



SODHANI ACADEMY OF FINTECH ENABLERS LIMITED

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मस्ती की पाठशाला

Financial Literacy Program for Skill Development

(Under NEP 2020 Guidelines)



वित्तीय साक्षरता की ओर एक कदम

Student Handbook
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Preface

Financial literacy is a vital life skill that empowers individuals to make informed decisions about their finances. In today's rapidly changing economic landscape, the ability to manage money effectively is more crucial than ever. This booklet serves as a comprehensive guide to essential financial concepts, from budgeting and saving to understanding investments, credit management, and fraud protection.

Designed to cater to students and individuals of varying ages, this resource simplifies complex financial topics into accessible and engaging lessons. Through interactive activities, quizzes, real-life examples, and creative tasks, readers will develop a strong foundation in financial literacy. By encouraging practical applications, this booklet not only builds knowledge but also fosters the habits and confidence needed to navigate financial challenges and opportunities successfully.

Whether you are a young learner taking your first step towards understanding money or an adult seeking to refine your financial skills, this booklet is your companion in the journey towards financial empowerment. By mastering these principles, readers will be equipped to make wise financial choices, plan for the future, and contribute to personal and societal economic stability.

We hope this resource inspires you to take control of your financial well-being and embark on a path towards a secure and fulfilling future.

A Message from Managing Director:

"Dear young learners, financial knowledge is the key to achieving your dreams. Money isn't just about numbers—it's about making the right decisions that shape your future. With 'Masti Ki Pathshala,' you will learn how to save, invest, and grow your wealth wisely. The habits you build today will help you fulfill your biggest goals tomorrow. Let's make learning about money fun and exciting together!"

Rajesh Kumar Sodhani
Managing Director,
S.A.F.E.

Authors



Rajesh Kumar Sodhani [Popularly known as Financial Doctor of Bharat] is a seasoned financial expert with 34+ years of experience in the industry. Having built everything from scratch since childhood, he has faced numerous challenges that shaped his deep understanding of the value and importance of money. His journey of struggle and perseverance made him realize the critical need for financial literacy from an early age.

Throughout his career, Rajesh Kumar Sodhani witnessed how a lack of financial knowledge holds young minds back from making informed decisions. Determined to bridge this gap, he set out on a mission to empower the next generation with essential money management skills. His dream has always been to make financial education accessible, engaging, and fun for children.

With his debut book, "Masti Ki Pathshala," he has transformed complex financial concepts into exciting, relatable lessons for school students. Through storytelling and interactive learning, he helps students grasp the fundamentals of saving, investing, and making wise financial choices—preparing them for a secure and independent future.



Ritika Sodhani (PGDBM) is truly making a significant impact on the future of financial literacy! Through her entrepreneurial journey and the creation of "Masti Ki Pathshala," she's breaking down financial concepts into engaging lessons for young minds. It's amazing how she's able to simplify complex ideas like saving, investing, budgeting, and smart spending for school students, making learning about money both fun and meaningful. Her ability to teach these important concepts through interactive examples will definitely help young learners grow into financially smart individuals.

Ritika was inspired to focus on financial education for children after noticing that many young people lacked basic money management knowledge and often relied on others to handle their finances. This awareness led her to create Masti Ki Pathshala, where she aims to equip children with the skills they need to take control of their financial futures and understand the value of their earned money from an early age.



Prof (Dr.) Prashant Madan [PhD, LLM, LLB, MBA, M.Com, M.A] – An educationist, learner and mentor with a profound work experience of 27+ years and worked as head of Institution for more than a decade. With his vast experience amongst the students, the pillars of nation for the coming years he has always emphasized that the Financial Knowledge is the key to success. He has been a strong believer that only the society & nation can grow when the young citizens contribute more towards the wealth creation. The wealth creation can be done & achieved only with financial literacy at an early age. This thought has led to the Emphasis of creating a Simple yet meaningful drive of Financial Literacy through the book “Masti Ki Pathshala”.

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Chapter 1: The History of Money

Bartering to Banknotes to Bitcoin

How money has changed over 5,000-plus years



Introduction

The terms "money" and "currency" are often used interchangeably. However, several theories suggest they are not identical. According to some theories, money is inherently an intangible concept. Currency, on the other hand, is the physical or tangible manifestation of the intangible concept of money.

According to this theory, money cannot be touched or smelled. Currency is the coin, note, object, or physical representation that is presented in the form of money.

The basic form of money is numbers while the basic form of currency is paper banknotes, coins, or plastic cards like credit or debit cards. Though this distinction between money and currency is important in some contexts, for the purposes of this examination of the history of money, the terms are used interchangeably.

KEY TAKEAWAYS

- Money is a medium of exchange with a recognized value that was adopted to make it easier for people to trade products and services with one another.
- The history of money crisscrosses the world as various cultures recognize the need to simplify trade by introducing a single, portable token of value into the process.
- People bartered before the world began using money.
- The world's oldest known coin minting site was located in China, which began striking spade coins sometime around 640 BCE.
- Since then, the world has adopted banknotes and moved into digital forms of payment, including virtual currencies.

What Is Money?

Money doesn't always have value, whether it's represented by a seashell, a metal coin, a piece of paper, or a string of code mined electronically by a computer. With global wealth estimated to be about \$432 trillion at the end of 2023, the value of money depends on the importance that people place on it as a medium of exchange, a unit of measurement, and a storehouse for wealth.

Money allows people to trade goods and services indirectly. It helps communicate the price and value of goods and provides individuals with a way to store their wealth. It is valuable as a unit of account—a socially accepted standard by which things are priced and with which payment is accepted. However, both the usage and form of money have evolved throughout history.

From Bartering to Currency

Money has been part of human history for at least the past 5,000 years in some form or another. Before that time, historians generally agree that a system of bartering was likely used. Bartering is a direct trade of goods and services.

For example, a farmer may exchange a bushel of wheat for a pair of shoes from a shoemaker. However, these arrangements take time.

A type of currency slowly developed over the centuries that involved easily traded items like animal skins, salt, and weapons. These traded goods served as the medium of exchange even though the value of each of these items was still negotiable in many cases. This system of trading spread across the world and still survives today in some parts of the globe.

One of the greatest achievements of the introduction of money was the increased speed at which business, whether it involved mammoth slaying or monument-building, could be done.

In early August 2021, Chinese archaeologists with the State University of Zhengzhou announced the discovery of the world's oldest known, securely dated, coin minting site in Guanzhuang in Henan Province, China. A mint is a facility where currency is created. Sometime around 640 BCE, this facility began striking spade coins, one of the first standardized forms of metal coinage.

First Official Currency Is Minted

Meanwhile, farther west during this era, in 600 BCE, metal coinage was invented when Lydia's King Alyattes minted what is believed to be the first official currency, the Lydian stater.

The coins were made from electrum, a mixture of silver and gold that occurs naturally, and the coins were stamped with images that acted as denominations.

Lydia's currency helped the country increase both its internal and external trading systems, making it one of the richest empires in Asia Minor. Today, when someone says, "as rich as Croesus," they are referring to the last Lydian king who minted the first gold coin.

Transition to Paper Currency

During 1260 CE, the Yuan dynasty of China moved from coins to paper money. By the time Marco Polo, a Venetian merchant, explorer, and writer who traveled through Asia along the Silk Road, visited China in approximately 1271 CE, the emperor of China had a good handle on both the money supply and its various denominations.

In fact, in the place where modern American bills say, "In God We Trust," the Chinese inscription at that time warned: "Those who are counterfeiting will be beheaded."

Parts of Europe still used metal coins as their sole form of currency until the 16th century. Colonial acquisitions of new territories via European conquest provided new sources of precious metals and enabled European nations to keep minting a greater quantity of coins.

But banks eventually started using paper banknotes for depositors and borrowers to carry around in place of metal coins. These notes could be taken to the bank at any time and exchanged for their face value in metal, usually silver or gold coins.

This paper money could be used to buy goods and services. In this way, it operated much like currency does today in the modern world. However, it was issued by banks and private institutions rather than the government, which is now responsible for issuing currency in most countries.

IMPORTANT

The gold standard was established in the 1870s. Under this rule, currency printing was permitted based on the amount of gold a country had in its reserves.

The first paper currency issued by European governments was actually issued by their colonial governments in North America. Because shipments between Europe and the North American colonies took a long time, colonies often ran out of cash.

The first instance was in Canada (then a French colony) in 1685 when soldiers were issued playing cards denominated and signed by the governor to use as cash instead of coins from France.

The Emergence of Currency Wars

The shift to paper money in Europe increased the amount of international trade that could occur. Banks and the ruling classes started buying currencies from other nations and created the first currency market.

The stability of a particular monarchy or government affected the value of the country's currency, and thus, that country's ability to trade on an increasingly international currency market.

The competition between countries often led to currency wars, where competing countries would try to change the value of the competitor's currency by driving it up and making the enemy's goods too expensive, by driving it down and reducing the enemy's buying power (and ability to pay for a war), or by eliminating the currency completely.

Mobile Payments

The 21st century gave rise to a novel form of payment activated with the touch of your finger. Mobile payments refer to money used to pay for goods and services. They can also be used to transfer money to another individual, such as a family member or friend. This can all be done using a portable electronic device, such as a smartphone or tablet device.

This form of payment first came to prominence in Asia and Europe before moving over to North America. From payments via text message, the technology evolved to allow checks to be deposited using the camera app on smart devices.

Virtual Currency

Virtual currencies are only available in electronic form. As digital representations of money, this type of currency is stored and traded using computer applications or specially designated software. The appeal of virtual currency is that it offers the promise of lower transaction fees than traditional online payment mechanisms do and is operated by decentralized authorities, unlike government-issued currencies.

Bitcoin quickly became the standard for virtual currencies. It was released in 2009 by the pseudonymous Satoshi Nakamoto. All of the world's Bitcoin was worth \$1.14 trillion as of Aug. 7, 2024.

Keep in mind, though, that virtual currencies like Bitcoin have no physical coinage because they are traded on exchanges.

Ancient transaction forms have been co-opted: for example, bartering still occurs on the margins in some markets such as the business-to-business (B2B) space and some consumer services. The monetary system will surely continue evolving as long as humans require a medium of exchange.

EVOLUTION OF MONEY

INTRODUCTION

There are three considered basic needs (food, clothing and shelter) These are some essential needs of a man (and woman too!). In early ancient times, these needs were fulfilled but in vain through barter system. Money came into existence when it was needed. It fulfilled needs of a man easily but how it transformed into a credit card that we need to know. There are five stages of evolution – Commodity Money (Goods), Metallic Money (Coins), Paper Money (Bank Notes), Credit Money (Cheques & DDs) and Plastic Money (Credit & Debit Cards).



1. COMMODITY MONEY

Money is a common thing used in exchange for purchasing goods and services. In ancient times, barter system was mostly prevailed in the world. This system started creating difficulties in trade as barter trade cannot be done between two individuals if one has need for something that another have but the latter individual has no need of something that form Eris offering.

