11th Economics Lesson 2 Questions in English

2] Indian Economy Before and After Independence

1. Which refers to a system of political and social relations between two countries, of which one is the ruler and the other is its colony?

a) Monarchy
b) Dictatorship
c) Anarchy
d) Colonialism

Explanation

Colonialism refers to a system of political and social relations between two countries, of which one is the ruler and the other is its colony. The ruling country not only has political control over the colony, but it also determines the economic policies of the subjugated country

2. Where Vasco da Gama landed first in India on May 20, 1498?

a) Bombay
b) Calicut
c) Goa
d) Andaman

Explanation

Indian's sea route trade to Europe started only after the arrival of Vasco da Gama in Calicut, India on May 20, 1498. The Portuguese had traded in Goa as early as 1510.

3. Which year the East India Company was chartered, and the English began their first inroads into the Indian Ocean?

a) 1601
b) 1584
c) 1664
d) 1593

Explanation

In 1601 the East India Company was chartered, and the English began their first inroads into the Indian Ocean.

4. Who was successful in getting permission from Jahangir for setting up factories and slowly moved all parts of India?

a) William Hawkins
b) Sir Thomas Roe
c) Sir Mark Getty
d) Sir Joseph Muscat

Explanation

In 1614 Sir Thomas Roe was successful in getting permission from Jahangir for setting up factories and slowly moved all parts of India

5. Which among the following statement is correct

1) Hundred years after First Battle of Panipat, the rule of the East India Company finally did come to an end. In 1778, British Parliament passed a law through which the power for governance of India was transferred from the East India Company (EIC) to the British crown.
2) Britain had exploited India over a period of two centuries of its colonial rule. On the basis of the form of colonial exploitation, economic historians have divided the whole period into three phases: namely the period of merchant capital, the period of industrial capital, the period of finance capital.
   a) Only 1
   b) Only 2
   c) Both 1 and 2
   d) None

Explanation

Hundred years after Battle of Plassey, the rule of the East India Company finally did come to an end. In 1858, British Parliament passed a law through which the power for governance of India was transferred from the East India Company (EIC) to the British crown.

6. Which among the following statement is correct regarding Period of Merchant Capital?

1) The period of merchant capital was from 1757 to 1813. The only aim of the East India Company was to earn profit by establishing monopoly trade in the goods with India and the East India's.
2) During this period, India had been considered as the best hunting ground for capital by the East Indian company to develop industrial capitalism is Britain. When Bengal and South India came under political shake of the East India company in 1750s and 1760s, the objective of monopoly trade was fulfilled.
3) The company administration succeeded in generating huge surpluses which were repatriated to England, and the Indian leaders linked this problem of land revenue with that of the drain. Above all, the officers of the company were unscrupulous and corrupt.
   a) Only 3
   b) Both 1 and 2
   c) Both 1 and 3

d) **Both 2 and 3**

Explanation

The period of merchant capital was from 1800 to 1884. The only aim of the East India Company was to develop good relationship by establishing oligopoly trade in the goods with India and the East India's.

7. Which among the following statement regarding Period of Industrial Capital is correct

1) The period of Industrial capital was from 1813 to 1858. During this period, India had become a market for British textiles.
2) India's raw materials were exported to England at low price and imported finished textile commodities to India at high price. In this way, Indians were exploited. India's traditional handicrafts were thrown out of gear.
    a) Only 1
    b) Only 2
    c) **Both 1 and 2**
    d) None

8. Which among the following statement is correct regarding Period of Finance Capital?

1) The third phase was the period of finance capital starting from the closing years of the 19th century and continuing till independence. During this period, finance imperialism began to entrench itself through the managing agency firms, export – import firms, exchange banks and some export of capital.
2) Britain decided to make massive investments in various fields (rail, road, postal system irrigation, European banking system, and a limited field of education etc) in India by plundering Indian capital.
3) Railway construction policy of the British led to unimaginable as well as economic. The money was collected from crown as debt to finance for the construction of railways. The political power was handed over to the British Government by the East India Company in 1882.
    a) **Both 1 and 2**
    b) Both 1 and 3
    c) Both 2 and 3
    d) All 1, 2 and 3

Explanation

Railway construction policy of the British led to unimaginable as well as uneconomic. The poor Indian taxpayers had been compelled to finance for the construction of railways. The political power was handed over to the British Government by the East India Company in 1858.

9. The introduction of what in India increased the domestic market for the British goods?

a) Telegram
b) Ports
c) Railway
d) Cavalry

Explanation

The Indian handicrafts products had a worldwide market. Through discriminatory tariff policy, the British Government purposefully destroyed the handicrafts. With the disappearance of nawabs and kings, There was no one to protect Indian handicrafts. The introduction of railways in India increased the domestic market for the British goods.

10. How among different types of land tenure existed in India before Independence?

a) Three
b) Four
c) Six
d) Five

Explanation

Land Tenure refers to the system of land ownership and management. The features that distinguish a land tenure system from the others relate to the following: (a) Who owns the land; (b) Who cultivates the land; (c) Who is responsible for paying the land revenue to the government. Based on these questions, three different types of land tenure existed in India before Independence.

11. Which among the following is not land tenure existed in India before Independence?

a) Zamindari system
b) Salantori system
c) Mahalwari system
d) Ryotwari system

Explanation

The types of land tenure existed in India before Independence were Zamindari system, Mahalwari system and Ryotwari system.

12. Who introduced 'Permanent Settlement Act'?

a) Lord Cornwallis
b) Lord Canning
c) Lord Bentinck
d) Lord Hastings

Explanation

Zamindari System or the Land lord-Tenant System was created by the British East India Company, when in 1793, Lord Cornwallis introduced 'Permanent Settlement Act'.

13. Which among the following region in India Mahalwari system prevailed?

a) Tamil Nadu
b) Kerala
c) Punjab
d) Manipur

Explanation

After introduction of Mahalwari System or Communal System, it was later extended to Madhya Pradesh and Punjab.

