

11th Economics Lesson 4 Questions in English**4] Rural Economics**

1. Who among the following stated this?

‘India Lives in Villages’

- a) **Mahatma Gandhi**
- b) Jawaharlal Nehru
- c) B.R. Ambedkar
- d) Lala Lajpat Rai

Explanation

Rural Economics deals with the application of economic principles in understanding and developing rural areas.

‘India Lives in Villages’

– Mahatma Gandhi

2. Which of the following is the basic unit of rural areas?

- a) Panchayat
- b) **Village**
- c) Ward
- d) Taluk

Explanation

According to the Census of India, the basic unit for rural areas is the revenue village. Rural economy refers to villages, and rural community refers to people living in villages.

3. Which of the following are found in Indian Villages?

- 1) Low employment
 - 2) Poverty
 - 3) Higher prices of agricultural products
 - 4) Surplus labour force
- a) 1, 2, 3
 - b) 1, 3, 4
 - c) **1, 2, 4**
 - d) All the above

Explanation

Rural areas have problems like backwardness of agriculture, low income, low employment opportunities, poverty, low infrastructural development, low illiteracy, low labour productivity, lower prices of agricultural products, surplus labour force, larger population, high level of migration and high dependency on natural resources and nature.

4. According to 2011 census, what percentage of population lives in village?

- a) 58
- b) 69**
- c) 52
- d) 79

Explanation

According to the 2011 Population Census, there are 6,40,867 villages in India and 68.84 percent of the 121 crore total population live in rural areas.

5. Which of the following statement is correct?

- 1) The Village is a primary institution and it satisfies almost all the needs of the rural community
 - 2) Agriculture and allied activities are the main occupation in rural areas
 - 3) Lifestyles in villages are very robust
- a) 1, 2**
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

The Village is a primary institution and it satisfies almost all the needs of the rural community. The rural people have a feeling of belongingness and a sense of unity towards each other. The rural economy depends much on nature and agricultural activities. Agriculture and allied activities are the main occupation in rural areas. Lifestyles in villages are very simple.

6. Which of the following are limited or unavailable in rural areas?

- 1) Banking
 - 2) Health and sanitation
 - 3) Markets
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above**

Explanation

Public services like education, housing, health and sanitation, transport and communication, banking, roads and markets are limited and unavailable in rural areas. Rural people rely much on faith, superstitions and traditional cultural practices. The standards of living of majority of rural people are poor and pitiable. In terms of methods of production, social organization and political mobilization, rural sector is extremely backward and weak. In recent years, the incidence of alcohol drinking has gone up.

7. _____ is a situation Where people work but no increase in production

- a) Unemployment
- b) Seasonal unemployment
- c) **Underemployment**
- d) None

Explanation

There exists unemployment, seasonal unemployment and underemployment in rural areas. Unemployment refers to the situation of people with willingness and ability to work but is not getting employed. Underemployment also called disguised unemployment is the situation of people employed in excess, over and above the requirement. Disguised unemployment is a situation Where people work but no increase in production. Both the situations are common in rural areas.

8. Which of the following statement is incorrect?

- 1) Population density, measured by number of persons living per sq. km is very low and houses are scattered in the entire villages.
 - 2) According to the 2011-12 estimates, about 2 crores of people in rural areas are poor and live below the poverty line
- a) **1 alone**
 - b) 2 alone
 - c) 1, 2
 - d) None

Explanation

Poverty is a condition where the basic needs of the people like food, clothing and shelter are not being met. According to the 2011-12 estimates, about 22 crores of people in rural areas are poor and live below the poverty line. Population density, measured by number of persons living per sq. km is very low and houses are scattered in the entire villages.

9. Who among the following stated this:

‘An Indian farmer is born in debt, lives in debt, dies in debt and bequeaths debt’

- a) B.R. Ambedkar
- b) Swaminathan
- c) **Sir Malcolm Darling**
- d) Mahatma Gandhi

Explanation

People in rural areas are highly indebted owing to poverty and underemployment, lack of farm and non-farm employment opportunities, low wage employment, seasonality in production, poor marketing network etc. A famous British writer Sir Malcolm Darling (1925) stated that 'An Indian farmer is born in debt, lives in debt, dies in debt and bequeaths debt'. Since formal loan facilities are not available to the villagers, they depend on local money lenders who, like a parasite, squeeze the villagers. Hence the villagers commit suicide frequently.

10. Which of the following statement is incorrect?

- 1) The income of the rural people is constrained as the rural economy is not sufficiently vibrant to provide them with jobs or self – employment opportunities.
 - 2) Rural households are largely dependent on social grants and remittances from family members working in urban areas and cities.
- a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) **None**

Explanation

The income of the rural people is constrained as the rural economy is not sufficiently vibrant to provide them with jobs or self – employment opportunities. Large proportion of labourers and skilled persons are underemployed and the scope for increasing their income is limited. Rural households are largely dependent on social grants and remittances from family members working in urban areas and cities.

11. Which of the following characteristics are very common in rural areas?

- 1) developed and underdeveloped
 - 2) organised and unorganised
 - 3) poor and rich
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) **All the above**

Explanation

Dualism means the co-existence of two extremely different features like developed and underdeveloped, organised and unorganised, traditional and modern, regulated and unregulated, poor and rich, skilled and unskilled and similar contradicting situations in a region. These characteristics are very common in rural areas.

12. Which of the following statement is incorrect?

- 1) The distributions of income, wealth and assets are highly skewed among rural people.
 - 2) Landlords and landowners dominate the rural activities.
 - 3) There are number of historical, social, economic and political reasons behind the existence of inequality.
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) None

Explanation

The distributions of income, wealth and assets are highly skewed among rural people. There are number of historical, social, economic and political reasons behind the existence of inequality. Landlords and landowners dominate the rural activities. Land, livestock and other assets are owned by a few people.