For eg: There are two farmers named A and B. A is growing wheat and B is growing rice. A needs rice and he is offering wheat to B but B has no need of wheat which is offered by A and, that's why, B didn't accepted the offer given by A. So, there cannot be exchange between A and B. Thus, common things like shells, pebbles, salt, came into existence as common goods used for exchange. Now A can sell his wheat to C and, in return, he gets shells as money and, with this, he can buy rice from B and thus, his needs could be fulfilled easily through money. This was the birth of money and ancient economy started to develop.



2. METALLIC GOODS

As people started using commodity as a money, new problems came into being. Commodity money had three common defects - perishability, indivisibility and heterogeneity. They were perishable so they couldn't be kept for a long time and so, people couldn't repay their loans or they cannot save it for future needs. It was hardly divisible as commodities like cows, salt, etc are useless if divided. So, it was difficult to buy a product in a value which is half of currency's value. Different commodities were used in different markets or cities as a currency, that's why, intercity trade was almost impossible. For eg: A lives in city X and B lives in city Y. A cannot trade with B because the city X accepts shells for currency and city Y accepts cattle as a currency. So, ancient civilizations devised metallic money to solve these problems.

Metallic money was durable - it can be saved for a long time and can be used for future repayments or can be saved for future needs. People of ancient civilizations manufactured coins in different metals to indicate different values - gold coins were used for highest valuable goods and so, it can be divided into smaller values by exchanging gold coin for two silver or three bronze coins which have value smaller than gold coin. Coins were acceptable for more than one cities, so A can trade with B as cities X and Y have accepted same metallic currency system.



3. PAPER MONEY

As people started using metallic money, it was hardly portable. As trade and commerce increased, people started becoming rich but it was virtually impossible to possess vast amount of coins as they were very heavy and bulky. So, people, during early medieval time in far east, started developing paper money as paper is a material lighter than coins and so they could be carried easily from one place to another and the speed of trade would increase. Now people can possess (somewhat) vast amount of money.



4. CREDIT MONEY

As money became the household's main needs and greed overtook relationship in its importance, life was not safe and money had no protection from theft. To solve this, a banking system was developed. Through this system, people can save their earning in a given account and can ask loans for needs if they are poor. As money lenders normally exploited poor people, bank took the responsibility to provide loans without having danger in their life. It is a systematic institution from which people can purchase goods or services by transferring money from their account to the seller's account easily by using an instrument named cheque. Any amount of money, high or low, can be transferred through cheque by writing that amount of money on it. Also, many governments have their own bank for saving and protecting public money and this led control of flow of money in a country's economy. And thus, banking became the backbone of household as well as national economy.



5. PLASTIC MONEY

When digitization of information & data process started, banks took advantage and digitized their accounts. Also, the age of computer and internet created a favourable atmosphere for creating plastic money. Plastic Monies are of two types – credit card and debit card. ATM started to develop and plastic money could be converted in cash through this machine. Plastic monies are swiped for transaction and nothing but transaction could be done. It has become a symbol of modernity. Modern shops asks for credit card except from people who don't have it. Only bank balance could be transferred and not plastic card itself. It is portable, durable and divisible



Chapter 2: Financial Literacy

Introduction

Financial literacy is the ability to understand and manage personal finances effectively. It includes key concepts like budgeting, saving, investing, managing credit, and planning for retirement. Understanding these concepts is essential in today's world, where economic challenges and opportunities constantly arise. Financial literacy empowers individuals to make informed decisions, avoid financial pitfalls, and plan for a secure future.



Key Components of Financial Literacy

Budgeting: Tracking income and expenses to make informed spending decisions.

Saving: Setting aside money for emergencies, goals, and future needs.

Investing: Allocating money to assets that grow in value over time.

Credit Management: Understanding how to manage credit and debt wisely.

Retirement Planning: Saving for life after work by investing in retirement accounts.

Definition of Financial Literacy

Financial literacy is the ability to use knowledge and skills to manage financial resources effectively. It helps people set realistic financial goals, create budgets, save for emergencies, make smart investment decisions, and prepare for retirement.

A financially literate person understands financial statements, interest rates, loan terms, and investment options. This knowledge empowers individuals to manage their money better, avoid debt traps, and plan for a secure financial future.

Importance of Financial Literacy



1. Empowerment in Financial Decision-Making

Financial literacy gives individuals the confidence to make informed choices, leading to improved financial habits such as budgeting and saving.

2. Prevention of Financial Pitfalls

Financial literacy helps avoid common mistakes like falling into debt or relying on high-interest loans. Understanding money management can prevent these problems and ensure better financial health.

3. Promotion of Economic Stability

A financially literate population is more likely to save and invest, boosting economic growth and stability. Financial education helps reduce reliance on government assistance programs.

4. Enhancing Quality of Life

Good financial management reduces stress, improves savings, and enables individuals to enjoy life without constant financial worries. Financial literacy supports better decision-making for future goals and aspirations.

5. Fostering Social Equity

Financial literacy promotes social equity by helping marginalized communities access the knowledge they need to achieve financial independence, thereby reducing economic disparities.

6. Planning for the Future

Financial literacy is essential for long-term planning, including retirement and wealth-building strategies. Individuals who understand how to plan for the future are more likely to secure financial stability.

Need for Financial Education



Financial education is particularly important for groups such as:

- **Low-Income Families:** They often face financial instability due to limited access to resources and financial education.
- **Young Adults:** Many face challenges like student debt and credit management without sufficient financial knowledge.

Tailored financial education programs can empower these groups to make better financial choices, improve stability, and achieve their long-term goals.

Role of Financial Literacy



Economic Empowerment: Financial literacy enables individuals to control their financial future and reduce stress related to money.

Social Equity: By improving access to financial education, societies can reduce economic disparities and ensure equal opportunities for all.

Together, all components form the foundation of sound financial decision-making, empowering individuals to achieve their financial goals and enhance their overall quality of life.

1. Budgeting

- Budgeting's often regarded as the cornerstone of financial literacy. It involves tracking income and expenses to create a plan for managing money effectively.
- A well-structured budget enables individuals to allocate resources towards essential needs, discretionary spending, and savings.
- By analyzing spending patterns, individuals can identify areas where they might be overspending and adjust their habits accordingly.
- Additionally, budgeting fosters a sense of accountability and discipline, as individuals become more aware of their financial choices and their impact on overall financial health.

2. Saving

- Saving is another crucial aspect of financial literacy. The ability to save money is fundamental for achieving both short-term and long-term financial goals.
- Establishing an emergency fund, saving for major purchases, or planning for retirement requires a strategic approach to saving.
- Financially literate individuals understand the importance of setting aside a portion of their income regularly and the benefits of compound interest.
- By prioritizing savings, individuals can build a financial cushion that provides security and flexibility in times of need.

3. Investing

- Investing expands the realm of financial literacy beyond basic money management.
- It involves allocating resources to various assets with the expectation of generating a return.
- A foundational understanding of investment principles, such as risk and return, diversification, and asset allocation, empowers individuals to make informed choices about how to grow their wealth over time.
- While investing can seem daunting, a strong grasp of financial concepts can demystify the process, enabling individuals to engage confidently in investment opportunities that align with their financial goals.

Financial literacy is the foundation of personal finance management. It helps individuals understand how to:

- Set financial goals and budgets.
- Save for emergencies and future needs.
- Invest wisely to grow wealth over time.
- Manage credit and debt effectively.



Promoting financial literacy at all ages, from childhood to adulthood, is crucial for fostering a financially stable society.

Benefits of Financial Literacy



Improved Financial Health: Individuals can make better decisions about spending, saving, and investing.

4. Credit Management

- Credit management is another critical component of financial literacy.
- Understanding how credit works, including credit scores, interest rates, and loan terms, is essential for making informed decisions about borrowing.
- A strong credit score can significantly impact an individual's ability to secure loans, obtain favorable interest rates, and access financial products.
- Financially literate individuals are equipped to manage credit responsibly, avoiding excessive debt and understanding the implications of their borrowing choices.

5. Retirement Planning

- Retirement planning is a vital aspect of financial literacy that involves preparing for financial stability in one's later years.
- Understanding the different retirement savings options, such as employer-sponsored retirement plans and Individual Retirement Accounts (IRAs), is crucial for building a sustainable retirement fund.
- Financial literacy equips individuals with the knowledge to assess their retirement needs, set realistic savings goals, and choose appropriate investment strategies to secure their financial future.

Inflation

Inflation means the rise in the prices of goods and services.

Inflation is defined as a sustained increase in the general price level for goods and services.



What are the effects of inflation?

Inflation reduces the purchasing power of the money. Inflation reduces unemployment. The price of goods and services become more expensive. An inflation rate of 2% to 3% is good for the economy but higher rates of inflation can be very bad for consumers and the economy of a nation. High inflation rates will impact borrowing money, increase the cost of doing business, and will also increase the cost of living.

What are the 5 causes of inflation?

The 5 causes of inflation are-

- Increase in wages
- Increase in the price of raw materials
- Increase in taxes
- Decline in productivity
- Increase in money supply

Interactive Activities

1. Quiz Time

- What is the purpose of budgeting?
- Why is credit management important?

2. Real-Life Story

- A case study of a person who improved their financial health by using budgeting and saving strategies.

3. Creative Task

- Design a poster or infographic explaining the importance of saving money.



Glossary



1. **Compound Interest:** Earnings on both the initial principal and the accumulated interest.
2. **Diversification:** Spreading investments to reduce risk.
3. **Credit Score:** A number representing an individual's credit worthiness.

Summary

Financial literacy is essential for individuals to make informed decisions about their finances, helping them achieve financial stability and security. By understanding the basics of budgeting, saving, investing, and credit management, individuals can improve their quality of life, promote economic growth, and work towards long-term financial goals. Financial literacy benefits not just individuals but entire communities, leading to greater social equity and economic stability.



Question Section

Fill in the Blanks

1. Financial literacy includes understanding budgeting, saving, investing, and _____.
2. A financially literate person understands the importance of _____ for future needs.
3. The key to preventing financial pitfalls is _____.
4. Financial literacy helps individuals plan for _____.
5. Good financial habits lead to _____ quality of life.

Multiple Choice Questions

1. What is the main purpose of budgeting?
(a) To save money for emergencies
(b) To track income and expenses
(c) To invest in the stock market
(d) To plan for retirement
2. Which of these is NOT part of financial literacy?
(a) Saving for emergencies
(b) Managing credit
(c) Spending without limits
(d) Planning for retirement
3. Why is investing important?
(a) To spend money immediately
(b) To grow wealth over time
(c) To manage debt
(d) To buy unnecessary items

True/False

1. Financial literacy includes only managing credit and debt. (False)
2. Saving money helps build financial security for future needs. (True)
3. Financial literacy is not important for young adults. (False)
4. Retirement planning is only for people over 50. (False)

One-Liner Questions

1. What is one benefit of financial literacy?
2. What is budgeting?
3. Why is credit management important?
4. What is the key to successful saving?

