an advisor and mentor for MSMEs. It helps MSMEs in expanding marketing channels for the products both in the domestic as well as international markets. It also initiates steps for modernization and technological upgradation of current units.

(V) Forms Of Finance: SIDBI offers the following facilities to its customers:
(a) Direct Finance, (b) Indirect Finance, (c) Micro Finance

(VI) Digital Initiatives:

(a) SIDBI Startup Mitra:

It brings together all stakeholders, start-up entrepreneurs, incubators, investors, industry bodies, mentors and advisors and banks at one platform. It helps in financing and development of new entrepreneur It also works as knowledge partner for State and Central Government.

(b) Udyami Mitra:

This is the portal launched by SIDBI to improve accessibility of credit and handholding services to MSME's. Under this portal entrepreneurs can apply for loan without physically visiting any bank branches. The entrepreneurs can select and apply for preferred banks, they can select suitable branch, track their application status and avail multiple loan benefits.

(VII) Achievement of National Goals: SIDBI helps in poverty alleviation and employment generation by financing MSMEs. It promotes entrepreneurship and fosters competitiveness in MSME sector. It promotes entrepreneurship among women and economically weaker section of the society.

(VIII) Services of MSMEs: SIDBI provides different types of financial and non-financial services through its associates and subsidiaries. These associates and subsidiaries are as follows:

- SIDBI Ventures Capital Ltd.
- Credit Guarantee Fund Trust for Micro and Small Enterprises.
- SME Rating Agency of India Ltd.
- India SME Technology Services Limited
- India SME Asset Reconstruction Company Ltd.
- Micro Units Development & Refinance Agency

2) Write important features of NABARD.

Ans: Important features of NABARD are as follows:

(I) Financing Rural Industries: It plays an important role in providing refinance for small scale industries and other village and cottage industries. It provides loans to commercial and co-operative banks to promote rural employment. It organizes skill and entrepreneurship development programs to promote an entrepreneurial culture among the rural youth and encourage them to start enterprises in the rural areas.

(II) Assistance to Financial Institutes: It plays an important role in preparing and developing action plans for Co-operative Banks and Regional Rural Banks. It also monitors implementation of developmental action plans of these banks. It provides financial assistance to co-operative banks for building improved Management Information System, computerization of operations and development of human resources.

(III) Refinancing Facilities: It provides refinancing facilities to State Co-operative Banks (SCBs), Land Development Banks (LDBs), Regional Rural Banks (RRBs) and other approved financial institutions for financing rural economic activities. It also provides short-term, medium term and long term credit to these institutes.

(IV) Credit for Rural Development: It takes initiative in development and promotion of different activities in rural area by providing funds to State government. It also works on improvement of small and minor irrigation by way of promoting agricultural activities.

(V) Apex Bank: NABARD acts as an apex bank for meeting the credit needs of all type of financial institutions working in the field of agricultural and rural development. It works to frame policies and guidelines for rural financial institutions in India. It provides credit facilities to institutes working in agricultural finance.

(VI) Recommendations to Reserve Bank of India: It provides recommendations to Reserve Bank of India: on issue of licenses to Co-operative Banks, opening of new branches by State Co-operative Banks and Regional Rural Banks.

(VII) Development of Nation: It plays an important role in the Improvement of storage facilities for agricultural commodities by promoting development of warehousing facilities. It also promotes the export of agricultural commodities. It plays a key role in sustainable development of the country through Green, Blue and White revolution.

(VIII) Supervision of Financial Institutes Engaged in Agricultural Finance: It

undertakes inspection of Regional Rural Banks and Co-operative Banks as per the guidelines of Banking Regulation Act, 1949. It can also undertake inspection of State Co-operative Agriculture and Rural Development Banks and apex non-credit co-operative societies on a voluntary basis.

3) Write important features of KVIC.

Ans: Important features of KVIC are as follows:

(I) Research and Development: To face the challenge of globalisation, KVIC has introduced a number of new products range like khadi denim Jeans to cater the need of the market. The KVIC undertake trainings of sales staff for effective marketing of the products. KVIC is taking several steps to set standards of quality to ensure genuineness of the khadi products. KVIC signed Memorandum of Understanding with National Institute of Design to provide design support, services in packaging, marketing, communication, publicity, disseminating materials and other design-related activities.

(II) Other Functions: The KVIC is charged with the planning, promotion, organization and implementation of programs for the development of Khadi and other village industries in the rural area. It organizes training programme for artisans engaged in Khadi and Village Industries.

(III) Marketing Promotion: In order to attract younger generation, the KVIC is holding exhibitions, seminars, lectures in universities and colleges to disseminate knowledge of KVIC products. KVIC has also launched a massive marketing development plan to generate interest, awareness and attraction amongst masses.