13. Who among the following wrote the book "Small is Beautiful"?

- a) Schumacher
- b) Sir Malcolm Darling
- c) Swaminathan
- d) Mahatma Gandhi

Explanation

Rural people are forced to migrate from villages to urban areas in order to seek gainful employment for their livelihood. This character of the development gives rise to the formation of cities. Enmity and Lack of basic amenities in rural areas also push the people to migrate to urban areas. This is called 'double poisoning' by Schumacher, one side villages are empty, on the other side towns are congested. His book is "Small is Beautiful" describes the dangers of the present kind of development.

14. Which organisation among the following stated this:

"Rural Development is a strategy designed to improve the economic and social life of a specific group of people - rural poor"

- a) WHO
- b) UNO
- c) **World Bank**
- d) Asian Development Bank

Explanation

Rural Development is defined as an overall improvement in the economies and social well-being of villagers and the institutional and physical environments in which they live. According to the World Bank, 'Rural Development is a strategy designed to improve the economic and social life of a specific group of people - rural poor'. In short, rural development is a process of improving the rural areas, rural people and rural living.

15. Which of the following statement is correct?

- 1) India cannot be developed by retaining rural as backward.
- 2) The rural economy supports the urban sectors by way of supplying drinking water, milk, food and raw materials.
- 3) The evils of brain-drain and rural urban migration can be reduced if rural areas are developed.
 - a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) **All the above**

Explanation

Need for Rural Development:

Rural development is very urgent in the context of the overall growth and development of Indian economy due to the following reasons.

- 1. A major share of population lives in rural areas, and their development and contributions are very much supportive for the nation building activities. India cannot be developed by retaining rural as backward.
- 2. The rural economy supports the urban sectors by way of supplying drinking water, milk, food and raw materials. Hence, the backwardness of the rural sector would be a major impediment to the overall progress of the economy.
- 3. Improvements in education, health and sanitation in villages can help avoid many urban problems namely, begging, rack picking and road side slumming.
- 4. Development of agriculture and allied activities are necessary for providing gainful employment in rural areas and improving overall food production.

5. The evils of brain-drain and rural urban migration can be reduced if rural areas are developed.

6. In order to better utilise the unused and under-utilised resources, there is a need to develop the rural economy.

16. Which Indian president coined PURA?

- a) Ramnath Govind
- b) Dr. Rajendra Prasad
- c) **Abdul Kalam**
- d) Abul Kalam Azad

Explanation

Rural development should minimise the gap between rural and urban areas in terms of the provision of infrastructural facilities. It was called as PURA by former President Abdul Kalam. In order to improve the nation's status in the global arena in terms of the economic indicators like Human Development Index (HDI), Women Empowerment Index (WEI), Gender Disparity Index (GDI), Physical Quality of Life Index (PQLI) and Gross National Happiness Index (GNHI) should be given due attention.

17. In which of the following Rural areas are facing number of problems?

- 1) Leadership
 - 2) Economy
 - 3) Infrastructure
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) **All the above**

Explanation

Rural areas are facing number of problems relating to, 1) People, 2) Agriculture, 3) Infrastructure, 4) Economy, 5) Society and Culture, 6) Leadership and 7) Administration.

18. Which feature is identified with rural areas?

- a) **illiteracy**
- b) High population density
- c) Low natural resources
- d) Low human resources

Explanation

The problems related to individuals and their standard of living consist of illiteracy, lack of technical knowhow, low level of confidence, dependence on sentiments and beliefs etc.

19. Which of the following are Agriculture Related Problems face by rural people?

- 1) Presence of infrastructure to work and stay in rural areas
- 2) Unavailability of inputs
- 3) Multidimensional tasks to extension personnel
- 4) Lack of expected awareness, knowledge, skill and attitude
 - a) 1, 2, 3
 - b) 1, 3, 4
 - c) **2, 3, 4**
 - d) All the above

Explanation

The problems related to agriculture include 1.Lack of expected awareness, knowledge, skill and attitude, 2.Unavailability of inputs, 3.Poor marketing facility, 4.Insufficient extension staff and services, 5.Multidimensional tasks to extension personnel, 6.Small size of land holding, 7.Sub-division and fragmentation of landholdings, 8.Absence of infrastructure to work and stay in rural areas, 9.Primitive technology and low adoption of modern technologies 10. Reduced public investment and absence of role for farmers in fixing the prices for their own products.

20. What is the recommended nutritional intake per person in rural areas?

- a) 2100 calories
- b) 2300 calories
- c) **2400 calories**
- d) 3000 calories

Explanation

On the basis of recommended nutritional intake, persons consuming less than 2,400 calories per day in rural areas are treated as they are under rural poverty.

21. Assertion(A): Poverty in India has been defined as the situation in which an individual fails to earn sufficient income to buy the basic minimum of subsistence

Reason(R): Rural poverty refers to the existence of poverty in rural areas.

- a) **Both (A) and (R) are correct, but (R) is not the correct explanation of (A)**
- b) Both (A) and (R) are wrong
- c) Both (A) and (R) are correct and (R) is the correct explanation of (A)
- d) (A) is Correct and (R) is wrong

Explanation

Rural poverty refers to the existence of poverty in rural areas. Poverty in India has been defined as the situation in which an individual fails to earn sufficient income to buy the basic minimum of subsistence. Poverty line is a hypothetical line based on income or consumption levels that divides the population as people below poverty line and above poverty line.