Chapter 3: Budgeting

Introduction

Budgeting helps you manage our money better. It's about knowing how much money you have, what we spend it on, and how you can save for the future. By budgeting, you can plan for important goals like buying something special, saving for school, or even helping our families. Let's learn how to do this step by step!



Cash Inflows and Cash Outflows

Cash Inflows (Income): Sources and Management

Income refers to the money received by individuals or households, typically as compensation for work, investments, or other sources. Understanding the various sources of income is essential for effective financial planning.

The primary sources of income include earned income (salaries, wages, bonuses, commissions), unearned income (interest, dividends, rental income), and other forms such as government assistance or gifts.

Effective management of income begins with assessing the total amount received. This includes not only regular salary but also any supplementary income, such as part-time jobs, freelance work, or side businesses. By determining the total income, individuals can establish a clear picture of their financial situation and how much money is available for budgeting purposes.

It is important to differentiate between gross income (the total earnings before taxes and deductions) and net income (the amount received after taxes and other deductions). Net income is crucial for budgeting since it represents the actual amount of money available for spending and saving. Understanding the nuances of income management is vital for individuals to make informed financial decisions and set realistic financial goals.



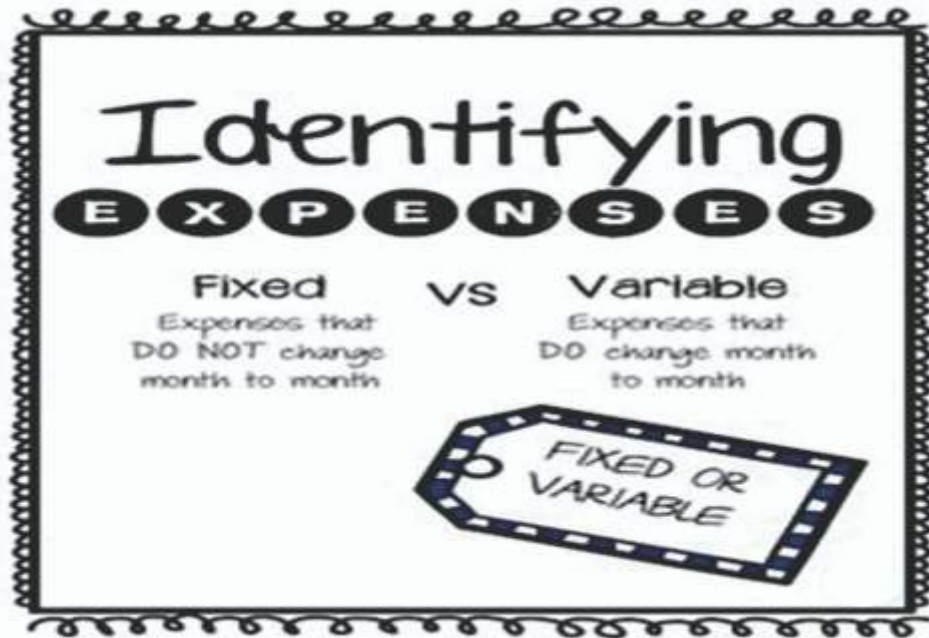
Cash Outflows (Expenses): Tracking and Categorizing

Expenses are the costs incurred for goods and services consumed, and they can be broadly categorized into fixed and variable expenses. Fixed expenses are those that remain relatively constant from month to month, such as rent or mortgage payments, insurance premiums, and loan repayments. In contrast, variable expenses fluctuate based on consumption and can include groceries, entertainment, and dining out.

Tracking expenses is a crucial step in understanding one's spending habits and identifying areas where adjustments can be made. By keeping a detailed record of expenditures over a specific period, individuals can gain insights into their spending patterns. Various tools can assist in tracking expenses, including mobile apps, spreadsheets, or even pen-and-paper methods.

Categorizing expenses allows individuals to assess their financial priorities and determine where to allocate funds. For instance, essential expenses such as housing, utilities, and transportation should take precedence over discretionary spending on entertainment or luxury items. By understanding the different categories of expenses, individuals can develop a more structured approach to managing their finances.

Types of Expenses



1. Fixed Expenses:

These are expenses that you pay for every month, like school fees, rent, or subscriptions. They don't change much.

2. Variable Expenses:

These are expenses that change every month, like snacks, clothes, or outings. You can try to spend less on these.

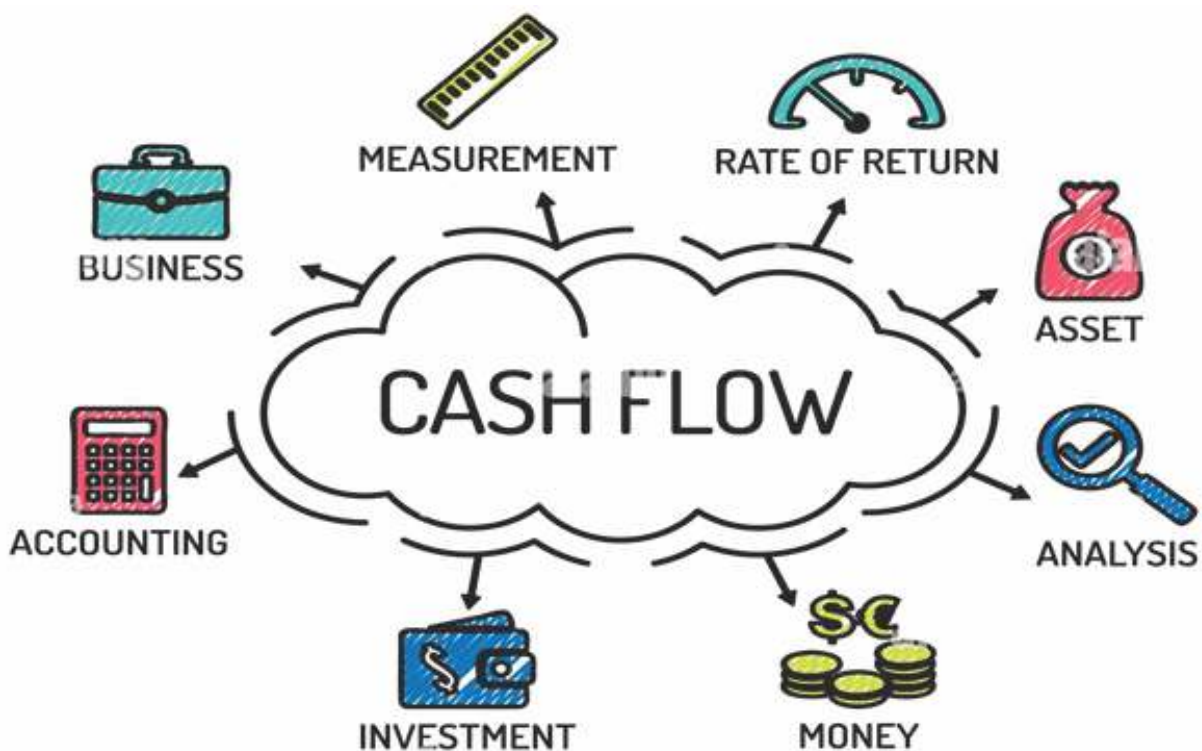
How to Manage Expenses:

- Write down all expenses to see where your money goes.
- Look for ways to save. For example, instead of buying snacks every day, you could bring homemade treats!

Factors Affecting Cash Flows

Cash flow is the amount of cash and cash-equivalents that move in and out of a business. Many factors can affect cash flow, including:

- **Receivables and payables:** How much money is coming in and going out of the business:
 - ★ **Accounts receivable:** The amount of money owed to the business by customers and other debtors.
 - ★ **Accounts payable:** The amount of money owed by the business to suppliers and other creditors.
 - ★ **Days payable outstanding:** How quickly a business pays its suppliers.
- **Inventory:** Too much inventory can tie up funds that could be used elsewhere.
- **Credit policy:** Whether to grant credit to customers or not.
- **Cash discounts:** Can encourage customers to pay more quickly.
- **Investing and financing:** Investment decisions, such as purchasing real estate or equipment, can decrease cash flow.
- **Average collection period:** How long it takes to convert sales into cash.
- **Accounts receivable to sales ratio:** The ratio of accounts receivable to monthly sales.
- **Social factors:** How the demographics and social norms of the target market impact the business.
- **Income versus expenses:** Cash in versus cash out, both today and forecasted over the next six months.

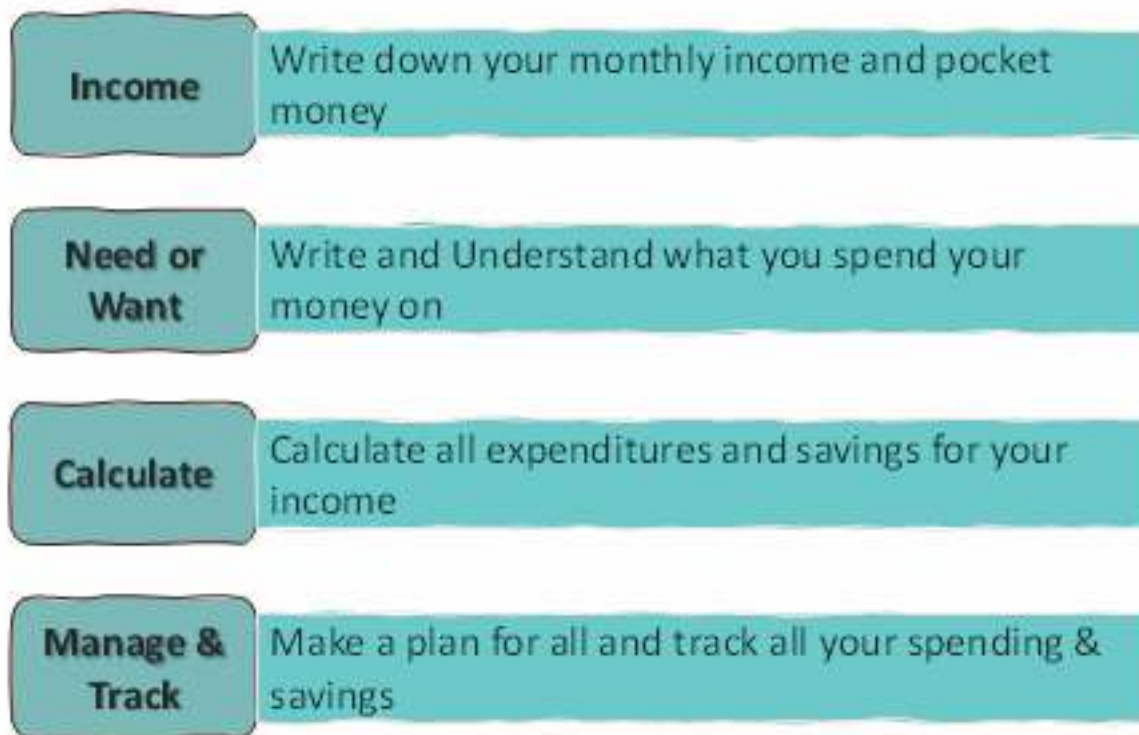


What is Budgeting?

What does “budgeting” mean?