(IV) Financial Assistance: It finances the projects for rural industrialization and also provides for margin money by way of subsidy. There are provisions for higher rate of subsidies in case of beneficiaries of the weaker section, tribal areas and backward regions. KVIC also provides financial assistance to institutions and individuals for development and operation of Khadi and Village industries.

(V) Rural Development: The Khadi and Village Industries plays an important role in the development of Indian economy, particularly in the development of the rural areas. KVIC facilitates proper utilization of natural resources in rural India for generating income for the rural masses.

(VI) Employment Generation: Due to increasing workforce, it is necessary to create employment opportunities. KVIC are labour intensive in nature. The broader objective of KVIC is to promote non-farm employment opportunities in rural areas.

(VII) Entrepreneurship Development: KVIC helps to provide additional livelihood avenues to the village communities. KVIC generate self-employment opportunities through establishment of micro enterprises by organizing traditional artisans and unemployed youth.

4) Write important features of SHGs.

Ans: Important features of SHGs are as follows:

(I) Formation: It is generally formed by NGO'S or team of the government. It is an informal group. It is recognized by the government and does not require any formal registration, SHGs have well-defined rules and by laws, hold regular meetings and maintain records.

(II) Membership: As per the National Urban Livelihood Mission at least 5 members are required. It is difficult to manage bigger group and members cannot actively participate from one family only one person can become a member so that more families can participate. Mixed groups are generally not preferred.

(III) Entrepreneurship Development: The poor individuals in rural area face scarcity of capital and managerial skills. SHGs provide them capital at low interest rate which give them opportunity to start micro enterprise. These micro enterprises use untapped manpower in the area which generates employment opportunities in rural area.

(IV) Collateral Free Loan: SHGs provide small loans to the poor individuals for undertaking self-employment projects. Loans are given on the principle of mutual trust and either minimum or no documentation is required to get loan. The rate of interest differs from group to group and it is little higher than the interest charged by banks. It ensures timely repayment of loans as all members of the group are responsible for collecting repayment amount from the members who borrowed the loan.

(V) Democratic Setup: SHG is group of members, for the members and by the members. It is the group which reflects the people's real participation in the process of development. Members elect or select leader for proper functioning of the group. Leader is responsible for holding regular meetings and maintaining records and accounts of the group.

(VI) Empowerment of Women: SHG is an emerging tool for socio-economic development of women all over the world. SHGs are working effectively in promoting women entrepreneurs. SHGs empower women by providing her knowledge, finance and opportunities.

(VII) Saving Habits: The SHG encourages small saving habits at regular interval among its members. The Self Help Group inculcates the thrift and savings habit among the members of each group.

(VIII) Mutual trust: Most of the Indian villages are facing challenges such as poverty, illiteracy, lack of skills, health care, etc. The basic philosophy of forming SHGs is to overcome individual shortcomings and weaknesses with collective efforts. Through mutual trust thousands of the poor and marginalized individuals are building their lives, their families and their society.

(5) Write important features of World Bank.

Ans: Important features of World Bank are as follows:

(I) Organisation and Structure: The organization of the bank consists of the Board of Governors, the Board of Executive Directors and the Advisory Committee, the loan Committee and the President and other staff members. Board of Governors is the supreme policy making body of the bank. The board consists of one Governor and one Alternative Governor appointed for 5 years by each member country. The Board of Executive Directors consists of 21 member, 6 of them are appointed by the six largest shareholders, namely USA, UK, Germany, France, Japan and India. The rest 15 members are elected by the remaining countries.

(II) Innovation and Entrepreneurship: Innovation and Entrepreneurship helps in higher productivity which leads to increased economic growth. It helps in creation of employment to eradicate poverty. Young and growth oriented companies contribute in employment growth. They help in enhancing competitiveness and productivity by introducing new products, developing novel business models and opening new markets. The World Bank brings global experience, knowledge, research and investments to help client countries develop effective innovation and entrepreneurship ecosystems, such as policies, strategies, regulations and institutions that foster investments and jobs.

(III) Financial Products and Services: World Bank provides low-interest loans, zero to low interest credits, and grants .to developing countries. It supports in areas such as education, health, public administration, infrastructure, financial and private sector development, agriculture and environmental and natural resource management.

(IV) Innovative Knowledge Sharing: World Bank sponsors, host or participates in many conferences and forums on issues of development. It also collaborates with partners on many developing issues. It also takes effort to provide access to the best global expertise to the developing countries.

(V) Goals: The World Bank group has set 2 goals to be achieved by 2030.

(a) End extreme poverty by decreasing the percentage of people living on less than 1.90 dollars a day to no more than 3%.

(b) Promote shared prosperity by fostering the income growth of the bottom 40% of every country.

(VI) Social Development: Social Development focuses on the need to 'put people first' in development process. The World Bank's work on social development, brings voices of the poor and vulnerable into development processes. World Bank is also understanding timely social risk analysis, including poverty and social impact analysis.