22. Which of the following statement is correct?

- 1) Poverty is deepest among members of scheduled castes and tribes in the rural areas
- 2) As per the Planning Commission estimates, the percentage of people living below poverty in rural areas was 54.10 which accounted for 33.80 per cent during 2009-10.
- 3) In 2015, more than 8 crores of India's people lived in villages
 - a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

As per the Planning Commission estimates, the percentage of people living below poverty in rural areas was 54.10 which accounted for 33.80 per cent during 2009-10. Poverty is deepest among members of scheduled castes and tribes in the rural areas. In 2005 these groups accounted for 80 per cent of rural poor, although their share in the total rural population is much smaller. In 2015, more than 80 crores of India's people lived in villages.

23. What amount of village population list below the poverty line in India?

- a) 1/3rd
- b) 1/4th
- c) 1/2nd
- d) 1/5th

Explanation

One quarter of village population (22 crores people) list below the poverty line. India is the home to 22 per cent of the world's poor. It is needless to state that the country has been successful in reducing the proportion of poor people, in spite of increasing of population.

24. Which of the following administrative issues found in Rural area?

- 1) Lack of motivation and interest
- 2) improper utilization of budget
- 3) absence of monitoring and implementation of rural development programme
 - a) 1, 2

- b) 1, 3
- c) 2, 3
- d) All the above

Explanation

The rural administrative problems consist of political interference, lack of motivation and interest, low wages in villages, improper utilization of budget, and absence of monitoring and implementation of rural development programme.

25. Which of the following statement is correct?

- 1) The distribution of land is highly skewed in rural areas.
 - 2) The excess supply of labour in rural areas increases the wages and reduces the incidence of poverty
 - 3) The root cause of rural poverty in our country is lack of public sector investment on human resource development
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

The distribution of land is highly skewed in rural areas. Therefore, majority of rural people work as hired labour to support their families. Non-farm employment opportunities do not match the increasing labour force. The excess supply of labour in rural areas reduces the wages and increases the incidence of poverty. The root cause of rural poverty in our country is lack of public sector investment on human resource development.

26. Which of the following affects the rural areas?

- 1) Inflation
 - 2) Low Productivity
 - 3) Social Evils
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

Inflation is a steady increase in prices affects the purchasing power of the rural poor leading to rural poverty. Low productivity of rural labour and farm activities is a cause as well as the effect of

poverty. Social evils prevalent in the society like custom, believes etc. increase unproductive expenditure.

27. Assertion(A): Major gains of economic development are enjoyed by the urban rich people

leading to concentration of wealth.

Reason(R): Due to defective economic structure and policies, gains of growth are not

reaching the poor people

- a) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
- b) Both (A) and (R) are wrong
- c) **Both (A) and (R) are correct and (R) is the correct explanation of (A)**
- d) (A) is Correct and (R) is wrong

Explanation

Major gains of economic development are enjoyed by the urban rich people leading to concentration of wealth. Due to defective economic structure and policies, gains of growth are not reaching the poor and the contributions of poor people are not accounted properly.

28. Which of the following statement is incorrect?

- 1) The rate of growth of India is always below the target and it has benefited the Poor.
 - 2) The poor are always denied of the benefits of the achieved growth and development of the country
- a) **1 alone**
 - b) 2 alone
 - c) 1, 2
 - d) None

Explanation

The rate of growth of India is always below the target and it has benefited the rich. The poor are always denied of the benefits of the achieved growth and development of the country.

29. Assertion(A): Huge investment in large industries catering to the needs of middle and

upper classes in urban areas are made in India.

Reason(R): Such industries are capital-intensive and do not generate more employment

opportunities.

- a) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
- b) Both (A) and (R) are wrong

- c) Both (A) and (R) are correct and (R) is the correct explanation of (A)
d) (A) is Correct and (R) is wrong

Explanation

Huge investment in large industries catering to the needs of middle and upper classes in urban areas are made in India. Such industries are capital-intensive and do not generate more employment opportunities. Therefore, poor are not in a position to get employed and to come out from the poverty in villages.

30. Which of the following are inter-related?

- 1) rural unemployment
 - 2) Leadership in Rural area
 - 3) rural poverty
- a) 1, 2
 - b) 1, 3**
 - c) 2, 3
 - d) All the above

Explanation

Since rural unemployment and rural poverty are interrelated, creation of employment opportunities would support elimination of poverty. Poverty alleviation schemes and programmes have been implemented, modified, consolidated, expanded and improved over time. However, unemployment, begging, rag picking and slumming continues. Unless employment is given to all the people poverty cannot be eliminated.

31. Match the following:

- | | |
|---|---------|
| I. 20 Point Programme | 1. 1989 |
| II. National Rural Employment Programme | 2. 2006 |
| III. Jawahar Rozgar Yojana | 3. 1975 |
| IV. MGNREGS | 4. 1980 |
- a) 3, 1, 4, 2
 - b) 3, 4, 1, 2**
 - c) 3, 1, 2, 4
 - d) 2, 4, 1, 3

Explanation

Poverty Eradication Schemes	
Schemes	Year of launch
20 Point Programme	1975
Integrated Rural development Programme (IRDP)	1976
Training Rural Youths for Self-Employment (TRYSEM)	1979
Food for Work Programme (FWP)	1977
National Rural Employment Programme (NREP)	1980
Rural Landless Employment Guarantee Programme (RLEGP)	1983
Jawahar Rozgar Yojana (JRY)	1989
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	2006

32. Match the following:

- | | |
|------------------------------------|---------|
| I. Rajiv Awas Yojan | 1. 2005 |
| II. National Food Security Scheme | 2. 2009 |
| III. National Rural Health Mission | 3. 2013 |
| IV. Indira Awas Yojana | 4. 1985 |
- a) 1, 4, 2, 3
 b) 2, 3, 1, 4
 c) 2, 1, 3, 4
 d) 3, 1, 4, 2