A budget is like a plan for your money. It shows how much you earn (called “income”) and where you spend it (called “expenses”). A budget helps you save money and avoid spending too much.

Budgeting Process



Why is budgeting important?

- It helps you know if we're spending too much.
- We can save for exciting goals like a bicycle, toys, or even college!
- It keeps you prepared for emergencies.

How to Budget ?



Step 1: Know Your Income

Income is the money you get. It could be pocket money, gifts, or allowances. Write down how much money you have.

Step 2: List Your Expenses

Expenses are things you spend your money on, like snacks, books, or toys. Write down everything you spend.

Step 3: Save Some Money

Always try to save a little! For example, if you get ₹100, you can save ₹20 and spend ₹80. Saving means keeping money for something important later.

Step 4: Stick to the Plan

Once you know your income and expenses make a plan and follow it. Don't buy things that aren't in your plan!

Saving Money



Why is saving important?

Saving helps you to be ready for surprises, like buying a gift for a friend's birthday or fixing a broken toy. It also lets us reach big goals, like a fun vacation or a new gadget.

How to save money:

- Save first: Keep a small part of your income aside before you spend anything.
- Use a piggy bank or a savings account.
- Set goals: Decide what you're saving for and how much you need.

Tools for Budgeting



Using Simple Tools:

- A notebook to write down income and expenses.
- A calculator to add everything up.

Digital Tools:

- Budgeting apps like Mint or Good budget.
- Spreadsheets to track your money.

Budgeting Tips for Families



Why is it important for families to budget?

Families need to budget to plan for bills, groceries, and saving for future goals like a family vacation or new appliances.

Fun Family Budgeting Tips:

- Hold a family meeting to decide what to save for.
- Create a family piggy bank.
- Track spending as a group and celebrate savings milestones.

Interactive Activities

1. **Money Tracker Game:** Write down all the things you spend money on this week. Did you spend more on snacks or toys?
2. **Savings Challenge:** Save ₹10 every week for a month. Thing what will you buy with ₹40?
3. **Budget Poster:** Design a colorful poster showing why saving money is cool!
4. **Family Budgeting Challenge:** Work with your family to create a budget for a fun activity like a picnic. How much can you save together?

Glossary



1. **Income:** Money you earn or receive.
2. **Expenses:** Things you spend money on.
3. **Savings:** Money you keep for the future.
4. **Budget:** A plan to manage income and expenses.
5. **Fixed Expenses:** Regular costs like rent or school fees.
6. **Variable Expenses:** Changing costs like snacks or clothes.

Summary

Budgeting is a powerful tool to manage your money. It helps you know your income, control expenses, and save for the future. By following simple steps and sticking to a plan, you can reach your goals, avoid overspending, and feel more in control of your finances. Start small, and soon you'll be a budgeting expert!



Questions Section

Fill in the Blanks:

1. A helps us manage our money.
2. Money we earn is called
3. Always try to save of what you earn.

Multiple Choice Questions:

1. What is “income”?
 - (a) Money you spend
 - (b) Money you save
 - (c) Money you earn
2. Why is it important to save money?
 - (a) For emergencies
 - (b) For future goals
 - © Both

True/False:

1. Expenses are the money you earn.
2. Saving money helps us be ready for surprises.
3. Fixed expenses change every month.

One-Liner Questions:

1. What is a budget?
2. Why should we save money?

Chapter 4: Financial Services Sector

Introduction

Financial literacy is the ability to understand and effectively manage personal finances. It encompasses essential knowledge and skills required to make informed financial decisions. This unit delves into critical aspects of financial literacy, such as the role of the Reserve Bank of India (RBI), the concept of banking, and steps to open a bank account. We also explore the functions and significance of cheques in modern banking.



Reserve Bank of India (RBI)

Introduction

The Reserve Bank of India (RBI) is the central bank of India, responsible for maintaining financial stability and promoting economic growth. It governs the country's monetary policy and oversees various financial institutions.



Functions of RBI

- **Implements Monetary Policy:** Ensures price stability and manages inflation.
- **Manages Foreign Exchange Reserves:** Maintains the stability of the rupee in the global market.
- **Acts as a Banker to the Government:** Manages public debt and issues government securities.
- **Financial Regulation and Supervision:** Ensures the soundness of the banking system.
- **Issuance of Currency:** The sole authority to issue banknotes in India.

Significance

The RBI plays a pivotal role in regulating the financial ecosystem, ensuring the safety of depositors' money, and fostering economic development.

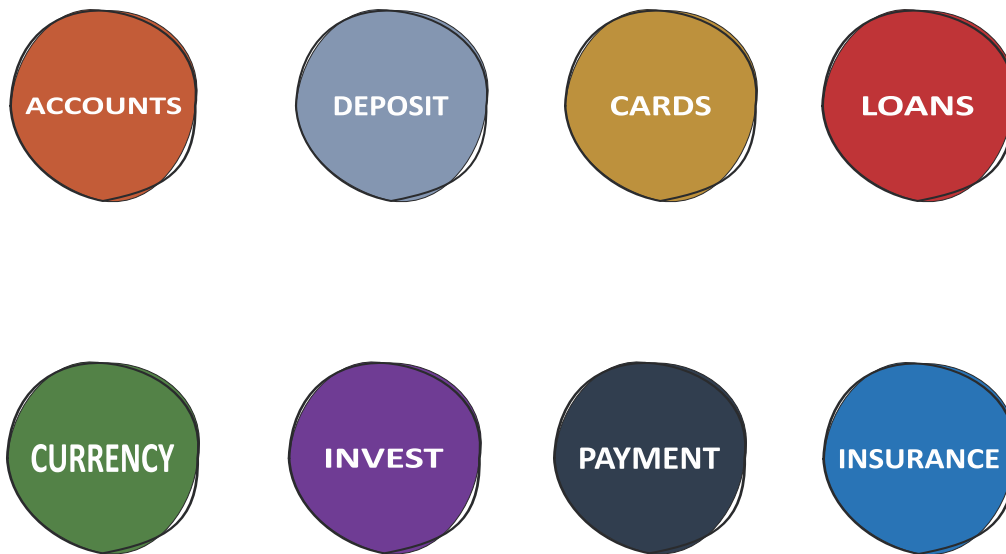
The Reserve Bank of India (RBI) plays a prominent role as the Central Bank of India and has the power to control the monetary situation of the entire country. Apart from the issuance of currency, RBI performs various other important functions that impact the Indian economy in a significant way:

- Implements monetary policies
- Manages foreign exchange reserves
- Acts as a banker to the government
- Financial regulation and supervision
- Governs the policies for other banks to follow

What is a Bank?

Introduction

Banks are financial institutions that provide various services, including accepting deposits, granting loans, and facilitating transactions. They form the backbone of a country's economy.



Services Offered by Banks

- **Deposit Accounts:** Savings and current accounts for managing funds.
- **Loans:** Personal, housing, and business loans.
- **Cards:** Debit and credit cards for seamless transactions.
- **Insurance:** Protection plans for health, life, and assets.
- **Investments:** Fixed deposits and mutual funds.
- **Payments:** Digital platforms for utility bills and fund transfers.

Importance of Banks

Banks enable individuals and businesses to save money, access credit, and invest in economic opportunities, contributing to overall financial stability.

Banking services are fundamental components of modern economies, serving as the backbone of financial systems. They facilitate various financial transactions, provide access to credit, and contribute to economic growth and stability. This chapter introduces the essential concepts of banking services, including types of banks, their functions, and the various products and services they offer. Understanding banking services is crucial for individuals, businesses, and communities seeking to navigate the financial landscape effectively.

Steps to Open a Bank Account



Step-by-Step Process

1. **Decide the Type of Account:** Choose between savings, current, or fixed deposit accounts.
2. **Visit the Bank:** Approach a branch and meet the bank officials.
3. **Fill the Application Form:** Provide details like name, address, and contact information.
4. **Submit Required Documents:** Ensure all documents are verified.
5. **Deposit Initial Amount:** Activate the account by depositing the required sum.

Documents Required

- **Identity Proof:** Aadhaar card, passport.
- **Address Proof:** Utility bill, voter ID.
- **Signature Proof:** PAN card, passport.
- **Minor Proof:** Birth certificate (if applicable).
- **KYC Documents:** Ensures customer authenticity.

Key Points

Ensure that the name and address on the documents match those provided in the application form.

Cheques – An Instrument of Exchange

Introduction

Cheques have long been a trusted method of transferring money. Despite the growing popularity of online banking, cheques remain integral to financial transactions.



How Cheques Work

1. The payer issues a cheque to the payee.
2. The payee deposits the cheque in their bank.
3. The payee's bank presents the cheque to the payer's bank.
4. The payer's bank verifies and transfers the funds.
5. The amount is credited to the payee's account.

Key Elements of a Cheque

- **Payer's Name and Signature:** Identifies the account holder.
- **Payee's Name:** Indicates the recipient.
- **Date:** Specifies when the cheque is valid.

Benefits

- Provides a secure way of transferring money.
- Acts as a record for financial transactions.

Interactive Activities

1. Quiz Time

- What is the main function of the RBI?
- Name any two documents required to open a bank account.

2. Real-Life Example

- Discuss how banking services helped a local business to grow.

3. Creative Task

- Design a poster explaining the steps to open a bank account.



Glossary



- **Monetary Policy:** Strategies used by a central bank to control inflation and stabilize the economy.
- **KYC:** A process to verify the identity of bank customers.
- **Cheque:** A document that orders a bank to pay a specific amount from the payer's account.

Summary

Financial literacy equips individuals with the knowledge and skills needed to make sound financial decisions. From understanding the role of the RBI to learning how banks operate and mastering the use of cheques, this unit highlights the significance of financial education in modern life. By fostering awareness and enabling informed decisions, financial literacy contributes to economic growth and personal empowerment.



Question Section

Fill in the Blanks

1. The Reserve Bank of India is responsible for issuing _____.
2. Cheques remain at the core of the _____ industry.
3. KYC stands for _____.
4. Banks provide financial _____ to businesses.
5. The first step in opening a bank account is to decide the _____ of account.

Multiple Choice Questions

1. Which organization issues currency in India?
 - (a) SBI
 - (b) RBI
 - (c) NABARD
 - (d) IRDAI
2. What is required for KYC compliance?
 - (a) Aadhaar Card
 - (b) Passport
 - (c) PAN Card
 - (d) All of the above
3. What is the primary purpose of a cheque?
 - (a) Deposit money
 - (b) Withdraw money
 - (c) Transfer money
 - (d) Open an account

True/False

1. Banks offer investment services.
2. The RBI does not regulate monetary policy.
3. A cheque can be issued without a signature.

One-Liner Questions

1. What does KYC ensure?
2. Name one financial service provided by banks.
3. What is the function of a cheque?

Chapter 5: Managing Your Own Money

Introduction

Managing money effectively is an essential skill for individuals of all ages. Understanding banking services, budgeting, and digital financial tools enables individuals to make informed decisions, achieve financial goals, and maintain stability. This unit explores key topics such as banking functions, types of bank accounts, budgeting, and digital banking innovations like Unified Payments Interface (UPI) and mobile wallets.