14. Which among the following statement is correct

1) Under this Zamindari System the landlords or the Zamindars were declared as the owners of the land and they were responsible to pay the land revenue to the government. The share of the government in total rent collected was fixed at 10/11th, the balance going to the Zamindars as remuneration
2) In Mahalwari System ownership of the land was maintained by the Land lords usually the villagers appointed by company which served as a unit of management. They distributed land among the land lords and collected revenue from them and pay it to the peasants.
3) In Ryotwari system the ownership rights of use and control of land were held by the tiller himself. There was the direct relationship between owners. This system was the least oppressive system before Independence
    a) Both 1 and 2
    b) Both 1 and 3
    c) Both 2 and 3
    d) All 1, 2 and 3

Explanation

In Mahalwari system ownership of the land was maintained by the collective body usually the villagers which served as a unit of management. They distributed land among the peasants and collected revenue from them and pay it to the state.

15. Which system was initially introduced in Tamil Nadu and later extended to Maharashtra, Gujarat, Assam, Coorg, East Punjab and Madhya Pradesh?

a) Zamindari system
b) Salantori system
c) Mahalwari system
d) Ryotwari system

Explanation

Ryotwari system was initially introduced in Tamil Nadu and later extended to Maharashtra, Gujarat, Assam, Coorg, East Punjab and Madhya Pradesh.

16. Which among the following statement is correct

1) During the 19th century, British investors started to pioneer industrial enterprises in India as they had experiences of running industries at home. British enterprises also received maximum state support.
2) Although the Britishers initiated industrialisation process in the 19th century, they were primarily interested in accelerating the economic growth and not in making profit in India.
3) At the end of 19th century, there were about 36 jute mills, 194 cotton mills and a good number of plantation industries. The production of coal had risen to over 6 million tonnes per annum.
    a) Only 3
    b) Both 1 and 2
    c) Both 1 and 3
    d) Both 2 and 3

Explanation

Although the Britishers initiated industrialisation process in the 19th century, they were primarily interested in making profit and not in accelerating the economic growth in India.

17. During the first part of 20th century, which movement stimulated the industrialisation process in India?

a) Swadeshi Movement
b) Home Rule Movement
c) Khilafat Movement
d) Civil Disobedience Movement

Explanation

During the first part of 20th century, Swadeshi movement stimulated the industrialisation process in India. The existing industries and new industries had maintained a slow but steady growth till the outbreak of the First World War in 1914.By this time more than 70 cotton mills and 30 jute mills were set up. Coal production was doubled.

18. Which among the following statement is correct

1) The foundation of iron and steel industry was laid. Railway network was extended. During the period 1924-39, various major industries like iron and steel, cotton textiles, jute, matches, sugar, paper and pulp industry etc. were brought under protection scheme.

2) This led to rapid expansion of protected industries in India. These protected industries captured the entire Indian market and eliminated foreign competition totally. Thus, in the early part, British rule tried to transform the Indian economy as the producer of industrial raw materials and tried to capture Indian market for their industrial finished goods and thus started exploiting Indian economy in a different way
3) Later on, British capitalists gradually developed various industries like, jute, tea, coffee, cotton and textiles, paper and paper pulp, sugar etc, in India for locational advantages and exploited Indian labourers extensively.
    a) Both 1 and 2
    b) Both 1 and 3
    c) Both 2 and 3
    d) All 1, 2 and 3

19. What is the economy position of India in Asia?

a) First
b) Second
c) Third
d) Fourth

Explanation

India is the Asia's third largest economy. The 70 years of Independence have brought a remarkable change in the socio – economic landscape of India.

20. Which among the following statement is wrong regarding British rule

1) The drain of wealth financed capital development in Britain. Indian agricultural sector became stagnant and deteriorated even when a large section of Indian population was dependent on agriculture for subsistence.
2) The British rule stunted the growth of Indian enterprise. The British rule in India led the collapse of handicraft industries without making any significant contribution to development of any modern industrial base.
3) Some efforts by the colonial British regime in developing the plantations, mines, jute mills, banking and shipping, mainly promoted a system of labour firms that were managed by Indians. These profit motives led to development of resources from India.
    a) Both 1 and 2
    b) Both 1 and 3
    c) Both 2 and 3
    d) All 1, 2 and 3

Explanation

Some efforts by the colonial British regime in developing the plantations, mines, jute mills, banking and shipping, mainly promoted a system of capitalist firms that were managed by foreigners. These profit motives led to further drain of resources from India.

21. When the Government of India declared its first Industrial Policy?

a) 6^{th} November 1947
b) 6^{th} April 1948
c) 6^{th} September 1948
d) 6^{th} June 1949

Explanation

The Government of India recognized the significant contribution of industrialization. Therefore, the Government of India declared its first Industrial Policy on 6th April 1948. The main importance of this policy was that it ushered in India the system of mixed economy.

22. In Industrial Policy Resolutions 1948 the Industries were classified into how many groups?

a) Two
b) Three
c) Six
d) Four

Explanation

Industries were classified into four groups such as public sector (strategic industries), public–cum –private Sector (key industries), controlled private sector, private and co-operative sectors.

23. Which among the following statement regarding Industrial Policy Resolutions 1948 is wrong

1) This policy endeavoured to protect cottage and small-scale industries. The central and state governments had a virtual monopoly in rail roads and exclusive rights to develop minerals, iron ore etc.
2) The Government encouraged the significance of foreign capital for industrialization and decided without any control should remain with Indian hands.
   a) Only 1
   b) Only 2
   c) Both 1 and 2
   d) None

Explanation

The Government encouraged the significance of foreign capital for industrialization but the government decided that the control should remain with Indian hands.

