Bank Loan: Any advance by a bank, but there is a distinction in bank lending between overdraft terms and loan terms.

Credit: A wide term which has been used in connection with operations or states involving lending, generally at short-term. To ‘give credit’ is to finance directly or indirectly the expenditures of others against future repayment.

Credit Card: A card which is issued to customers by a bank or group of bodies or other agency which provides the holder direct access to credit from a retailer, hotel etc, or, in the case of some cards issued by banks, to cash from the banks operating the particular scheme. When goods or services are purchased with a credit card, the supplier secures rapid reimbursement from the issuing bank(s) or agency which takes over the credit providing function.

Capital: Refers to one of the factors of production. It may be defined as ‘wealth which is used for the production of further wealth; or simply a commodity which is used in the production or other goods and services, e.g., such as plant or equipment. It represents current consumption forgone in order to obtain future production of labour and land. Capital is called ‘real’ when it is having machines factories railways stock of raw materials etc.

Borrowing: It includes both rate of interest and incidental charges that the borrower pays in procuring revenue stamps documents to be attached to the loan applications no-encumbrance certificate no objection certificates affidavit conveyance charges and the like.

Risk: Chance of injury or loss there are two types of risk:

(a) Insurable risk e.g. fire, burglary etc.

(b) Non-insurable risk or uncertainty e.g., the risks of loss through changes in the future demand for good. This type of risk or uncertainty may be reduced by interalia, hedging.
Repayment Capacity: The repayment capacity of a farmer is his power of adding to his resources from the investment of browed money.

Crop Insurance: The insurance against risk by transferring it to special undertaking such as a crop insurance corporation involving a charge reduces materially the risk and uncertainty of loan.

Short term Credit: Short term Credit is the loan the period of which does not exceed 15 months. Crop loan is one of the essential features of the short term credit. The loan is related to the cultivation of each crop subject to the repaying capacity of the borrower as judged by the expected value of the produce harvested.

Medium Term Credit: A farmer requires medium term Credit for the purchase of cattle digging of well and for meeting the expenses connected with social funeral and other ceremonies such loan are required for a period of 15 months to 5 years.

Long term Credit: The long term are needed for making permanent improvements on long such as construction of a puea well and irrigation channels reclaiming eroded long construction and repairs of houses repayment of old depts. etc the term of loans extends from 5 to 25 years.

Fertilizers: The use of fertilizer increase land productivity for the yield increases and eases the nutrient constraints on multiple cropping and land development programmers.

Development: Refers to the process of improving the standard of living and well-being of the population of developing countries by raising per capita income. This is usually realised by an increase in industrialization relative to reliance on the agricultural sector.

Efficiency: Refers to the efficiency with which scarce resources have been used and organized to achieve stipulated economic ends.

Marginal Land: Means the land which is the last two brought into or the first to be taken out of a particular line of production this will not necessarily be land which is just worth cultivating

Interest: The reward for the use of capital in the processes of production. The term “interest” generally means gross interest. Net profit refers to the payment for the use of capital when there is no risk of non-payment or trouble to management. Gross interest is composed of a number of elements and net interest is only a part of the gross interest. Gross interest includes.

(I) Payment against risk

(II) Payment against inconvenience
(III) Payment against keeping accounts

(IV) Payment for the use of capital pure interest or net

Labour: All human resources which are available to society for use in the process of production.

Land: In economics this term is used to cover not only that part of the earth’s surface not covered by sea but also all those natural resources like forests, minerals, resources of the sea, soil fertility etc which can be used in the process of production.

Loan: Means an advance of finance by a lender to a borrower. Interest will be normally payable on a loan and the term to maturity (repayment) can from the very short to the very long.

Output: Input refers to the end product of transforming input into good. This transformation process is formalized by saying that output is a function of the various quantities and qualities of input used which is a verbal expression of the production function

Saving: That part of income which is not consumed the withholding of money from expenditure on good and service. The amount save out of any given income has been found to depend upon the Propensities to consume and save and out of any addition to income on the marginal propensities to consume and save.

Return: A general concept which refers to the earning from the investment of capital where the earnings have expressed as a proportion of the outlay. The term is applicable to a wide variety of situations in economics.

Value: To an economist this term refers to the ‘exchange value’ or price of a commodity or service the power it possesses of acquiring other good or service by means of exchange.

Irrigation: Irrigation implies maintaining the storage of water in the soil required for plant growth at times and places of deficient water supply.

Hypotheses: The term for expressing possible relationship between variables in the real word, a working guess about the behavior of things under certain conditions.