Banking Basics

Introduction

Banks are integral to modern economies, facilitating financial transactions and contributing to economic growth. This chapter delves into the core functions of banks and the various types of bank accounts they offer.



RETAIL BANKS



COMMERCIAL BANKS



INVESTMENT BANKS



CENTRAL BANKS

TYPES OF BANKS



CREDIT UNIONS



ONLINE BANKS



MUTUAL BANKS



SAVINGS AND LOANS

Functions of Banks

- **Accepting Deposits:** Safeguarding public savings and offering interest.
- **Providing Loans:** Funding individuals and businesses for diverse needs.
- **Facilitating Payments:** Enabling cashless transactions through cheques, cards, and digital platforms.
- **Currency Exchange:** Assisting with foreign exchange transactions.
- **Financial Advisory Services:** Helping customers plan investments and savings.



Types of Bank Accounts



1. **Savings Account:** Ideal for personal savings and everyday transactions. Provides a modest interest rate on deposits.
2. **Current Account:** Designed for businesses with high transaction volumes. It allows unlimited deposits and withdrawals but usually doesn't offer interest.
3. **Recurring Deposit Account (RD):** Encourages disciplined savings with fixed monthly deposits and higher interest rates compared to savings accounts.
4. **Fixed Deposit Account (FD):** Offers higher interest rates for lump sum deposits over a fixed tenure, ranging from months to years.
5. **DEMAT Account:** Holds securities like stocks, bonds, and mutual funds electronically, simplifying investment management.
6. **NRI Account:** Tailored for Non-Resident Indians to manage finances in India while residing abroad.

Automated Teller Machines (ATMs)

Introduction

ATMs have revolutionized banking by providing round-the-clock access to financial services. This chapter highlights the benefits, functions, and tips for safe ATM use.



Benefits of ATMs

- **Convenience:** Access cash 24/7 without visiting a bank branch.
- **Time-Saving:** Perform transactions like balance inquiries and mini-statements quickly.
- **Interoperability:** Use any bank's ATM for basic services.
- **Additional Services:** Options for fund transfers, utility bill payments, and PIN changes.

ATM Functions

- Cash Withdrawals
- Balance Inquiries
- Fund Transfers
- Bill Payments
- Mini-Statement Printing
- Deposits (in some ATMs)

Tips for Safe ATM Use



- Keep your PIN confidential.
- Avoid using ATMs in isolated areas.
- Check for any suspicious devices before inserting your card.
- Ensure privacy during transactions.
- Log off completely after your transaction

Card Based Payments

The objective of this section is to make students aware of banking cards,.

In the previous sections, you have learnt about the importance of banks and the various services they offer. Apart from cheques, banking cards are also important tools for making convenient transactions. Let's learn about them...

Debit Cards: Debit cards serve a dual purpose. They allow the account holders to perform banking transactions through the ATM machine such as deposits, cash withdrawals and access account information.



Credit Cards: As the name suggests, credit cards are instruments that provide instant credit to the cardholders. When a credit card is used for making a transaction, the amount is not deducted from the bank account but is provided as credit by the issuing bank. The cardholder is provided with a time period; generally a month, to pay back the amount to the bank.

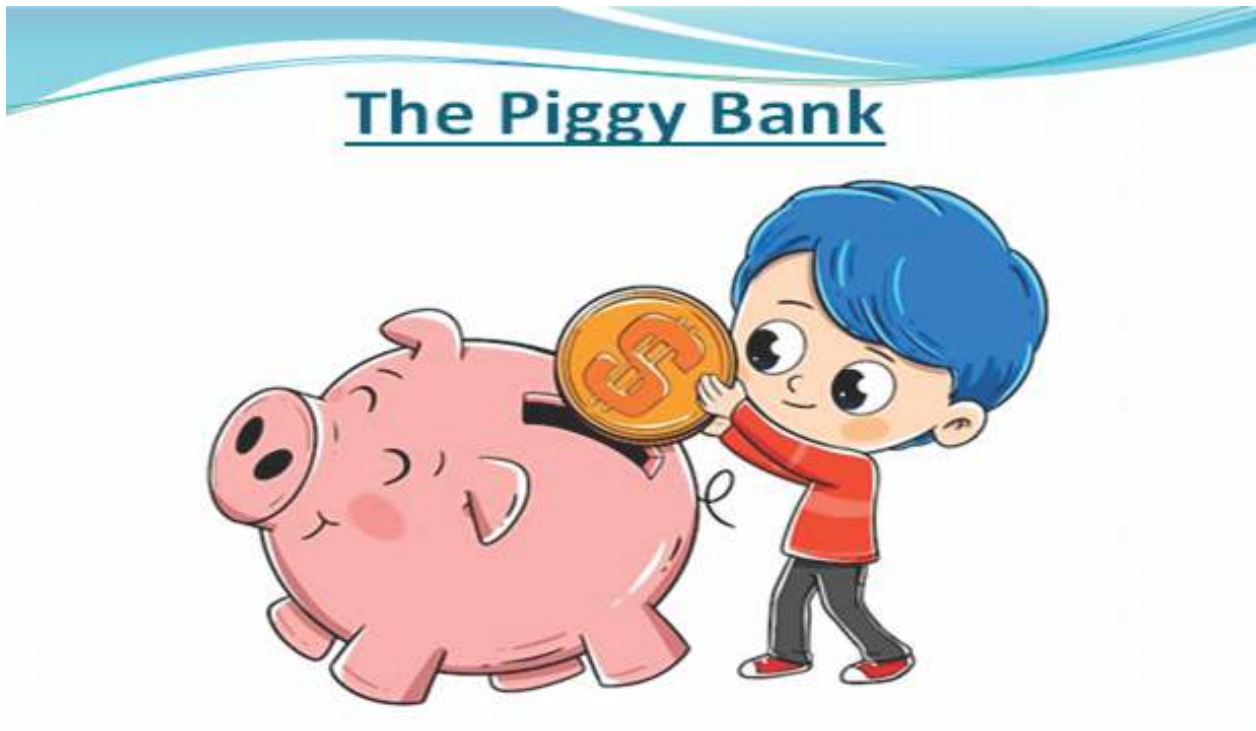
4 DON'TS OF ONLINE BANKING

	DON'T S HARE YOUR OTP AND OTHER ACCOUNT DETAILS
	DON'T C LICK LINKS
	DON'T A DD UNKNOWN DEVICES TO YOUR ACCOUNT
	DON'T M AKE YOUR ACCOUNT DETAILS AVAILABLE ONLINE

Budgeting and Savings

Introduction

Budgeting is a cornerstone of effective money management. This chapter explains how to create a budget, manage expenses, and encourage savings.



- It's convenient some people empty every evening the loose change in their wallet into their piggy bank, The basic idea behind the piggy bank is that coins can go a long way.
- It's easy once the pig's belly is full, it's usually opened; money is laid out on the kitchen table, counted and then spent (on that gift you always wanted, as holidays pocket money...) or given (to your children, grandchildren or a preferred charity). Nothing prevents you from putting the piggy bank's savings into your savings account!
- It's educational the visual aspect of seeing the heap of money after the savings exercise is very rewarding. Piggy banks are an excellent educational tool to help young children perceive the benefits of savings.



Spending



Saving



Sharing

Basics of Budgeting

1. **Set Financial Goals:** Define short-term and long-term objectives.
2. **Track Income and Expenses:** Record monthly earnings and expenditures to identify spending patterns.
3. **Allocate Funds Wisely:** Prioritize essentials like food, housing, and transportation.
4. **Review and Adjust:** Regularly evaluate your budget and make necessary changes to stay on track.

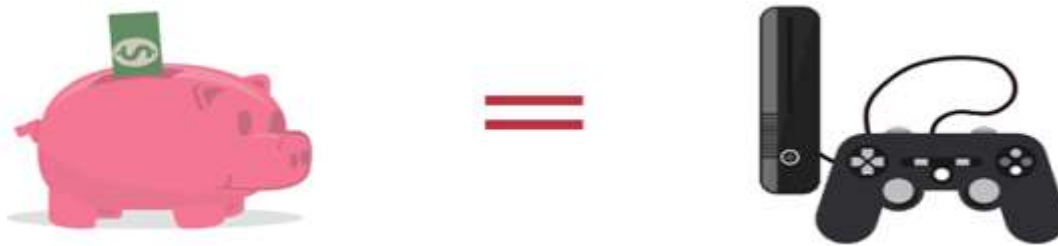
Spending

- The bank holds money that a child can spend on fun, minor purchases such as snacks, small toys or inexpensive apps for a parent's tablet or phone.



Saving

- This bank funds bigger-ticket purchases, such as Toys a Bicycle or video games.



Sharing

- This bank's funds help others and can be used for charitable efforts such as supporting an animal shelter or providing books for school children.



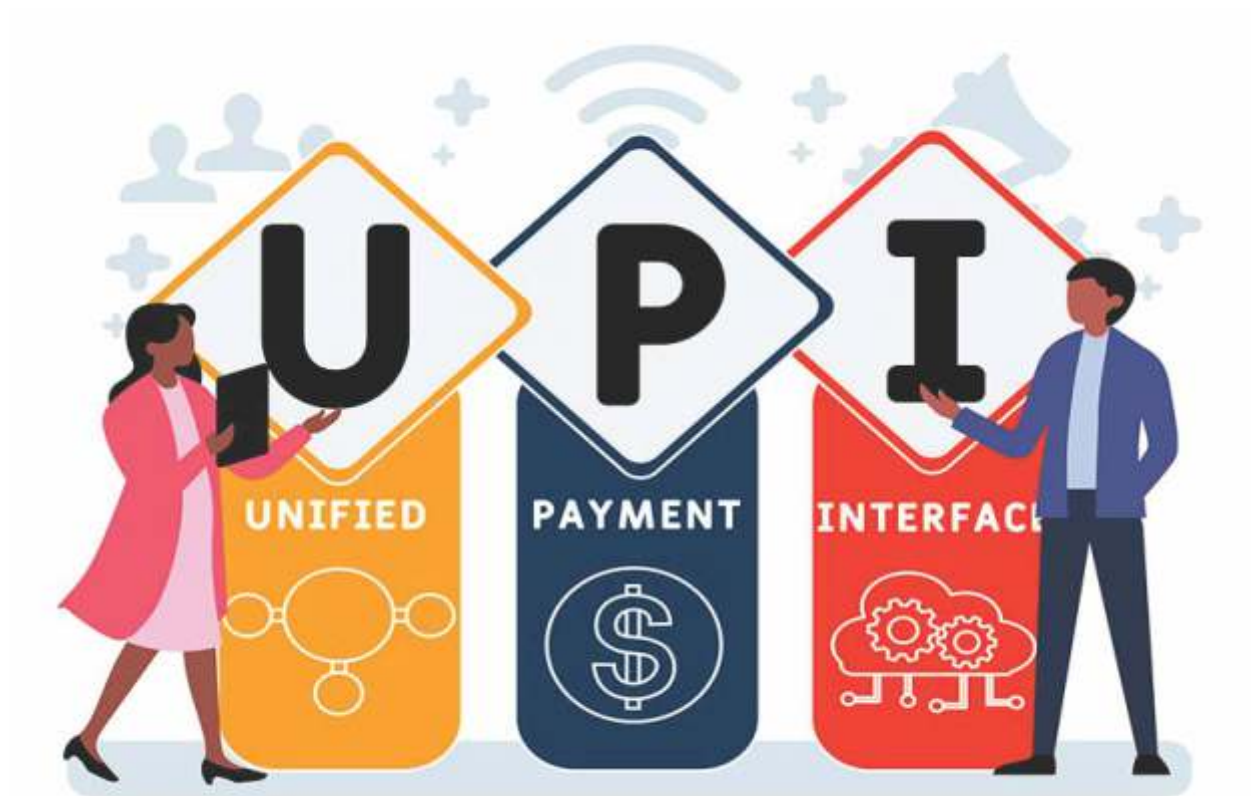
Savings Strategies

- **Use Piggy Banks:** Encourage children to save with visual rewards and fun practices.
- **Open Recurring Deposit Accounts:** Save consistently with higher interest rates for a secure future.
- **Plan for Emergencies:** Set aside funds to handle unexpected expenses without financial stress.
- **Invest Wisely:** Explore options like fixed deposits, mutual funds, or PPF accounts for long-term growth.