24. Which Industrial policy sought to give a dominant role to public sector at the same time, it assured a fair treatment to the private sector?

a) The Industrial policy of 1953
b) The Industrial Policy of 1958
c) The Industrial Policy of 1963
d) The Industrial Policy of 1968

Explanation

The Industrial Policy of 1956 sought to give a dominant role to public sector. At the same time, it assured a fair treatment to the private sector.

25. Which among the following statement regarding Industrial Policy Resolution 1956 is wrong

1) The Government would support and encourage cottage and small-scale enterprises by increasing volume of production in the large-scale sector by fixing permanent taxation or by direct subsidies.
2) This industrial policy emphasized the necessity of increasing the regional disparities in levels of development
3) The Government recognized the need for foreign capital for progressive Indianisation of foreign concerns
    a) Only 3
    b) Both 1 and 2
    c) Both 1 and 3
    d) Both 2 and 3

Explanation

The Government would support and encourage cottage and small-scale enterprises by restricting volume of production in the large-scale sector by differential taxation or by direct subsidies.

This industrial policy emphasized the necessity of reducing the regional disparities in levels of development.

26. Which among the following revolution refers to the technological breakthrough in of agricultural practices?

a) Pink revolution
b) White revolution
c) Green revolution
d) Blue revolution

Explanation

The term Green Revolution refers to the technological breakthrough in of agricultural practices. During 1960's the traditional agricultural practices were gradually replaced by modern technology and agricultural practices in India.

27. The modern technology and agricultural practices in India was tried in 1960-61 as a pilot project in seven districts is known as _____

a) High Productive Subside Program
b) High Resistance Productive Program
c) High Esteem Preventive Program
d) High Yielding Varieties Program

Explanation

The modern technology and agricultural practices in India in 1960-61 as a pilot project in seven districts. It was called as the High Yielding Varieties Programme (HYVP).

28. Which among the following statement is correct

1) The major achievement of the new strategy was to boost the production of major cereals viz., Rice and Fruits. India was depending on the US for the food grain. The US by using People's Law 80 (PL80) exported Rice to India. Indians were waiting for the ships to sip their food. On the other hand, India sustained with lots of minerals
2) The US could strategically exploit Indian mineral resources at cheapest price for manufacturing missiles and weapons, which gave job opportunity for larger US youth and largely contributed to US GDP. But now India is food surplus, exporting food grains to the European countries.
    a) Only 1
    b) Only 2
    c) Both 1 and 2
    d) None

Explanation

The major achievement of the new strategy was to boost the production of major cereals viz., wheat and rice. India was depending on the US for the food grain. The US by using Public Law 480 (PL480) exported wheat to India. Indians were waiting for the ships to sip their food. On the other hand, India lost lots of minerals.

29. Which among the following does not confined to Green Revolution?

a) Rice
b) Jute
c) Jowar
d) Maize

Explanation

The Green revolution was confined only to High Yielding Varieties (HYV) cereals, mainly rice, wheat, maize and jowar. This Strategy was mainly directed to increase the production of commercial crops or cash crops. Per hectare productivity of all crops had increased due to better seeds.

30. Which among the following statement is correct regarding Green Revolution

1) Green Revolution had brought prosperity to rural people. Increased production had generated employment opportunities for rural masses. Due to this, their standard of living had increased.
2) Green Revolution had negative effect on development of industries, which manufactured agricultural tools like tractors, engines, threshers and pumping sets. It focuses mainly on Pesticides and fertilizers.
3) Due to multiple cropping and more use of chemical fertilizers, the demand for labour increased. Financial resources were provided by banks and co-operative societies. These banks provided loans to farmer on easy terms
    a) Only 3
    b) Both 1 and 2
    c) Both 1 and 3
    d) Both 2 and 3

Explanation

Green Revolution had brought prosperity to rural people. Increased production had generated employment opportunities for rural masses. Due to this, their standard of living had increased.

31. Which among the following region farm mechanization does not created widespread unemployment among agricultural labourers in the rural areas?

a) Punjab
b) Bihar
c) Tamil Nadu
d) Maharashtra

Explanation

Except in Punjab, and to some extent in Haryana, farm mechanization had created widespread unemployment among agricultural labourers in the rural areas.

32. Which among the following statement is correct

1) Indian Agriculture was still a gamble of the monsoons. This strategy needed heavy investment in seeds, fertilizers, pesticides and water.

2) The income gap between large, marginal and small farmers had increased. Gap between irrigated and rain fed areas had widened.
3) Larger chemical use and inorganic materials increased the soil fertility and increased human health. Now organic farming is also encouraged for some extend.
    a) Only 2
    b) Both 1 and 2
    c) Both 1 and 3
    d) Both 2 and 3

Explanation

Larger chemical use and inorganic materials reduced the soil fertility and spoiled human health. Now organic farming is encouraged.

33. The Second Green Revolution introduced by Government of India is to be achieved by which year?

a) 2024
b) 2030
c) 2028
d) 2020

Explanation

The Government of India had implemented 'Second Green revolution' to achieve higher agricultural growth. The target of Second Green Revolution was to increase 400 million tons of food grain production as against about 214 million tons in 2006-07. This is to be achieved by 2020. In agricultural sector, the growth rate of 5% to 6% has to be maintained over next 15 years.

34. Which among the following statement is incorrect

1) Introduction of Genetically Modified (GM) seeds which double the per acreage production. Contribution of private sector to market the usage of GM foods.
2) Government can play a key role in expediting irrigation schemes and managing water resources. The Linking of rivers to transfer surplus water to deficient areas.
    a) Only 1
    b) Only 2
    c) Both 1 and 2
    d) None

35. Where first Steel industry in India begin in year 1870?

a) Maharashtra
b) Odisha
c) West Bengal

d) Tamil Nadu

Explanation

First steel industry at Kulti, Near Jharia, West Bengal - Bengal iron works company in 1870.

36. Where First large scale steal plant TISCO was founded in 1907?

a) Jamshedpur
b) Salem
c) Mayurbhanj
d) Hirapur

Explanation

First large-scale steal plant TISCO at Jamshedpur in 1907 followed by IISCO at Burnpur in 1919. Both belonged to private sector.