Explanation

Development Schemes	
Pradhan Mantri Adarsh Gram Sadak Yojana (PMAGSY)	2010
Bharat Nirman Yojana	2005
Indira Awas Yojana	1985
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	2005
Rajiv Awas Yojan (RAY)	2009
National Rural Health Mission	2005
National Rural Livelihood Mission	2011
National Food Security Scheme	2013

33. Which of the following statement is correct?

- 1) Unemployment is a situation in which a person is actively searching for employment but unable to find work at the prevailing wage rate
 - 2) As long as there is unemployment, social problems cannot be stopped; and, economy cannot achieve development
- a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) None

Explanation

Unemployment is a situation in which a person is actively searching for employment but unable to find work at the prevailing wage rate. It is a tragic waste of manpower and under-utilisation of human resources. As long as there is unemployment, social problems cannot be stopped; and, economy cannot achieve development.

34. In which year Peter Diamond, Dale Mortensen and Christopher Pissarides shared Economics Nobel prize?

- a) 2011
- b) 2010
- c) 2018
- d) 2017

Explanation

Peter Diamond, Dale Mortensen and Christopher Pissarides shared 2010 Economics Nobel prize for jobs study. Their model, called DMP model, helps us understand how regulation and economic policies affect unemployment, job vacancies and wages.

35. What was the all India unemployment rate in October 2016?

- a) 10.1 %
- b) 8.5 %
- c) 7.1 %
- d) 21 %

Explanation

As on 4th October 2016, rural unemployment was 7.8 per cent which is less than urban unemployment (10.1 per cent) and all India unemployment rate (8.5 per cent).

36. Which of the following statement is correct?

- 1) In Open Unemployment, unemployed persons are identified as they remain without work
- 2) In Open Unemployment, it is difficult to identify who are under employed
 - a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) None

Explanation

India are categorised into three classes: (i) Open Unemployment (ii) Concealed Unemployment or Under employment and (iii) Seasonal Unemployment. In Open Unemployment, unemployed persons are identified as they remain without work. This type of unemployment is found among agricultural labourers, rural artisans and literate persons. In Concealed Unemployment, it is difficult to identify who are under employed.

37. What % of Disguised unemployment is found in rural India?

- a) 20 to 30%
- b) **25 to 30 %**
- c) 10 to 20 %
- d) 5 to 15 %

Explanation

Concealed Unemployment, it is difficult to identify who are under employed; for many are employed below their productive capacity and even if they are withdrawn from work the output will not diminish. It is also called Disguised Unemployment or Under employment. This type of unemployment is found among small and marginal farmers, livestock rearers and rural artisans. This kind of unemployment situation is more serious in villages than in urban areas. Disguised unemployment in rural India is 25 per cent to 30 per cent.

38. Assertion(A): Seasonal Unemployment, employment occurs only on a particular season

Reason(R): In seasons like ploughing, sowing, weeding and harvesting there is scarcity of labour and in the rest of the year there is unemployment

- a) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
- b) Both (A) and (R) are wrong
- c) **Both (A) and (R) are correct and (R) is the correct explanation of (A)**
- d) (A) is Correct and (R) is wrong

Explanation

Seasonal Unemployment, employment occurs only on a particular season supported by natural circumstances and the remaining period of a year the rural people are unemployed or partially

employed. In seasons like ploughing, sowing, weeding and harvesting there is scarcity of labour and in the rest of the year there is unemployment. It is pathetic to note that a farmer who cultivates one crop in a year usually goes without a job for almost 5 to 7 months and ultimately commit suicide.

39. According to the Agricultural Labour Enquiry Committee Report the extent of under employment is on the average_____ days

- a) 82
- b) 88
- c) 92
- d) 100

Explanation

According to the Agricultural Labour Enquiry Committee Report, "the extent of under employment is on the average, 82 days of unemployment in a year for 84 per cent of agricultural labours."

40. Which of the following statement is correct?

- 1) Agricultural operations are seasonal in nature and depend much on nature and rainfall.
 - 2) The demand for labour becomes negligible during off-season
 - 3) Rural people are not able to start subsidiary occupations, due to shortages of funds for investment and lack of proper marketing arrangements.
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

Lack of Government initiatives to give required training and then to generate employment opportunities. Agricultural operations are seasonal in nature and depend much on nature and rainfall. Therefore, the demand for labour becomes negligible during off-season. So, non-farm employment opportunities must be created. Rural people are not able to start subsidiary occupations such as poultry, rope making, piggery etc. due to shortages of funds for investment and lack of proper marketing arrangements. This restricts the employment opportunity and rural family incomes. Government must arrange funds for these people. However, as now they pay huge interest to the local money lenders, for they are unable to get loans from formal sources.

41. Which of the following Mechanized agricultural work reduced employment rural area?

- 1) ploughing
- 2) cattle rearing

- 3) harvesting
- 4) threshing
 - a) 1, 2, 3
 - b) 1, 3, 4**
 - c) 2, 3, 4
 - d) All the above

Explanation

The landlords are the principal source of employment to the farm labour. Mechanization of agricultural operations like ploughing, irrigation, harvesting, threshing etc. reduces employment opportunities for the farm labour.

42. Assertion(A): The expanding private industrial sector is largely found in urban areas

Reason(R): Government must establish firms to absorb surplus labour power.

- a) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)**
- b) Both (A) and (R) are wrong
- c) Both (A) and (R) are correct and (R) is the correct explanation of (A)
- d) (A) is Correct and (R) is wrong

Explanation

The expanding private industrial sector is largely found in urban areas and not creating additional employment opportunities due to the application of capital-intensive technologies. Government must establish firms to absorb surplus labour power.