Digital Banking

Introduction

Digital banking has transformed the way individuals access financial services. This chapter explores digital tools like UPI, mobile wallets, and cyber security measures.



Unified Payments Interface (UPI)

- **Key Features:**
 - Instant money transfers between bank accounts.
 - Transactions using UPI IDs or QR codes.
 - 24/7 availability and enhanced security.
- **Benefits:** Simplifies payments and reduces dependency on cash. Facilitates peer-to-peer (P2P) and person-to-merchant (P2M) transactions seamlessly.

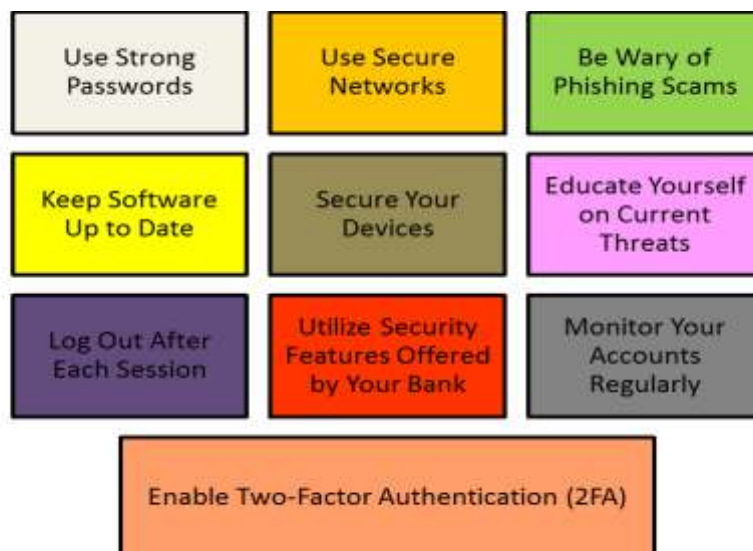
Mobile Wallets

- **Key Features:**
 - Store funds electronically and make transactions via smart phones.
 - Offers rewards like cash back and discounts.
 - Integrates with services like bill payments, investments, and insurance.
- **Popular Platforms:** Paytm, Google Pay, PhonePe, Mobikwik.



Cyber security Tips

- Use strong passwords and change them regularly.
- Avoid sharing personal details online.
- Verify URLs before logging into digital banking portals.
- Enable two-factor authentication for added security.
- Monitor your accounts regularly for unauthorized transactions.



India Post Banking Services

Introduction

India Post offers a wide range of financial services, combining traditional banking with postal facilities. This chapter explores its key features and services.



Types of Post Office Accounts

**P.O.
Savings
Account**

**Senior
Citizen
Saving**

**Recurring
Deposit
Account**

**Kisan
Vikas
Patra**

**Monthly
Income
Account**

**PPF
Account**

**National
Saving
Certificate**

**Sukanya
Samridhi**

Types of Post Office Accounts

1. **Post Office Savings Account:** A safe investment option for regular savings.
2. **Recurring Deposit Account:** Promotes disciplined savings with fixed monthly deposits.
3. **Fixed Deposit Account:** Offers guaranteed returns on lump sum deposits.
4. **Public Provident Fund (PPF):** A long-term savings scheme with tax benefits.
5. **Sukanya Samriddhi Account:** Tailored for girl children to ensure their financial security.
6. **Kisan Vikas Patra:** A certificate scheme doubling the investment in a fixed time frame.

Modes of Delivery

- **Road:** Suitable for local and regional deliveries.
- **Rail:** Ideal for long-distance transport within the country.
- **Air:** Ensures faster delivery for urgent packages.
- **Waterways:** Used for specific regions inaccessible by land.

The mode of delivery is determined by the customer's requirements and the distance and location of the delivery. Customers can also choose the mode of delivery. India Post also offers a Cash on Delivery (COD) facility.



Interactive Activities



1. Quiz Time:

- What are the primary functions of banks?
- Name two tips for safe ATM usage.

2. Case Study:

- Discuss how digital banking tools have transformed a small business.

3. Creative Task:

- Design an info graphic showing the benefits of budgeting.

Glossary

- **Budgeting:** The process of planning income and expenses.
- **Recurring Deposit (RD):** A savings scheme involving fixed monthly deposits.
- **Digital Wallet:** A smart phone application for storing payment details and making transactions.
- **Cybersecurity:** Measures taken to protect digital information and systems.
- **Kisan Vikas Patra:** A government savings scheme doubling investments in a fixed period.

Summary

Managing money is a skill that combines knowledge, planning, and discipline. From understanding bank functions to leveraging digital tools like UPI and mobile wallets, this unit equips learners with practical financial insights. By budgeting effectively and adopting secure digital practices, individuals can achieve financial independence and contribute to economic growth.

Live within your means!



Question Section

Fill in the Blanks

1. Fixed Deposit account offers _____ interest rates compared to savings accounts.
2. UPI enables _____ money transfers.
3. ATMs provide access to banking services _____.
4. Budgeting involves tracking _____ and _____.

Multiple Choice Questions

1. Which account is ideal for businesses with high transaction volumes?
 - (a) Savings Account
 - (b) Current Account
 - (c) Fixed Deposit Account
 - (d) DEMAT Account
2. What is a key feature of UPI?
 - (a) Interoperability
 - (b) Limited banking hours
 - (c) Requires cash for transactions
 - (d) None of the above
3. What is the primary purpose of budgeting?
 - (a) Spend all income
 - (b) Allocate resources effectively
 - (c) Avoid saving
 - (d) Borrow more money

True/False

1. Mobile wallets can only be used for online shopping.
2. UPI transactions are not available on holidays.
3. Budgeting helps in achieving financial goals.

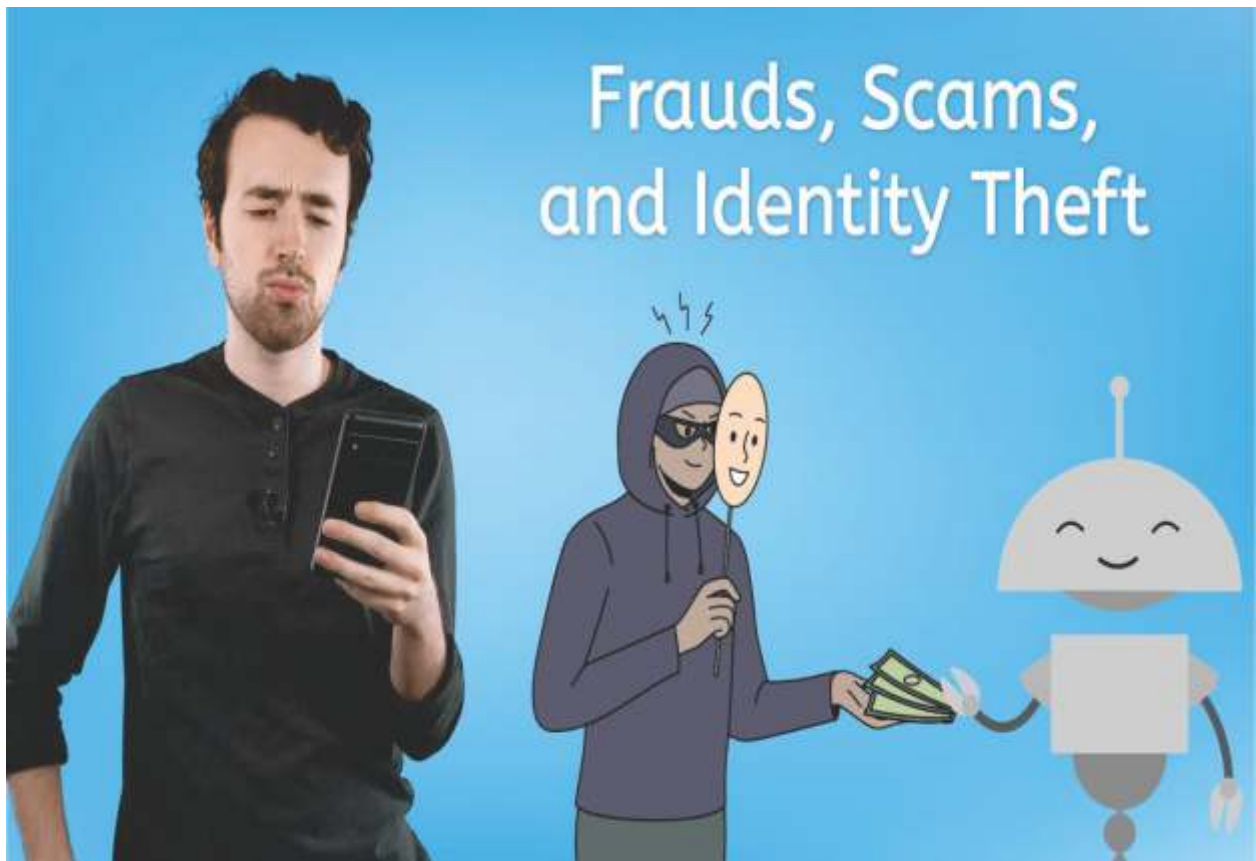
One-Liner Questions

1. Name a tool for holding securities electronically.
2. What is a popular mobile wallet platform in India?
3. What is the primary function of a savings account?

Chapter 6: Fraud Protection

Introduction

In today's digital age, financial literacy extends beyond understanding savings and investments to recognizing and protecting against fraud and scams. This book aims to educate students from classes 6 to 12 about financial crimes, identity theft, and the importance of measures like Know Your Customer (KYC) and banknote security features. By gaining this knowledge, students can make informed decisions and safeguard their financial well-being.



What are Fraud and Scams?