37. Which among the following statement is correct

1) The term "Large scale industries" refers to those industries which require huge infrastructure, man-power and a have influx of capital assets. The term 'large scale industries' is a generic one including various types of industries in its purview
2) All the heavy industries of India like the iron and steel industry, textile industry, automobile manufacturing industry fall under the large-scale industrial arena. However, in recent years due to the IT boom and the huge amount of revenue generated by it the IT industry can also be included within the jurisdiction of the large-scale industrial sector.
3) Indian economy is heavily dependent on these large industries for its economic growth, generation of foreign currency and for providing job opportunities to millions of Indians.
   a) Only 2
   b) Both 1 and 2
   c) Both 1 and 3
   d) All 1, 2 and 3

38. Which among the following was the first public sector unit?

a) Tata Iron and Steel Company
b) The Salem Steel Plant
c) Vishveshvaraya Iron and Steel works
d) Vishakhapatnam Steel works

Explanation

The first public sector unit was "Vishveshvaraya Iron and Steel works" at Bhadrawati.

39. Which year Steel Authority of India Ltd (SAIL) was established?

a) 1952
b) 1962
c) 1974
d) 1958

Explanation

Steel Authority of India Ltd (SAIL) was established in 1974 and was made responsible for the development of the steel industry.

40. What is the position of India in the steel producing country in the world?

a) Sixth
b) Eighth
c) Second
d) Tenth

Explanation

Presently India is the eighth largest steel producing country in the world.

41. Which among the following steel plant does not come under public sector at present?

a) Tata Iron and Steel Company (TISCO)
b) The Salem Steel Plant
c) Vishveshvaraya Iron and Steel company (VISCO)
d) Vishakhapatnam Steel Plant (VSP)

Explanation

All the Steel plant are managed by SAIL (at present all important steel plants except TISCO, are under public sector)

42. Where first modernised Jute industrial unit was established in India in 1855?

a) Tamil Nadu
b) Jharkhand
c) West Bengal
d) Uttar Pradesh

Explanation

The first modernised Jute industrial unit was established at Reshra in West Bengal in 1855.

43. Which among the following statement is correct

1) Jute industry is an important industry for a country like India, because not only it earns foreign exchange but also provides substantial employment opportunities in agriculture and industrial sectors.
2) The jute industry in the country is traditionally export oriented. India ranks number three in the raw jute and jute goods production and number fourth in export of jute goods in the world.
   - **a) Only 1**
   - b) Only 2
   - c) Both 1 and 2
   - d) None

Explanation

The jute industry in the country is traditionally export oriented. India ranks number one in the raw jute and jute goods production and number two in export of jute goods in the world.

44. Which among the following is the second largest industry among agriculture-based industries in India?

- a) Cotton Industry
- **b) Sugar Industry**
- c) Jute Industry
- d) Paper Industry

Explanation

Sugar industry is the second largest industry among agriculture-based industries in India.

45. What is the GDP of Cotton and textile industry?

- **a) 4%**
- b) 9%
- c) 12%
- d) 21%

Explanation

Cotton and textile industry are the Oldest industry of India, and employs largest number of workers. It is the largest organised and broa-based industry which accounts for 4% of GDP, 20% of manufacturing value-added and one third of total export earnings.

46. Where first Indian modernised cotton cloth mill was established in 1818?

- a) Bombay
- b) Madras
- **c) Calcutta**

d) Agra

Explanation

The first Indian modernised cotton cloth mill was established in 1818 at Fort Gloaster near Calcutta. But this mill was not successful. The second mill named “Mumbai’s Spinning and Weaving Co.” was established in 1854 at Bombay by KGN Daber.

47. Which among the following state contributes over one third of the Indian total sugar output?

a) Tamil Nadu
b) Maharashtra
c) Kerala
d) Punjab

Explanation

India is now the largest producer and consumer of sugar in the world. Maharashtra contributes over one third of the Indian total sugar output, followed closely by Uttar Pradesh.

48. What is the position of India in producer of nitrogenous fertilisers in the world?

a) First
b) Third
c) Sixth
d) Seventh

Explanation

India is the third largest producer of nitrogenous fertilisers in the world.

49. Where the first mechanised paper mill was set up in 1812?

a) West Bengal
b) Maharashtra
c) Delhi
d) Gujarat

Explanation

The first mechanised paper mill was set up in 1812 at Serampur in West Bengal. The paper industry in India is ranked among the 15 top global paper industries.

50. Which among the following country is the first largest producer of natural silk?

a) India
b) Brazil

c) Turkey
d) China

Explanation

India is the second-largest (first being China) country in the world in producing natural silk. At present, India produces about 16% silk of the world.

51. Which among the following is not commercial varieties of silk produced in India?

a) Mulberry,
b) Mahogany
c) Oak Tussar
d) Eri

Explanation

India enjoys the distinction of being the only country producing all the five known commercial varieties of silk viz Mulberry, Tropical Tussar, Oak Tussar, Eri and Muga.

52. Where First successful Oilwell was dug in India in 1889?

a) West Bengal
b) Haryana
c) Assam
d) Gujarat

Explanation

First successful Oilwell was dug in India in 1889 at Digboi, Assam. At present a number of regions with oil reserves have been identified and oil is being extracted in these regions

53. Where Oil and Natural Gas Commission (ONGC) was established in 1956?

a) Uttarakhand
b) Himachal Pradesh
c) Bihar
d) Odisha

Explanation

Oil and Natural Gas Commission (ONGC) was established in 1956 at Dehradun, Uttarakhand.

54. Which among the following statement is correct regarding Small Scale Industry?

1) SSIs use labour intensive techniques. Hence, they provide employment opportunities to a large number of people. Thus, they reduce the unemployment problem to a great extent.