43. Which of the following statement is correct?

- 1) The present system of education has also solved the rural unemployment problem.
- 2) Students also want to get degrees only, not any skill.
- 3) The unemployed youth should get sufficient facilities to update their skills
 - a) 1, 2
 - b) 1, 3
 - c) 2, 3**
 - d) All the above

Explanation

The present system of education has also aggravated the rural unemployment problem. Large number of degree producing institutions has come in the recent years. Students also want to get degrees only, not any skill. Degrees should be awarded only on the basis of skills acquired. The unemployed youth should get sufficient facilities to update their skills.

44. Which of the following statement is incorrect?

- 1) Rural Works Programme such as construction and maintenance of roads, digging of drains, canals, etc should be planned during seasonal time
- 2) To reduce the seasonal unemployment rural people should be encouraged to adopt subsidiary occupations.
- 3) To provide employment new industries should be set up in rural areas.
 - a) 1 alone
 - b) 1, 3
 - c) 3 alone
 - d) All the above

Explanation

Remedies for Rural Unemployment

1. **Subsidiary Occupation:** To reduce the seasonal unemployment rural people should be encouraged to adopt subsidiary occupations. Loans should be granted and proper arrangements should be made for marketing their products
2. **Rural Works Programme:** Rural Works Programme such as construction and maintenance of roads, digging of drains, canals, etc should be planned during off-season to provide gainful employment to the unemployed.
3. **Irrigation Facilities:** Since rainfall is uncertain irrigation facilities should be expanded to enable the farmers to adopt multiple cropping. The increased cropping intensity creates additional demand for labour
4. **Rural Industrialization:** To provide employment new industries should be set up in rural areas. This will open new fields of employment and also change the attitude of rural people towards work. For this, government has to do something. Private sector would not take up this responsibility.
5. **Technical Education:** Employment oriented courses should be introduced in schools and colleges to enable the literate youth to start their own units.

45. Which of the following are rural industries?

- 1) cottage industries
 - 2) village industries
 - 3) tiny industries
 - 4) agro-based industries
- a) 1, 2, 4
 - b) 1, 3, 4
 - c) 2, 3, 4
 - d) All the above

Explanation

Rural industries embrace all industries which are run by rural people in rural areas. These industries are based primarily on the utilization of locally available raw materials, skills and small amount of capital. The rural industries can be broadly classified into a) cottage industries, b) village industries, c) small industries, d) tiny industries and e) agro-based industries.

46. Which of the following are characteristics of Cottage Industries?

- 1) No or little power is used
 - 2) These industries are generally hereditary and traditional in character.
 - 3) outside labours are employed
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

Cottage Industries: Cottage industries are generally associated with agriculture and provide both part-time and full-time jobs in rural areas.

The important characteristics of this type of industries are as follows:

1. These industries are carried out by artisans in their own homes at their own risk and for their own benefit. Artisans may combine this work with another regular job. 2. No or little outside labour is employed. Normally, the members of the household provide the necessary labour. 3. These industries are generally hereditary and traditional in character. 4. No or little power is used. 5. These industries usually serve the local market and generally work on the orders placed by other industries.

47. Which of the following is not a cottage industry?

- a) washing soap making
- b) coir and basket making
- c) lock and key making
- d) none

Explanation

Examples of cottage industries are mat, coir and basket making industries. The principal cottage industries of India are hand-loom weaving (cotton, silk, jute, etc.) pottery, washing soap making, conch shell, handmade paper, horn button, mother-of-pearl button, cutlery, lock and key making industries.

48. Which of the following industry is similar to cottage industry?

- a) Small Scale Industries
- b) Larger Scale Industries
- c) Agro-based Industries
- d) **Village Industries**

Explanation

Village industries are traditional in nature and depend on local raw-material. They cater to the needs of local population. Examples of village industries are gur and khandsari, cane and bamboo basket, shoe making, pottery and leather tanning. These are almost similar to the cottage industries.

49. Most small - scale industries are located near_____

- a) Rural centres
- b) **Urban Centres**
- c) Either a or b
- d) None

Explanation

Most small - scale industries are located near urban centres. They produce goods for local as well as foreign markets. Examples of such small - scale industries are manufacture of sports goods, soaps, electric fans, foot wear, sewing machines and handloom weaving.

50. Which MSME act defined and categorized Small Scale Industries?

- a) 1954
- b) 1996
- c) **2006**
- d) 2014

Explanation

SSIs are also known as Micro, Small & Medium Enterprises (MSMEs). They are defined and categorized by the Micro, Small & Medium Enterprises Development Act, 2006. The Act categorizes different scale of industries on the basis of investment in plant and machinery in case of manufacturing industries and on the basis of investment in equipment in case of service sector industries.

51. Which of the following are Agro-based Industries?

- 1) Textile
- 2) Sugar
- 3) Paper
- 4) Tea

- a) 1, 2, 4
- b) 1, 3, 4
- c) 1, 2, 3
- d) **All the above**

Explanation

Agro-based Industries industries are based on the processing of agricultural produce. Agro-based industries may be organised on a cottage-scale, small-scale and large-scale. These industries tend to develop household settlements around them as they employ more labour on a regular basis. Examples are textile, sugar, paper, vegetable oil, tea and coffee industries.