Definition of Fraud

Fraud is a criminal offense involving intentional deception to gain an unfair advantage or deprive someone of their legal rights.

Definition of Scam

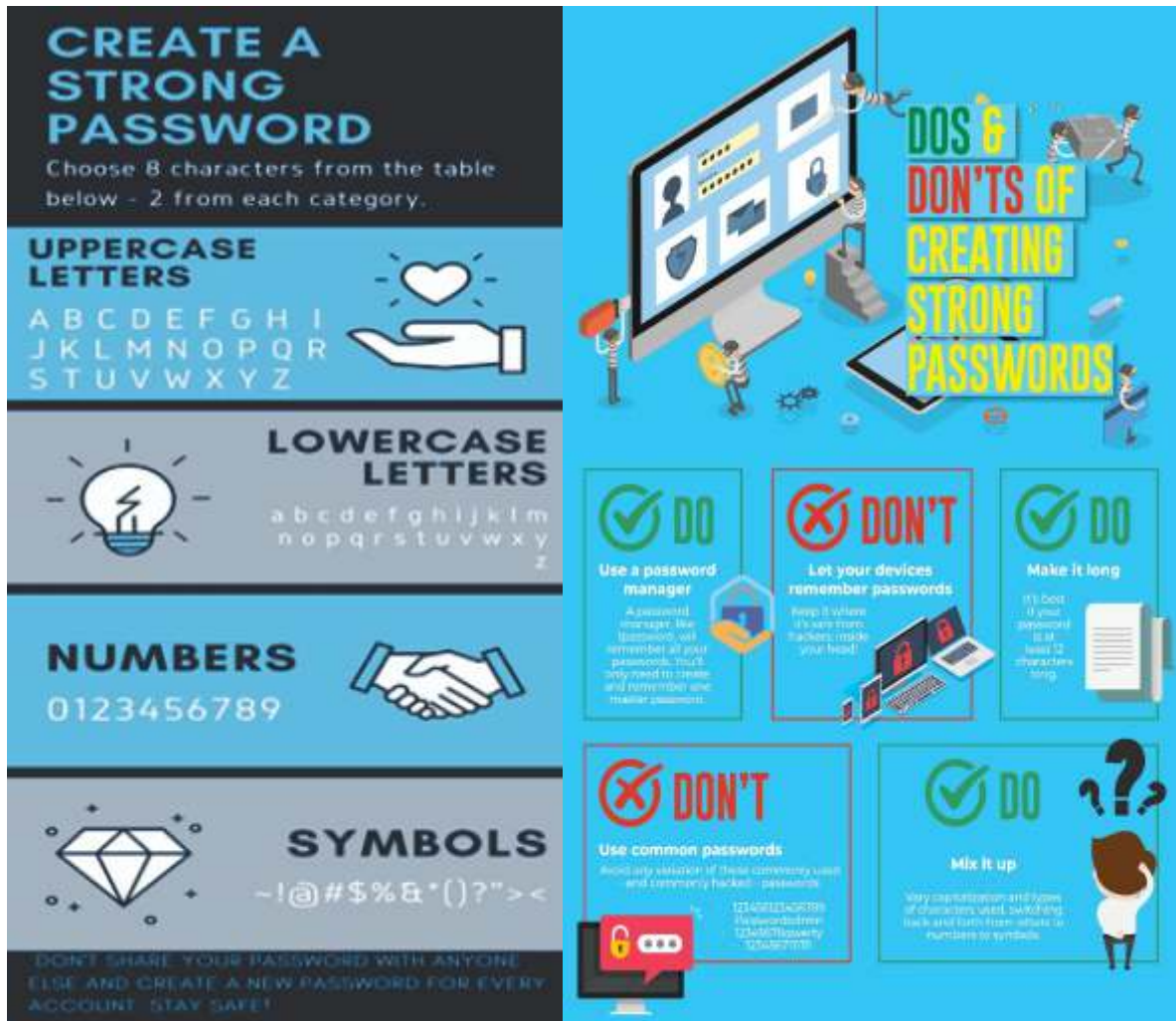
A scam is an act where someone tricks individuals into revealing personal or financial information, which is then used fraudulently.



Key Examples:

- Phishing emails
- Fake investment schemes
- Lottery / Gift scams
- Fake bank calls for asking OTP / verification
- Threat calls

Create A Strong Password to Avoid Fraud and Scams



To create a strong password and avoid fraud and scams, ensure your password is: at least 12 characters long, includes a mix of uppercase and lowercase letters, numbers, and special symbols, is unique for each account, and avoids using personal information or common words; consider using a password manager to store and generate complex passwords effectively.

Key points to remember:

- **Length matters:** Aim for a minimum of 12 characters, longer is better.
- **Variety is key:** Incorporate uppercase and lowercase letters, numbers, and special characters like !@#\$.
- **No personal details:** Avoid using your name, birthday, pet names, or other easily guessable information.
- **Unique passwords:** Create a different, strong password for every online account.
- **Avoid common patterns:** Don't use sequences like "1234" or "qwerty".
- **Use a password manager:** A reliable password manager can securely store and generate complex passwords for you.
- Example of a strong password: "H@ppy!D@y2023"

Understanding Identity Theft

What is Identity Theft?

Identity theft occurs when an attacker uses deception to obtain personal or sensitive information and misuses it to act in the victim's name. Most often, the motivation is economic gain.

Common Tactics:

- Stealing credit card information
- Hacking personal accounts
- Impersonating the victim for loans or purchases

Prevention Tips

- Avoid sharing personal details online.
- Use strong passwords for online accounts.
- Regularly monitor financial statements for suspicious activity.



Importance of KYC (Know Your Customer)



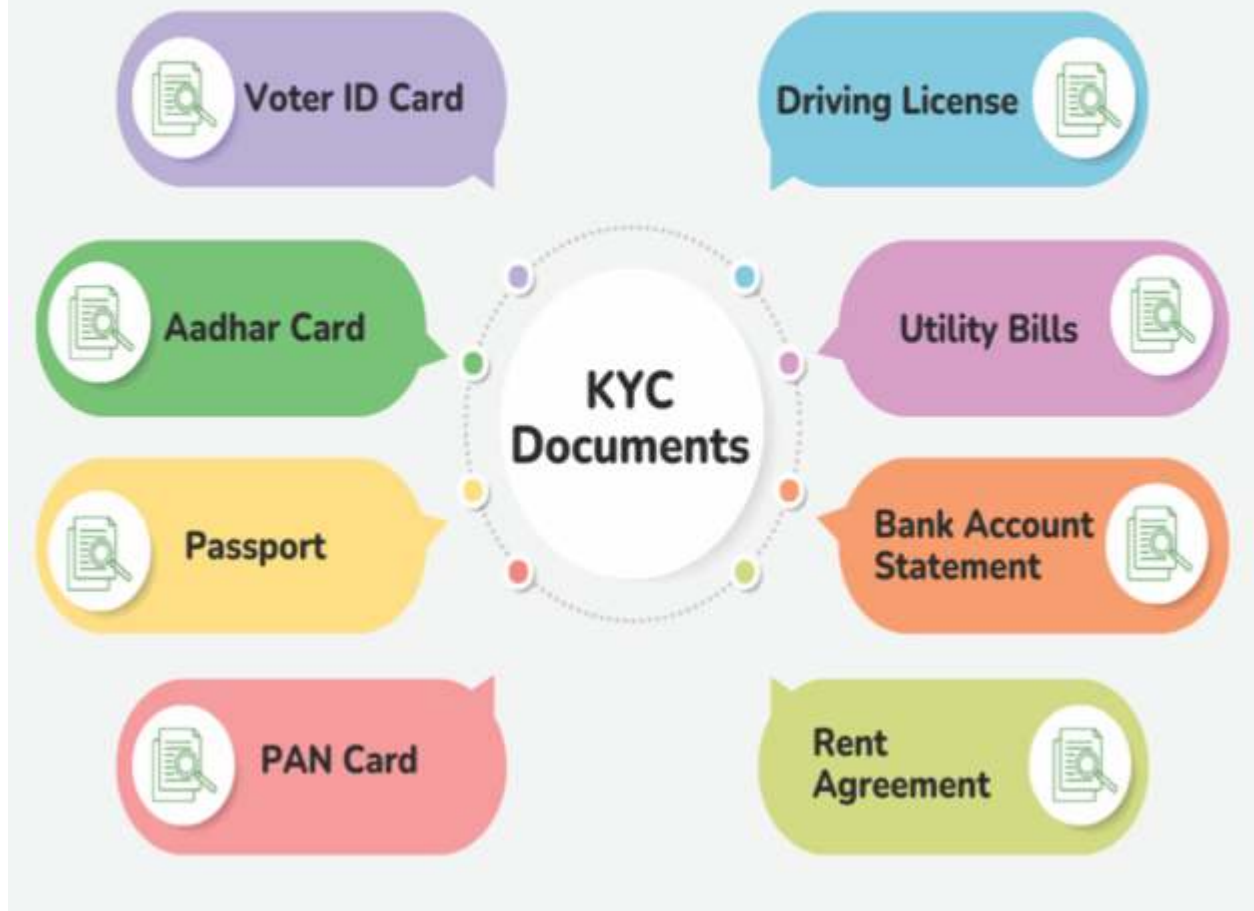
Why is KYC Important?

1. Prevents money laundering.
2. Combats the financing of terrorism.
3. Manages financial risks.
4. Checks identity theft.
5. Prevents criminal activities.
6. Helps the banks to understand their customers.
7. Assists industries in verifying customer identities.

How KYC Works:

- Customers provide identification documents.
- Institutions verify the authenticity of the information.

DOCUMENTS REQUIRED FOR KYC IN INDIA



To complete KYC (Know Your Customer) in India, you'll need to provide documents that verify your identity and address. These documents may include:

- **Identification:** A valid passport, driver's license, voter ID, Aadhaar card, or PAN card
- **Address:** A recent utility bill, bank statement, or lease agreement
- **Additional verification:** A social security number, tax ID, or letter from the National Population Register
- **Photograph:** A recent color photograph
- **Non-resident status proof:** A valid visa, work permit, or residence permit
- **Job card:** An NREGA job card signed by a state government officer

KYC verification is a mandatory process for financial institutions and other companies. It helps ensure that customers are who they say they are and that there are no red flags on their credit history.