2) SSIs promote Centralized development of industries as most of the SSIs are set up in backward and rural areas. The employment-capital ratio is low for the SSIs.
3) SSIs provide employment to artisans, technically qualified persons and professionals, people engaged in traditional arts, people in villages and unorganized sectors. They remove regional disparities by industrializing rural and backward areas and bring balanced regional development.
    a) Only 3
    b) Both 1 and 2
    c) Both 1 and 3
    d) Both 2 and 3

Explanation

SSIs promote decentralized development of industries as most of the SSIs are set up in backward and rural areas. The employment-capital ratio is high for the SSIs.

55. Which among the following statement is correct

1) SSIs help to reduce the problems of congestion, slums, sanitation and pollution in cities. They are mostly found in outside city limits. They help in improving the standard of living of people residing in suburban and rural areas in India.
2) The entrepreneurial talent is tapped in different regions and the income is also distributed instead of being concentrated in the hands of a few individuals or business families.
3) SSIs help to mobilize and utilize capital resources like small savings, entrepreneurial talent etc., of the entrepreneurs, which might otherwise remain mobile and utilized. They pave way for promoting modern technical skills instead of handicrafts. There is a great demand for modern goods in developed countries.
    a) Both 1 and 2
    b) Both 1 and 3
    c) Both 2 and 3
    d) All 1, 2 and 3

Explanation

SSIs help to mobilize and utilize local resources like small savings, entrepreneurial talent etc., of the entrepreneurs, which might otherwise remain idle and unutilized. They pave way for promoting traditional family skills and handicrafts. There is a great demand for handicraft goods in developed countries.

56. Which among the following statement is incorrect

1) SSIs help to improve the growth of local entrepreneurs and self-employed professionals in small towns and villages in India. SSIs require less capital per unit of output. They provide quick return on investment due to shorter gestation period. The payback period is quite short in SSIs

2) SSIs function as a stabilizing force by providing high output-capital ratio as well as high employment capital ratio. They encourage the people living in rural areas and small towns to mobilize savings and channelize them into industrial activities.
   a) Only 1
   b) Only 2
   c) Both 1 and 2
   d) None

57. Which among the following statement regarding Small Scale Industries is correct

1) SSIs require sophisticated machinery. Hence, import the machines from abroad is necessary. On the other hand, there is a great demand for goods produced by SSIs. Thus, they reduce the pressure on the country's balance of payments.
2) However, with recent past large-scale industries are able to borrow large funds with low interest rate and spend large sums on advertisements. Hence SSSs are gradually vanishing. SSIs earn valuable foreign exchange through exports from India
3) SSIs produce wide range of products required by consumers in India. Hence, they serve as an anti-inflationary force by providing goods of daily use. SSIs serve as ancillaries to large scale units.
   a) Both 1 and 2
   b) Both 1 and 3
   c) Both 2 and 3
   d) None

Explanation

SSIs do not require sophisticated machinery. Hence, import the machines from abroad is not necessary. On the other hand, there is a great demand for goods produced by SSIs. Thus, they reduce the pressure on the country's balance of payments.

58. Which among the following statement is incorrect

1) SSIs help to develop a class of entrepreneurs in the society. They help the job seekers to become job givers. They promote self-employment and spirit of self-reliance in the society. SSIs help to increase the per capita income of India in various ways
2) They facilitate development of backward areas and weaker sections of the society. SSIs are adept in distributing national income in more efficient and equitable manner among the various participants of the society.
3) SSIs plays independent role to large scale sector and remain ideal to large-scale industries. large scale industries provide parts, components, accessories to SSIs and meet the requirements of small-scale industries through setting up units near the large-scale units. Large scale industry serves as ancillaries to SSIs
   a) Only 2
   b) Only 3

c) Both 1 and 2
d) None

Explanation

SSIs play a complementary role to large scale sector and support the large-scale industries. z SSIs provide parts, components, accessories to large scale industries and meet the requirements of large-scale industries through setting up units near the large-scale units. SSIs serve as ancillaries to large scale units.

59. Which among the following statement is Incorrect

1) Micro Manufacturing Enterprises: The investment in plant and machinery does not exceed Rs.10 lakhs.
2) Small Manufacturing Enterprises: The investment in plant and machinery is more than Ten lakh rupees but does not exceed Rs.1crores.
3) Medium Manufacturing Enterprises: The investment in plant and machinery is more than Rs.5 crores but not exceeding Rs.10 crores.
   a) Only 2
   b) Only 3
   c) Both 1 and 2
   d) None

Explanation

Micro Manufacturing Enterprises: The investment in plant and machinery does not exceed Rs.25 lakhs.

Small Manufacturing Enterprises: The investment in plant and machinery is more than twenty-five lakh rupees but does not exceed Rs.5 crores.

60. In which sector Bank the government holds a major portion of the shares?

a) Public Sector Bank
b) Private Sector Bank
c) Corporate Sector Bank
d) All the above

Explanation

Public sector bank is a bank in which the government holds a major portion of the shares. Say for example, SBI is public sector bank, the government holding in this bank is 58.60%. Similarly, PNB is a public sector bank, the government holds a stake of 58.87%.

61. Public Sector Bank are classified into how many categories?

a) **Two**
b) Six
c) Twelve
d) Four

Explanation

Public sector banks are classified into two categories: 1. Nationalised Banks 2. State Bank and its Associates.

62. Which among the following is Public sector Bank?

a) Axis Bank
b) **Bank of Baroda**
c) HDFC Bank
d) Karur Vysya Bank

Explanation

In case of nationalized banks, the government controls and regulates the functioning of the banking entity. Some, examples are State Bank of India, Punjab National Bank, Bank of Baroda, Allahabad Bank etc. However, the government keeps reducing the stake in PSU banks as and when they sell shares. So, to that extent they can also become minority shareholders in these banks. This is in accordance with the privatization policy

63. Of the total banking industry in India, what is the percentage of public sector banks that constitute?

a) 59.3%
b) 62.8%
c) 48.27%
d) **72.9%**

Explanation

In private sector banks, most of the equity is owned by private bodies, corporations, institutions or individuals rather than government. These banks are managed and controlled by private promoters. Of the total banking industry in India, public sector banks constitute 72.9% share while the rest is covered by private players.