52. Which of the following statement is incorrect?

- 1) Existence of the rural indebtedness indicates the weak financial infrastructure of our country, in reaching the needy farmers, landless people and the agricultural labourers
 - 2) Rural indebtedness refers to the situation of the rural people unable to repay the loan accumulated over a period
- a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) **None**

Explanation

Rural indebtedness refers to the situation of the rural people unable to repay the loan accumulated over a period. Existence of the rural indebtedness indicates the weak financial infrastructure of our country, in reaching the needy farmers, landless people and the agricultural labourers. The farmers borrow loan for various purposes like agricultural operations, supporting the family in the lean season or purchase of equipment in the recent years, expenses on celebrations, liquor consumption and medicines go on increasing without any limit. Due to lower income, the villagers are unable to repay the loans or pay the pending interest on the principal amount

53. What per cent of households in India are rural, according to the Government of India's

Socio Economic and Caste Census (SECC), 2015?

- a) **73**
- b) 60
- c) 66
- d) 90

Explanation

According to the Government of India's Socio Economic and Caste Census (SECC), 2015, around 73 per cent of households in India are rural. Of these, 18.5 per cent are scheduled caste households and 11 per cent belong to the scheduled tribe category.

54. What percent of the poor borrowers get credit from the formal banks according to (NSSO, 2002-03) data?

- a) 20
- b) 30**
- c) 14
- d) 46

Explanation

The data of the National Sample Survey Organisation (NSSO, 2002-03) reveals that only about 30 per cent of the poor borrowers get credit from the formal banks. According to the All India Debt and Investment Survey (AIDIS) 2002, the share of institutional credit has declined from 66.3 per cent in 1991 to 57.1 percent in 2002, with a corresponding increase in informal channels of credit (RBI, 2006).

55. What amount of rural families in our country are in debt?

- a) $\frac{1}{4}$ th
- b) $\frac{1}{3}$ rd
- c) $\frac{3}{4}$ th**
- d) $\frac{4}{5}$ th

Explanation

Nearly three fourth of rural families in the country are in debt. The amount of debt is heavier in the case of small farmers. Cultivators are more indebted than the non-cultivators. Most of the debts taken are short term and of unproductive nature. The proportion of debts having higher rates of interest is relatively high. Most of the villagers are indebted to private agencies particularly money lenders.

56. Which of the following statement is correct?

- 1) The vicious circle of poverty forces the farmers to borrow for consumption, cultivation and celebrations.
 - 2) Frequent failure of monsoon is a curse to the farmers and they have to suffer due to the failure of nature
 - 3) Being uneducated and ignorant farmers are caught in the litigation process and dry away their savings and resources.
- a) 1, 2

- b) 1, 3
- c) 2, 3
- d) All the above

Explanation**Causes for Rural Indebtedness**

The causes for rural indebtedness may be summarized as below:

1. Poverty of Farmers: The vicious circle of poverty forces the farmers to borrow for consumption, cultivation and celebrations. Thus, poverty, debt and high rates of interest hold the farmer in the grip of money lenders.
 2. Failure of Monsoon: Frequent failure of monsoon is a curse to the farmers and they have to suffer due to the failure of nature. Therefore, farmers find it difficult to identify good years to repay their debts.
 3. Litigation: Due to land disputes litigation in the court compels them to borrow heavily. Being uneducated and ignorant they are caught in the litigation process and dry away their savings and resources.
 4. Money Lenders and High Rate of Interest: The rate of interest charged by the local money lenders is very high and the compounding of interest leads to perpetuate indebtedness of the farmer.
57. Which of the following measures are introduced to reduce rural indebtedness?

- 1) Regional Rural Banks
 - 2) Digital India
 - 3) MUDRA
 - 4) Lead Bank Schemes
- a) 1, 3, 4
 - b) 1, 2, 4
 - c) 2, 3, 4
 - d) All the above

Explanation

Several remedial measures have been introduced to reduce rural indebtedness. It includes regulation of money lenders, development of rural banks, Regional Rural Banks (RRBs), Micro Finance, formation of Self Help Groups (SHGs), Primary Cooperative Banks and Land Development Banks, Crop Loan Schemes, Lead Bank Schemes, Micro Units Development and Refinance Agency Bank (MUDRA), promotion of subsidiary occupation, off farm employment opportunities, skill development programmes and so on. However, the interest rate charged plus transaction cost for

poor people and Self-Help Groups are much higher as compared to that for rich people. For instance, education loan is costlier than car loans.

58. In which year Rural Banks came into existence?

- a) 1995
- b) 1965
- c) 1975
- d) 2001

Explanation

Regional Rural Banks came into existence based on the recommendation made by a working group on rural banks appointed by the Government of India in 1975. RRBs are recommended with a view to developing rural economy by providing credit and other facilities particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs.

59. Which of the following statement is correct?

- 1) RRBs are set up by the joint efforts of the State and commercial banks alone
 - 2) At present, there are 64 Regional Rural Banks in India
 - 3) The RRBs confine their lending's only to the weaker sections and their lending rates are at par with the prevailing rate of cooperative societies.
- a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

RRBs are set up by the joint efforts of the Centre and State Governments and commercial banks. At present, there are 64 Regional Rural Banks in India. The RRBs confine their lending's only to the weaker sections and their lending rates are at par with the prevailing rate of cooperative societies.

60. Which of the following statement is correct?

- 1) Micro finance is a financial service that offers loans, savings and insurance to entrepreneurs and small business owners who do not have access to traditional sources of capital, like banks or investors
 - 2) The goal of micro financing is to provide individuals with money to invest in themselves or their business.
 - 3) Microfinance is available through micro finance institutions, which range from small non-profit organizations to larger banks
- a) 1, 2
 - b) 1, 3

- c) 2, 3
- d) All the above

Explanation

Micro finance, also known as micro credit, is a financial service that offers loans, savings and insurance to entrepreneurs and small business owners who do not have access to traditional sources of capital, like banks or investors. The goal of micro financing is to provide individuals with money to invest in themselves or their business. Microfinance is available through micro finance institutions, which range from small non-profit organizations to larger banks.