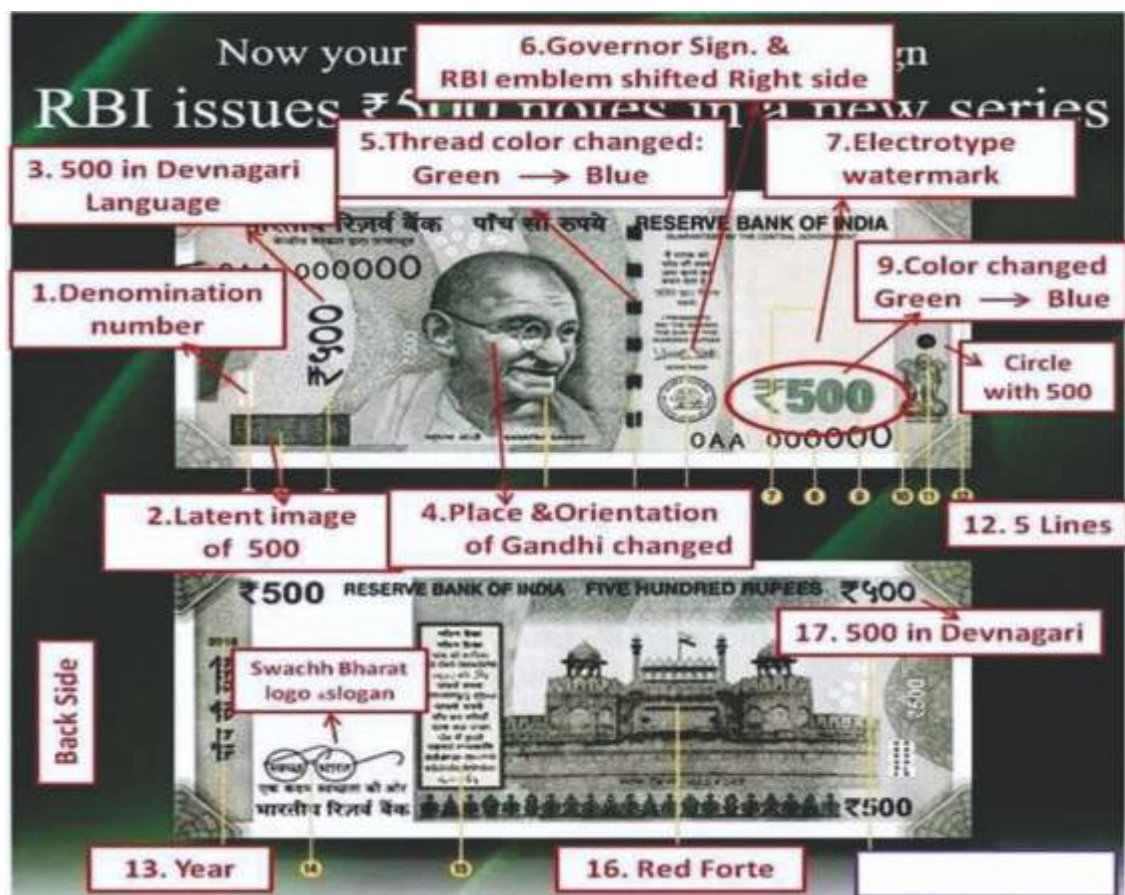
Security Features of Banknotes

Key Features

1. **See-Through Register:** Patterns visible when held against light.
2. **Watermark:** Portraits or designs embedded in the paper.
3. **Security Thread:** A thin metallic thread woven into the note.
4. **Intaglio Printing:** Raised printing detectable by touch.
5. **Latent Image:** Hidden text visible at certain angles.
6. **Micro Lettering:** Tiny letters only visible under magnification.
7. **Identification Marks:** Special symbols for visually impaired users.
8. **Omron Circle:** Anti-counterfeiting circles printed on notes.

New Features in Modern Notes

- Enhanced color-changing inks.
- Improved durability.



Details of Security Features in ₹100 Note

Obverse (Front) Side

See through Register

The floral design printed both on the front (hollow) and back (filled up) in the middle of the vertical band next to the watermark window has the denominational numeral "100". Half the numeral is printed on the obverse and half on the reverse. Both the printed portions have an accurate back to back registration so that the numeral appears as one when viewed against light.

Latent Image

The vertical band contains latent image showing the numeral 100 when the banknote is held horizontally at eye level.

Microlettering

The letters, "RBI", and the numeral, "100" can be viewed with the help of a magnifying glass in the zone between the Mahatma Gandhi portrait and the vertical band.

Identification Mark

A triangle with improved intaglio print that helps the visually impaired to identify the denomination.

Watermark

The portrait of Mahatma Gandhi, the multi-directional lines and an electrolyte mark showing the denominational numeral 100 appear in this section and these can be viewed better when the banknote is held

Intaglio Printing

The portrait of Mahatma Gandhi, the Reserve Bank seal, guarantee and promise clause, Ashoka Pillar emblem on the left, RBI Governor's signature on the banknote and the identification mark for the visually impaired persons are printed in intaglio, i.e., in raised prints, which can be felt by touch.

Security Thread

2 mm wide security thread with inscriptions "RBI" and "100" and exclusive colour shift from green to blue when viewed from different angles. It will fluoresce in yellow on the reverse and the text will fluoresce on the obverse under ultraviolet light. The thread is visible as a continuous line from behind when held up against light.

Reverse (Back) Side

Year of printing appears on the reverse of the banknote



Fluorescence

Number panels of the banknote are printed in fluorescent ink. The banknote has optical fibres. Both can be seen when the banknote is viewed under ultraviolet light.

Paper

Banknote is printed on a special watermarked paper with substrate cotton and cotton rag. This gives the banknote a unique "feel" and "cracking sound". The new series of Rs.100 banknote has paper with increased grammage and caliper thickness.

National Cyber Crime Reporting Portal



This portal is an initiative of Government of India to facilitate victims/complainants to report cyber crime complaints online. It provides a user-friendly platform for citizens to report various types of cyber crimes securely and anonymously, with special focus on cyber crimes against women and children. The portal covers offenses such as hacking, identity theft, online fraud, and cyber bullying. Users can lodge complaints online, upload relevant evidence, and track the progress of their cases.

The portal also offers resources, including cyber safety tips and guidelines to help users prevent cyber incidents. Managed by law enforcement agencies, the **National Cyber Crime Reporting Portal** aims to safeguard digital infrastructure, promote cyber security awareness, and ensure prompt action against cyber offenders to uphold digital safety across India. Complaints reported on this portal are dealt by law enforcement agencies/ police based on the information available in the complaints. It is imperative to provide correct and accurate details while filing complaint for prompt action.

Purpose

The portal is a governments initiative to help victims and complainants report cyber crimes. It aims to:

- Safeguard digital infrastructure
- Promote cyber security awareness
- Ensure prompt action against cyber offenders

Features

The portal allows users to:

- Lodge complaints online
- Upload relevant evidence
- Track the progress of their cases
- Report anonymously for certain types of complaints
- Access resources, including cyber safety tips and guidelines

Types of cyber crimes

The portal covers a wide range of cyber crimes, including:

- Hacking
- Identity theft
- Online fraud
- Cyber bullying
- Online and social media related crime
- Child pornography / Child Sexual Abuse Material (CSAM)
- Crypto currency crime
- Ransom ware

Glossary

- **Fraud:** Deception intended for personal gain.
- **Scam:** A fraudulent scheme designed to steal information or money.
- **Identity Theft:** Unauthorized use of someone's personal information.
- **KYC (Know Your Customer):** A process to verify customer identities.
- **Security Features:** Built-in measures to prevent counterfeiting of currency.

Summary

Fraud and scams pose significant risks in the financial world, making awareness and prevention crucial. Identity theft is a growing concern that underscores the importance of secure practices like KYC. Banknotes are equipped with advanced security features to combat counterfeiting. Understanding these topics empowers individuals to protect themselves and their finances effectively.

Question Section

Fill in the Blanks

1. _____ is the act of deceiving someone for financial gain.
2. _____ occurs when personal information is stolen and misused.
3. KYC helps prevent _____ and identity theft.
4. A _____ is a metallic thread woven into a banknote for security.

Multiple Choice Questions

1. What is the purpose of KYC?
 - (a) To approve loans
 - (b) To prevent money laundering
 - (c) To print banknotes
 - (d) To monitor investments
2. Which feature helps visually impaired individuals identify banknotes?
 - (a) Latent Image
 - (b) Identification Mark
 - (c) Omron Circle
 - (d) Security Thread
3. What is identity theft?
 - (a) Printing fake banknotes
 - (b) Misusing someone's personal information
 - (c) Investing in fraudulent schemes
 - (d) Laundering money

True/False

1. Phishing is a common type of scam. (True)
2. KYC is only required for opening a savings account. (False)
3. Banknotes have security features to prevent counterfeiting. (True)

One-liner Questions

1. Define fraud in one sentence.
2. Name two security features of banknotes.
3. Why is identity theft harmful?
4. What is the full form of KYC?



Answer Key of Chapter 2

Fill in the Blanks

1. Credit Management.
2. Saving.
3. Financial Literacy.
4. Retirement.
5. Improved.

Multiple Choice Questions

1. (b) To track income and expenses.
2. (c) Spending without limits.
3. (b) To grow wealth over time.

True/False

1. False. *(It includes budgeting, saving, investing, and retirement planning as well.)*
2. True.
3. False. *(It is essential for young adults, especially for managing student loans and credit.)*
4. False. *(It should start early for better financial stability later in life.)*

One-Liner Questions

1. It helps individuals make better financial decisions.
2. The process of tracking income and expenses.
3. It helps avoid debt accumulation and ensures better loan terms.
4. Consistently setting aside a portion of income.

Answer Key of Chapter 3

Fill in the Blanks

1. Budget
2. Income
3. Some

Multiple Choice Questions

1. (c) Money you earn
2. (c) Both *(for emergencies and future goals)*

True/False

1. False *(Expenses are the money you spend.)*
2. True
3. False *(Fixed expenses stay the same, like rent or subscriptions.)*

One-Liner Questions

1. A plan to manage money.
2. To be ready for emergencies and reach our goals.

Answer Key of Chapter 4

Fill in the Blanks

1. Currency.
2. Banking.
3. Know Your Customer.
4. Support
5. Type.

Multiple Choice Questions

1. (b) RBI
2. (d) All of the above (*Aadhaar Card, Passport, PAN Card*)
3. (c) Transfer money

True/False

1. True
2. False (*The RBI implements monetary policy.*)
3. False (*A signature is required to validate a cheque.*)

One-Liner Questions

1. Customer authenticity.
2. Loan disbursement.
3. To transfer money securely.

Answer Key of Chapter 5

Fill in the Blanks

1. Higher .
2. Instant .
3. 24/7.
4. Income And Expenses.

Multiple Choice Questions

1. (b) Current Account
2. (a) Interoperability
3. (b) Allocate resources effectively

True/False

1. False (*They can also be used for in-store purchases, fund transfers, and bill payments.*)
2. False (*UPI is available 24/7, including holidays.*)
3. True Budgeting helps in achieving financial goals.

One-Liner Questions

1. DEMAT Account.
2. Google Pay.
3. To store funds for personal use and earn interest.

Answer Key of Chapter 6

Fill in the Blanks

1. Fraud
2. Identity theft
3. Money laundering
4. Security thread

Multiple Choice Questions

1. (b) To prevent money laundering
2. (b) Identification Mark
3. (b) Misusing someone's personal information

True/False

1. True
2. False
3. True

One-liner Questions

1. Fraud is intentional deception for personal or financial gain.
2. Watermark, Security Thread
3. It leads to financial loss and damages reputation.
4. Know Your Customer.



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