64. Which among the following Five-Year Plan was successful?

a) **Eighth Five Year Plan**
b) Ninth Five Year Plan
c) Tenth Five Year Plan
d) Eleventh Five Year Plan

Explanation

Eighth Five Year Plan (1992-1997) was successful and got annual growth rate of 6.8% against the target of 5.6%. Ninth, Tenth and Eleventh failed to achieve the growth target.

65. Which among the following bank was not nationalised in 15 April 1980?

a) Andhra Bank
b) Vijaya Bank
c) Syndicate Bank
d) New Bank of India

Explanation

The Bank Nationalist on 15 April 1980 are 1. Andhra Bank 2. Corporation Bank 3. New Bank of India 4. Oriental Bank of Commerce 5. Punjab & Sindh Bank 6. Vijaya Bank.

66. Who among the following was the father of Green Revolution in India?

a) M.S. Swaminathan
b) Gandhi
c) Visweswaraiah
d) N.R. Viswanathan

Explanation

The father of Green Revolution in India was M. S. Swaminathan.

67. How many Publica sector Bank are there in India?

a) 18
b) 27
c) 37
d) 32

Explanation

In terms of the number of banks, there are 27 public sector banks and 22 private sector banks. As part of its differentiated banking regime, RBI, the apex banking body, has given license to Payments Bank and Small Finance Banks (SFBs). As a result, Airtel Payments Bank and Paytm Payments Bank Limited have come up.

68. Which year Five Year Plans came into existence?

a) 1948
b) 1964
c) 1951

d) 1986

Explanation

After Independence, the Government of India adopted planned economic development. For this purpose, Five Year Plans came into existence since 1951. The main objective of the economic planning aimed at social welfare. Before Independence commercial banks were in the private sector.

69. How many major commercial banks was nationalized on 19 July 1969?

a) Twelve
b) Twenty
c) Fourteen
d) Ten

Explanation

After Independence, the commercial banks failed in helping the Government to achieve social objectives of planning. Therefore, the government decided to nationalize 14 major commercial banks on 19 July 1969. In 1980, again the government took over another 6 commercial banks.

70. Which among the following statement regarding Objectives of Nationalization is correct

1) The main objective of nationalization was to attain social welfare. Sectors such as agriculture, small and village industries were in need of funds for their expansion and further economic development. Banks created credit facilities mainly to the agriculture sector and its allied activities after nationalization
2) Nationalisation of banks helped to curb private monopolies in order to ensure a smooth supply of credit to socially desirable sections In India, nearly 70% of population lived in rural areas. Therefore, it was needed to encourage the banking habit among the rural population
3) Nationalisation of banks was required to reduce the regional imbalances where the banking facilities were not available. Before Independence, the numbers of banks were certainly inadequate. After nationalization, new bank branches were opened in both rural and urban areas
    a) Both 1 and 2
    b) Both 1 and 3
    c) Both 2 and 3
    d) All 1, 2 and 3

71. The concept of economic planning in India or five-year plan is derived from which country?

a) USA
b) Russia
c) UK

d) Israel

Explanation

Economic planning is the process in which the limited natural resources are used skilfully so as to achieve the desired goals. The concept of economic planning in India or five-year plan is derived from Russia (then USSR). India has launched 12 five-year plans so far. Twelfth five-year plan will be the last one.

72. The government of India has decided to stop the launching of five-year plans and it was replaced by what?

a) NITI Aayog
b) AMRUT
c) UDISHA
d) Rajiv Awas Yojana

Explanation

The government of India has decided to stop the launching of five-year plans and it was replaced by NITI Aayog.

73. The First Five Year Plan (1951-1956) was based on which model?

a) Solow Model
b) P.C. Mahalanobis Model.
c) Harrod-Domar Model
d) Markowitz-Lucas Model

Explanation

First Five-Year Plan (1951-1956) was based on the Harrod-Domar Model. Its main focus was on the agricultural development of the country. This plan was successful and achieved the GDP growth rate of 3.6% (more than its target).

74. The Third Five Year Plan (1961-1966) was also called as ____

a) Karachi Yojana
b) Gadgil Yojana
c) Guha Yojana
d) Thapar Yojana

Explanation

The Third Five Year Plan (1961-1966) was called 'GadgilYojana' also. The main target of this plan was to make the economy independent and to reach self prpalled position ortake off. Due to Indo - China war, this plan could not achieve its growth target of 5.6%.

75. Match the following Public Sector Steel plant location with its Assistance country

i.	Rourkela (Odissa)	1. UK
ii.	Bhilai (MP)	2. Germany
iii.	Durgapur (WB)	3. Government of India (No external assistance)
iv.	Salem (Tamil Nadu)	4. Russia

a) 3 – 1 – 4 – 2
b) 2 – 4 – 1 – 3
c) 3 – 4 – 2 – 1
d) 4 – 1 – 3 – 2

76. The Second Five Year Plan (1956-1961) was based on what?

a) Solow Model
b) P.C. Mahalanobis Model.
c) Ramachandra Guha Model
d) Markowitz-Lucas Model

Explanation

Second Five-Year Plan (1956-1961) was based on the P.C. Mahalanobis Model. Its main focus was on the industrial development of the country. This plan was successful and achieved the growth rate of 4.1%.

77. The main reason behind the plan holiday was the failure of third war_____

a) Indo-China War
b) Indo-Pakistan War
c) Indo-Tibet War
d) Sri Lankan Civil War

Explanation

The main reason behind the plan holiday was the Indo-Pakistan war & failure of third plan. During this plan, annual plans were made and equal priority was given to agriculture, its allied sectors and the industry sector.