61. According to 2009 data how many micro finance institutions are there?

- a) 250
- b) 150
- c) 190
- d) 230

Explanation

In India, Non - Government Organizations (NGOs) play a pivotal role in the development of micro finance service. Microfinance industry in India have grown vastly in the last two decades. In 2009, the total number of micro finance institutions in India was around 150 (Tripathi, 2014).

62. What is the average size of Self- Help Group?

- a) 25
- b) 9
- c) 14
- d) 30

Explanation

In India, Non- Government Organizations (NGOs) play a pivotal role in the development of micro finance service. Microfinance industry in India have grown vastly in the last two decades. In 2009, the total number of micro finance institutions in India was around 150 (Tripathi, 2014).

63. Which of the following statement is correct?

- 1) The SHG promotes small savings among its members.
 - 2) After saving regularly for a minimum of 3 months, they lend small amounts to their members for interest
 - 3) Based on their performance, they are linked with the bank for further assistance under SHG Bank Linked Programme (SBLP) started in 1992
- a) 1, 2
 - b) 1, 3

- c) 2, 3
- d) All the above

Explanation

The SHG promotes small savings among its members. They save small amounts Rs.10 to Rs.50 a month. The savings are kept with a bank. After saving regularly for a minimum of 6 months, they lend small amounts to their members for interest. Based on their performance, they are linked with the bank for further assistance under SHG Bank Linked Programme (SBLP) started in 1992.

64. Which of the following states is/are successful in NABARD SHG Linkage Programme?

- a) Andhra Pradesh
- b) Tamil Nadu
- c) Kerala
- d) **All the above**

Explanation

Under NABARD SHG Linkage Programme, SHGs can borrow credit from bank on showing their successful track record of regular repayments of their borrowers. It has been successful in the states like Andhra Pradesh, Tamil Nadu, Kerala and Karnataka during 2005-06. These States received approximately 60 per cent of SHG linkage credit (Taruna and Yadav, 2016).

65. According to NABARD estimation, how many SHGs are there in India?

- a) 3.2 million
- b) **2.2 million**
- c) 1.2 million
- d) 4.2 million

Explanation

The main objective of this programme is to bring the beneficiaries above the poverty line by providing income generating assets to them through bank credit and government subsidy. NABARD estimates that there are 2.2 million SHGs in India, representing 33 million members that have taken loans from banks under its linkage program to date. The SHG Banking Linkage Programme since its beginning has been predominant in certain states, showing spatial preferences especially for the southern regions like Andhra Pradesh, Tamil Nadu, Kerala and Karnataka. These SHGs have helped the Banks to accumulate more funds. Actually, the banks charge higher interest for the SHGs than car owners.

66. Which of the following statement is correct?

- 1) Most SHGs are women's groups with membership ranging between 10 and 20

- 2) SHGs are self-managed institutions characterized by participatory and collective decision making
- 3) SHG is generally an economically homogeneous group formed through a process of self-selection based upon the affinity of its members
 - a) 1, 2
 - b) 1, 3
 - c) 2, 3
 - d) All the above

Explanation

Major Features of SHGs are

1. SHG is generally an economically homogeneous group formed through a process of self-selection based upon the affinity of its members.
2. Most SHGs are women's groups with membership ranging between 10 and 20.
3. SHGs have well-defined rules and by-laws, hold regular meetings and maintain records and savings and credit discipline.
4. SHGs are self-managed institutions characterized by participatory and collective decision making

67. When was MUDRA launched?

- a) 8th April 2015
- b) 8th March 2014
- c) 9th April 2011
- d) 14th April 2019

Explanation

Micro Units Development and Refinance Agency bank (MUDRA) is a public sector financial institution which provides loans at low rates to microfinance institutions and non-banking financial institutions which then provide credit to Micro, Small and Medium Enterprises (MSMEs). It was launched on 8th April 2015.

68. Which of the following are principal objectives of the MUDRA bank?

- 1) Regulate the lender and the borrower of microfinance and bring stability to the microfinance system
- 2) Register all MFIs and introduce a system of performance rating and accreditation for the first time
- 3) Introduce appropriate technologies to assist in the process of efficient lending, borrowing and monitoring of distributed capital.

- a) 1, 2
- b) 1, 3
- c) 2, 3
- d) **All the above**

Explanation

The principal objectives of the MUDRA bank are following:

1. Regulate the lender and the borrower of microfinance and bring stability to the microfinance system.
2. Extend finance and credit support to Microfinance Institutions (MFI) and agencies that lend money to small businesses, retailers, self-help groups and individuals.
3. Register all MFIs and introduce a system of performance rating and accreditation for the first time.
4. Offer a Credit Guarantee scheme for providing guarantees to loans being offered to micro businesses.
5. Introduce appropriate technologies to assist in the process of efficient lending, borrowing and monitoring of distributed capital.

69. Which country is still better than health standard of India?

- a) Somalia
- b) Bangladesh
- c) Pakistan
- d) **Sri Lanka**

Explanation

Health is an important component for ensuring better quality of life. Large masses of the Indian poor continue to fight hopeless and constantly losing the battle for survival and health. Indian rural people are suffering with various epidemics such as small pox, cholera, malaria, typhoid, dengue, chicken Guniya, etc. This is mainly due to lack of medical facilities, deep ignorance and poverty. Indian Constitution clearly lays down that "States shall regard the rising of the level of nutrition and standard of living of its people and improvement of public health as among its primary duties". To meet this constitutional directive. Several programmes for nutrition have been implemented. These include Supplementary Feeding Programmes including Mid Term Meal Programme, Nutrition Education through Printed Media and Television and Compulsory Fortification of Common Salt with Iodine. Still in terms of health standard, Sri Lanka is better than India, and in India, Kerala is better than Tamil Nadu.

