



# INDIAN SCHOOL AL WADI AL KABIR

## DEPARTMENT OF COMMERCE

### MCQs: Indian Economy (1950-90)

1. Planning commission was set up in the year:
  - a. 5<sup>th</sup> March ,1951
  - b. 25<sup>th</sup> April 1951
  - c. 20<sup>th</sup> March, 1951
  - d. 15<sup>th</sup> March,1950
  
2. The portion of agricultural produce which is sold in the market by the farmers is called-----
  - a. Trade deficit
  - b. Marketed surplus
  - c. Subsidy
  - d. Import substitution
  
3. who is the chairperson of the planning commission?
  - a. Prime minister
  - b. President
  - c. Chief minister
  - d. Governor
  
4. Who takes the decisions regarding production and distribution of commodities in a socialist economy?
  - a. Market forces of demand and supply
  - b. Government
  - c. Both a & b
  - d. God
  
5. Who is considered to be the architect of Indian planning?
  - a. William Digby
  - b. P. C. Mahalanobis
  - c. Dadabhai Naroji
  - d. R.C. Desai
  
6. Who formulates five-year plans in India?
  - a. RBI
  - b. Planning commission
  - c. Parliament
  - d. Supreme court

7. Which economic system is based upon the market forces of Demand & Supply?
- Capitalism
  - Socialism
  - Mixed
  - Monarchy
8. Which of the following are false for the policy of green revolution in India?
- In the first phase of GR it targeted most backward states of the country.
  - Green revolution helped the poor farmers to improve their economic condition to a greater extent.
  - It was restricted to wheat crop only
  - All of the above
9. The industries Act, 1951, empowered the government to issue licences for:
- Setting up of new industries
  - Expansion of existing ones
  - Diversification of products
  - All of the above
10. Owing to technical reforms, productivity in the agricultural sector has tended to:
- Rise
  - Fall
  - Remain constant
  - None of these
11. Industrial policy resolution, 1956 laid emphasis on the role of:
- Public sector
  - Private sector
  - Joint sector
  - None of these
12. SSI are characterised by which of the following?
- SSI is labour- intensive and employment – friendly
  - SSI shows locational flexibility
  - SSI needs small investment
  - All of these
13. Which of the following is not a feature of agricultural sector in India?
- Disguised unemployment
  - Seasonal unemployment
  - Dependence on rainfall
  - Commercial farming
14. Read the following statements—Assertion (A) and Reason (R). Choose one of the correct alternatives given below:
- Assertion:** Just a year after independence, efforts towards land reforms were introduced.
- Reason:** Ownership of land would give incentives to the tillers to invest in making Improvements.
- (a) Assertion and Reason both are correct statements and Reason is correct explanation

for Assertion.

- (b) Assertion and Reason both are correct statements but Reason is not correct explanation for Assertion.
- (c) Assertion is true but Reason is false.
- (d) Assertion is false but Reason is true

A: a

15. Read the following statements—Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

**Assertion:** There are different goods and services that the country needs but the private sector doesn't produce them all.

**Reason:** Private sector is demand and money driven.

- (a) Assertion and Reason both are correct statements and Reason is correct explanation for Assertion.
- (b) Assertion and Reason both are correct statements but Reason is not correct explanation for Assertion.
- (c) Assertion is true but Reason is false.
- (d) Assertion is false but Reason is true

A: a

16. Industrial policy resolution classified industries into:

- a. 2 categories
- b. 3 categories
- c. 4 categories
- d. 5 categories

17. Green revolution is the most successful in the crops of:

- a. Wheat & rice
- b. Wheat & potato
- c. Rice & coffee
- d. Rice & tea

18. Which of the following is NOT a central problem of an economy?

- a) For whom to produce
- b) When to produce
- c) What to produce
- d) How to produce

19. In a mixed economic system, central problems are solved by the:

- a) Industrialists
- b) Government
- c) Market
- d) Both b) and c)

20. The IPR 1948 gave leading role to:

- a) Private sector
- b) Public sector
- c) Planning Commission

d) None of the above

21. In which plan was the Green Revolution adopted?

- a) 3rd plan
- b) 1st plan
- c) 5th plan
- d) 4th plan

22. Railways and arms& ammunition are examples of industries in which schedule?

- a) Schedule C
- b) Schedule B
- c) Schedule A
- d) None of the above

23. Usage of HYV seeds first began in the year:

- a) 1951
- b) 1966
- c) 1967
- d) 1957

24. Which one amongst these is not a part of Land Reforms in India?

- a. Abolition of Tenancy
- b. Consolidation of Holdings
- c. Land Redistribution
- d. Cooperative Farming

**25. Read the following case study and answer the given questions:**

The performance of Indian economy during the period of first seven five-year plans (1950-1990) was satisfactory if not very impressive. On the eve of independence, India was an industrially backward country, but during this period of first seven plans our industries became far more diversified, with the stress being laid on the public investments in the industrial sector. The policy of import substitution led to protection of the domestic industries against the foreign producers but we failed to promote a strong export surplus. Although public sector expanded to a large extent but it could not bring desired level of improvement in the secondary sector. Excessive government regulations prevented the natural trajectory of growth of entrepreneurship as there was no competition, no innovation and no modernisation on the front of the industrial sector. Many Public Sector Undertakings (PSUs) incurred huge losses due to operational inefficiencies, poor technology and other similar reasons. These PSU's even continued to function because it was difficult to close a government undertaking even if it is a drain on country's limited resources. On the agricultural front, due to the measures taken under the Green Revolution, India more or less became self-sufficient in the production of food grains. So, the need for reforms of economic policy was widely felt in the context of changing global economic scenario to achieve desired growth in the country.

Questions:

1. Which of the following was not a reason for the public sector to play a major role in the initial phase of Indian economic planning?

- (a) Private entrepreneurs lacked sufficient capital for investment
- (b) Government aimed for social welfare
- (c) The market was big enough to encourage private industrialists for investment

(d) The government wanted to protect the indigenous producers from foreign competition

A: c

2. Inward looking trade policy aimed at

(a) Substituting imports with domestic production

(b) Substituting imports of consumer goods with capital goods

(c) Following an open economy model

(d) Restrictions on movement of currency flows

A: a

3. Mechanisation of the Indian agriculture was one of the causes of Green Revolution in India. The given statement is

(a) True

(b) False

(c) Partially true

(d) Partially false

A: a

26. Which of the following industry was not reserved for the government in Industrial policy resolution, 1956?

a. Iron & steel

b. Transport

c. Atomic energy

d. Railway transport

27. When was NITI Aayog established?

a. 1991

b. 2001

c. 2011

d. 2015

28. Land ceiling refers to -----

a. Fixing rural landholding at the existing level

b. Fixing the quantum of land held by an individual

c. Fixing urban landholdings at the existing level

d. Fixing land area for irrigation purposes

29. In which of the following types of economy are resources owned privately and the main objective behind economic activities is profit-making

a. Capitalist

b. Socialist

c. Mixed

d. Global

30. How many industries have been reserved for the public sector under Industrial Policy Resolution, 1956

a. 17

b. 21

c. 15

d. 2