78. The Fifth Five Year Plan (1974-1979) was prepared and launched by whom?

a) Romila Thapar
b) Philip Spratt
c) Irfan Habib
d) D.P. Dhar

Explanation

Fifth Five Year Plan (1974-1979) top priority was given to agriculture, next came industry and mines. Overall, this plan was successful, which achieved the growth rate of 4.8% against the target of 4.4%. The draft of this plan was prepared and launched by D.P. Dhar. This plan was terminated in 1978.

79. What was the Moto of Sixth Five Year Plan (1980-1985)?

a) Charo-Yuddh
b) Shikshit-Vikasit
c) Garibi-Hatao
d) Vishv-shikshit

Explanation

The basic objective of Sixth Five Year Plan (1980-1985) was poverty eradication and technological self-reliance. Garibi-Hatao was the motto. It was based on investment yojana. Its growth target was 5.2% but it achieved 5.7%.

80. Which among the following statement is correct

1) Fourth Five Year Plan (1969-1974) have two main objectives of this plan i.e. growth with stability and progressive achievement of self-reliance. This plan failed and could achieve growth rate of 3.3% only, against the target of 5.7%.
2) Seventh five-year Plan could not take place due to volatile political situation at the centre. So, two annual programmes are formed in 1899-90& 1990-91.
   a) Only 1
   b) Only 2
   c) Both 1 and 2
   d) None

Explanation

Eighth five-year Plan could not take place due to volatile political situation at the centre. So, two annual programmes are formed in 1990-91& 1991-92.

81. During which Five Year Plan New Economic Policy of India was introduced?

a) Ninth Five Year Plan
b) Eighth Five Year Plan
c) Eleventh Five Year Plan
d) Tenth Five Year Plan

Explanation

During Eighth Five Year Plan (1992-1997), New Economic Policy of India was introduced. In this plan the top priority was given to development of the human resources i.e. employment, education and public health. This plan was successful and got annual growth rate of 6.8% against the target of 5.6%

82. Which Five-year Plan main theme was “faster and more inclusive growth”?

a) Ninth Five Year Plan
b) Tenth Five Year Plan
c) Eleventh Five Year Plan
d) Twelfth Five Year Plan

Explanation

Eleventh Five Year Plan (2007-2012) main theme was “faster and more inclusive growth”. Its growth rate target was 8.1% but it achieved only 7.9%.

83. Which Five-year Plan main focus was “growth with justice and equity”?

a) Seventh Five Year Plan
b) Twelfth Five Year Plan
c) Ninth Five Plan
d) Ten Five Plan

Explanation

Ninth Five Year Plan (1997-2002) main focus was “growth with justice and equity”. This plan failed to achieve the growth target of 7% and Indian economy grew only at the rate of 5.6%.

84. Which Five-year Plan main theme was “Faster, More Inclusive and Sustainable Growth”?

a) Seventh Year Plan
b) Twelfth Year Plan
c) Eleventh Year Plan
d) Tenth Year Plan

Explanation

Twelfth Five Year Plan (2012-2017) main theme is “Faster, More Inclusive and Sustainable Growth”. Its growth rate target is 8%.

85. Tenth Five Year Plan (2002-2007) aimed to double the per capita income of India in the next how many years?

a) Five
b) Fifteen
c) Ten
d) Seven

Explanation

Tenth Five Year Plan (2002-2007) aimed to double the per capita income of India in the next 10 years. It aimed to reduce the poverty ratio to 15% by 2012. Its growth target was 8.0% but it achieved only 7.2%.

86. Which among the following statement is correct

1) After New Economic Policy 1991, the Indian banking industry has been facing the new horizons of competitions, efficiency and productivity. With all these developments people in villages and slums depend largely on local money lenders for their credit need.
2) The Five-year plans had guided the Government as to how it should utilise scarce resources so that maximum benefits can be gained. since the Indian Independence the five-year plans of India played a very prominent role in the economic development of the country. It is worthy to mention here that Indian Government adopted the concept of five-year plans from Russia.
   a) Only 1
   b) Only 2
   c) Both 1 and 2
   d) None

87. Which serves as a knowledge hub and monitors progress in the implementation of policies and programmes of the Government of India?

a) NITI Aayog
b) AMRUT
c) UDISHA
d) Rajiv Awas Yojana

Explanation

NITI Aayog serves as a knowledge hub and monitors progress in the implementation of policies and programmes of the Government of India. It includes the matters of national and international importance on the economic front, dissemination of best practices from within the country and from other nations, the infusion of new policy ideas and specific issue-based support.

88. When the Planning Commission has been replaced by the NITI Aayog?

a) 1st January 2013
b) 1st January 2015
c) 1st January 2016
d) 1st January 2012

Explanation

The Planning Commission has been replaced by the NITI Aayog on 1st January, 2015. NITI (National Institution for Transforming India) Aayog will monitor, coordinate and ensure implementation of the accepted sustainable development goals.

89. From which year United Nations Development Programme has been publishing Human Development Report annually?

a) 1992
b) 1994
c) 1990
d) 1988

Explanation

United Nations Development Programme has been publishing Human Development Report annually since 1990. HDI helped the government to the real uplifting of standard of living of the people.

90. HDI was developed by whom in 1990 and was published by the United Nations Development Programme (UNDP)?

a) Reinhard Selten and Mahbub ul Haq
b) Inge Kaul and Amartya Kumar Sen
c) Reinhard Selten and Mahbub ul Haq
d) Mahbub ul Haq and Amartya Kumar Sen

Explanation

Human Development Index (HDI) was developed by the Pakistani Economist Mahbub ul Haq and the Indian Economist Amartya Kumar Sen in 1990 and was published by the United Nations Development Programme (UNDP). It is constructed based on Life Expectancy Index, Education Index and GDP Per Capita.