70. When National Rural Health Mission (NRHM) was launched?

- a) 12th April 2005
- b) 14th March 2000
- c) 21st April 2005
- d) 12th April 2015

Explanation

The National Rural Health Mission (NRHM) was launched on 12th April 2005, to provide accessible, affordable and quality health care to the rural population, especially the vulnerable groups. NRHM seeks to provide equitable, affordable and quality health care to the rural population, especially the vulnerable groups.

71. In which of the following cases NHRM focuses?

- 1) Reproductive
 - 2) Maternal
 - 3) Cancer
 - 4) Child Health and Adolescent
- a) 1, 3, 4
 - b) 2, 3, 4
 - c) 1, 2, 4
 - d) All the above

Explanation

NRHM focuses on Reproductive, Maternal, New born, Child Health and Adolescent (RMNCH+A) Services. The emphasis here is on strategies for improving maternal and child health through a continuum of care and the life cycle approach.

72. Which of the following statement is correct?

- 1) The housing problem is getting aggravated due to rapid adoption of nuclear families
 - 2) The problem of housing can be tackled by the development of low-cost technology in house construction, provision of adequate housing finance and provision of land sites to landless workers in rural areas.
- a) 1 alone
 - b) 2 alone
 - c) 1, 2
 - d) None

Explanation

House is one of the basic needs of every family. Provision of better housing facilities increases the productivity of labour. The housing problem is getting aggravated due to rapid adoption of

nuclear families. Housing does not mean provision of house alone but also proper water supply, good sanitation, proper disposal of sewage etc. The problem of housing can be tackled by the development of low-cost technology in house construction, provision of adequate housing finance and provision of land sites to landless workers in rural areas. As per the NSSO data, 38 per cent of the households lived in with one room while another 36 per cent lived with two rooms.

73. What is the change in length of Indian road from 1950 to 2018?

- a) 4 lakhs to 10 lakhs
- b) 4 lakhs to 34 lakhs**
- c) 2 lakhs to 20 lakhs
- d) 1 lakh to 15 lakhs

Explanation

Rural roads in India constitute 26.50 lakh kms, of which 13.5 percent of the roads are surfaced. India's road network is one of the world's largest. The road length of India increased from about 4 lakh kms in 1950-51 to 34 lakh kms at present (2018).

74. What % of Indian villages were electrified at the end of March 2017?

- a) 93.91
- b) 99.25**
- c) 90.13
- d) 93.33

Explanation

Rural Electrification refers to providing electrical power to rural areas. The main aims of rural electrification are to provide electricity to agricultural operations and to enhance agricultural productivity, to increase cropped area, to promote rural industries and to lighting the villages. In order to improve this facility the supply of electricity is almost free for agricultural purpose in many states and the electricity tariff charged in rural areas is kept very low. In India 99.25% of villages were electrified at the end of March 2017.

75. Which of the following states/UT has achieved 100 percent electrification as on

31.03.2017?

- 1) Himachal Pradesh
 - 2) Tamil Nadu
 - 3) Andaman & Nicobar Island
 - 4) Sikkim
- a) 1, 3, 4
 - b) 1, 2, 3**

- c) 2, 3, 4
- d) All the above

Explanation

As on 31.03.2017, 100 percent electrification was achieved in villages of 20 States/UTs namely, Chandigarh, Delhi, Haryana, Himachal Pradesh, Punjab, Rajasthan, Daman & Diu, D & N Haveli, Goa, Gujarat, Maharashtra, Andhra Pradesh, Kerala, Lakshadweep, Puducherry, Tamil Nadu, Telangana, Andaman & Nicobar Island, Sikkim and Tripura

76. Which of the following are factors hindering the progress of rural electrification in India?

- 1) Lack of Funds
 - 2) Inter-state Disputes
 - 3) Even Terrain
 - 4) Power Theft
- a) 1, 2, 3
 - b) 2, 3, 4
 - c) 1, 2, 4
 - d) All the above

Explanation

The factors hindering the progress of rural electrification in India are:

1. Lack of Funds: The generation and transmission of power involves huge expenditure and the fund allocation is low.
2. Inter-state Disputes: As there are inter-state disputes in managing power projects, power distribution is affected.
3. Uneven Terrain: As rural topography is uneven without proper connection, developing new lines are costlier and difficult.
4. High Transmission Loss: Transmission loss in power distribution is almost 25 per cent in rural areas.
5. Power Theft: Unauthorized use and diversion of power are evil practices adopted by affluent people that hinders the rural electrification process.

77. Match the following

- | | |
|--------------------|----------------|
| I. Vadamalaipuram | 1. Tanjore |
| II. Gangaikondan | 2. North Arcot |
| III. Palakkuurichi | 3. Tirunelveli |
| IV. Dusi | 4. Ramnad |

- a) 3, 1, 2, 4
- b) 4, 3, 1, 2**
- c) 4, 1, 2, 3
- d) 3, 2, 1, 4

Explanation

Slater Villages: Gilbert Slater, the first professor of economics at Madras University, published his book, *Some South Indian Villages*, in 1918 following a survey of some villages like Vadamalaipuram (Ramnad), Gangaikondan (Tirunelveli), Palakkuurichi (Tanjore) and Dusi (North Arcot) in Tamil Nadu by his students. It was subsequently done by different groups of researchers in the 1930s, 1950s, 1960s, and two of the villages only in the early 21st century. The resurveys became an important historical record. They provided a baseline for several later revisits to his villages, and have inspired many successors. Much of our knowledge of rural change depends on these studies.