91. Which among the following is not the indicators of Human Development Index (HDI)?

a) Longevity is measured by life expectancy at birth
b) Sustaining of marital consistency progress
c) Educational attainments
d) Standard of living, measured by real GDP per capita (PPP$)

Explanation

HDI is based on the following three indicators 1. Longevity is measured by life expectancy at birth, 2. Educational attainments, 3. Standard of living, measured by real GDP per capita (PPP$).

92. Which among the following is the formula of Dimension Index?

- **a) (Actual value – Minimum value) / (Maximum value - Minimum value)**
- b) (Maximum value – Minimum value) / (Actual value - Minimum value)
- c) (Maximum – Minimum value) / (Minimum value – Actual value)
- d) (Actual value – Minimum value) / (Minimum value - Actual value)

Explanation

Before calculating HDI, the fixed minimum and maximum values of each indicator are chosen. The performance in each dimension is expressed as a value between 0 and 1 by applying the following formula Dimension Index = (Actual value – Minimum value) / (Maximum value - Minimum value).

93. Which among the following statement is correct

1) According to Planning Commission's National Human Development Report 2011, HDI has improved significantly between 1980 and 2011. That is, The HDI went up from 0.302 in 1981 to 0.472 score in 2011.
2) As per latest Human Development Report (2016) by the United Nations Development Programme (UNDP), India has been ranked 131st out of 188 countries. Out of 188 countries, India lies in Medium Human Development bracket. The other nations such as Bangladesh, Bhutan, Pakistan, Kenya, Myanmar and Nepal attained the medium human development.
3) The HDR 2016 stated that regional disparities in education, health and living standards within India has caused India's rise to 17 % on HDI score. India's HDI rank value in 2015 stood at 0.624, which had decreased from 0.736 in 2010. India's rank in 2014 was 131.
    - a) Only 3
    - **b) Both 1 and 2**
    - c) Both 1 and 3
    - d) Both 2 and 3

Explanation

The HDR 2016 stated that regional disparities in education, health and living standards within India has caused India's downfall to 27 % on HDI score. India's HDI rank value in 2015 stood at 0.624, which had increased from 0.580 in 2010. India's rank in 2014 was 131.

94. Which among the following country Ranks first in Human Development Index (HDI)?

- a) USA
- b) South Korea
- c) Denmark
- **d) Norway**

Explanation

Top three countries of HDI Norway (0.949) Australia (0.939) Switzerland (0.939)

95. Who has stated that the calculation of HDI neglected many important aspects of human development and created four indices of HDI as HDI1, HDI2, HDI3, and HDI4?

a) Kaushik Basu
b) Rajiv Kumar
c) Biswajeet Guha
d) Avinash Dixit

Explanation

Biswajeet Guha has stated that the calculation of HDI neglected many important aspects of human development. He has created four indices of HDI as HDI1, HDI2, HDI3, and HDI4. HDI1 is based on UNDP methodology as given in Human Development Report. He has enlarged the scope of HDI by adding three more dimensions such as quality of life, poverty eradication, and urbanization.

96. Who developed the Physical Quality of Life Index (PQLI)?

a) Morris D Morris
b) Mahbub ul Haq
c) John M Keynes
d) Jean Paul Fitoussi

Explanation

Morris D Morris developed the Physical Quality of Life Index (PQLI). The PQLI is a measure to calculate the quality of life (well-being of a country). For this, he included three indicators such as life expectancy, infant mortality rate and literacy rate. A scale of each indicator ranges from the number 1 to 100.

97. Which among the following statement is correct

1) In Physical Quality of Life Index (PQLI) scale Number 1 represents the best performance by any country. 100 is the worst performance. For example, in case of life expectancy, the upper limit of 1. This was assigned to 77 years which was achieved by Sweden in 1973. The lower limit of 100 was assigned to 28 years which was achieved by Guinea-Bissau in 1960.
2) The main difference between the two is the inclusion of income in HDI and exclusion of income from PQLI. HDI represents both physical and financial attributes of development and PQLI has only the physical aspects of life.
   a) Only 1
   b) Only 2
   c) Both 1 and 2
   d) None

Explanation

In Physical Quality of Life Index (PQLI) scale Number 1 represents the worst performance by any country. 100 is the best performance. For example, in case of life expectancy, the upper limit of 100. This was assigned to 77 years which was achieved by Sweden in 1973. The lower limit of 1 was assigned to 28 years which was achieved by Guinea-Bissau in 1960.

98. Which is a composite statistic of life expectancy, education and per capita income indicators?

a) Physical Quality of Life Index
b) Life Expectancy Index
c) Economical Statistical Index
d) Human Development Index

Explanation

Human Development Index is a composite statistic of life expectancy, education and per capita income indicators.

99. Which among the following statement is correct

1) The British were more focused on the money from Indians than good governance. Some positive things happened during British Rule. They eradicated systems like 'sati', introduced railway services, English language and education, infrastructure and basic principle of capitalist economy.
2) After Independence, the Government of India formulated many policies with the help of Five-year plans to achieve the growth target in various sectors. Among the other things, the major challenges that still continue are: poor health standard, female foeticide, declining child sex ratio, open defecation, social & economic inequalities, etc.,
    a) Only 1
    b) Only 2
    c) Both 1 and 2
    d) None

100. When First World War was started?

a) 1914
b) 1814
c) 1941
d) 1841

Explanation

The First World War started in the year in year 1914.

101. Which among the following bank was not nationalised on 19 July 1969?

a) Bank of Baroda

b) United Bank of India
c) Allahabad Bank
d) Axis Bank

Explanation

The Bank Nationalized on 19 July 1969 was 1. Allahabad Bank 2. Bank of Baroda 3. Bank of Maharashtra 4. Canara Bank 5. Central Bank of India 6. Dena Bank 7. Indian Bank 8. Indian Overseas Bank 9. Punjab National Bank 10. Syndicate Bank 11. Union Bank 12. United Bank of India 13. UCO Bank 14. Bank of India.