

Indian Economy - NCERT Based Test

- Agriculture is primary activity in Rural India. In course of time, marked changes have been observed; especially in the method of production; living standards, and even occupational structure in rural society. Consider the statements about rural India.
- Over 90% of farmers in India are small and marginal
- 2. Out of total work force in villages in India, less than 25% are engaged in non-farm activities
- Modern farming methods have eased the capital requirements

Choose the incorrect one from the codes:

- (a) 1 only
- (b) 2 only
- (c) 1, 2 and 3
- (d) None
- 2. Productivity is dependent on factors of production. Land, Labour, Physical and Human Capital as various factors, aim at production of desired goods and services. Consider the statements regarding these.
- 1. Tools, machines are working capitals.
- 2. Knowledge and enterprise are the human capital Select the correct answer from the code given codes
 - (a) 1 only
 - (b) 1 and 2
 - (c) 2 only
 - (d) None
- **3.** Economic activities are classified into primary secondary and tertiary based on nature of work employed. Below are given type and activities:
- 1. Primary Mining
- 2. Secondary Quarrying
- 3. Tertiary Electricity

Choose the incorrectly matched:

- (a) 1 only
- (b) 1 and 2
- (c) 2 and 3
- (d) 1 and 3
- **4.** Every year large number of people, join the fray of job seekers willing to work but many are

- unable to get one. In view of these unemployed people, some statements are given below read them carefully.
- 1. Unemployment turns people into liabilities
- 2. Urban populace, suffer more from disguised unemployment
- 3. Persons below 18 are not counted in the work force

Now, choose the correct code, from below:

- (a) 1 only
- (b) 1 and 3
- (c) 2 and 3
- (d) All the above
- 5. Consider the Asian countries, listed below. Some of these are developing countries with higher GDP, growth rates etc.
- 1. Pakistan
- 2. Bangladesh
- 3. Sri Lanka
- 4. India
- 5. Indonesia

Analyze carefully and arrange them, in decreasing proportion of poverty

- (a) 2-1-3-4-5
- (b) 5-3-1-2-4
- (c) 2-4-5-1-3
- (d) 1-3-5-2-4
- **6.** Work Bank releases Development Reports; where it compares countries, regions, continents etc. on various development parameters
- In East Asian and pacific countries, poverty as a percentage of population decreased appreciably between 1980-2001.
- In Latin-American, Caribbean and South Asian countries the percentage of population living under poverty, in the same period (1980-2001) increased

Select the correct statements from the given codes:

- (a) Both 1 and 2
- (b) 1 only
- (c) 2 only
- (d) None



- 7. Food security ensures availability, accessibility and affordability of food to all people at all times. Government undertakes number of activities to ensure the aforesaid objectives. Consider the statements given below:
- 1. Government procures wheat, Rice and Pulse for Buffer Stock and PDS.
- 2. Food corporation of India through Public Distribution System (PDS) distributes food grains at issue price.
- PDS is a strategy of government to counter shortage of food during adverse weather conditions and calamities

Now choose the incorrect statements:

- (a) Only 1
- (b) 2 and 3
- (c) 1, 2 and 3
- (d) Only 2
- **8.** Hunger is manifestation of food insecurity, which in term brings poverty. Overall it follows a vicious cycle.
- 1. Chronic hunger is because of persistent inadequacy in quantity or quality of diet
- 2. Seasonal hunger is observed in both rural and urban areas

Now consider the statements given below and choose the incorrect ones:

- (a) 1 only
- (b) Both 1 and 2
- (c) 2 only
- (d) None
- 9. Consider the statements given below regarding MSP:
- MSP (Minimum Support Price) is declared by the government every year before the harvesting season.
- 2. It has allures the sustainability of the agricultural development in some parts of the country
- 3. It is aims at providing incentives to the farmers for enhancing production of selected crops.

Select the correct statements from the given codes:

- (a) 1 and 2
- (b) 1, 2 and 3
- (c) 1 and 3
- (d) 2 and 3

- 10. National Food for Work Programme was launched in 150 most backward districts of the country. Some statements are about it. Read them carefully:
- 1. It was to assist in generation of self-employment
- 2. Cost shared between centre and states, specific entitlements for special category states.
- 3. Collector to be the nodal officer at the district level.

Select the correct statements from the code given

- (a) 1 and 3
- (b) 2 and 3
- (c) 1, 2 and 3
- (d) 3 only
- 11. In World Development Report 2012, brought by the World Bank, per capital income is the criteria used in classifying countries. Consider the following statements about the World Bank Report:
- Countries with per capita income of US \$ 12,616 per annum and above in 2012 are called rich countries.
- Countries with per capita income of USS 1,036 per annum and above are called middle income countries.
- 3. India with per capita income of US \$ 1,030 per annum was classified with low-income countries.

Select the correct answer from the code given codes

- (a) 2 and 3
- (b) 1 and 3
- (c) 1, 2 and 3
- (d) 1 and 2
- **12.** Human Development Report is based on the educational levels of the people, their health status and per capita income. Consider the statements in view of this report:
- 1. It is published by World Bank.
- Nepal and Myanmar are better placed in comparison to India in Human Development Index.
- 3. Literacy Rate of population above 15 years in counted.

Select the correct answer from the codes given below:



- (a) 1 and 2
- (b) 1, 2 and 3
- (c) 3 only
- (d) 2 only
- **13.** Government of India compares different states based on Infant Mortality Rate and Net Attendance Ratio to ascertain the development trajectory. Consider the statements given below:
- Infant Mortality Rate indicates the number of children dying before one month of age as a proportion of 1,000 live children born in that particular year.
- 2. Literacy rate measures the proportion of literate population in the 7 and above age groups.

New, choose the correct option from the code given

- (a) Both 1 and 2
- (b) None
- (c) 1 only
- (d) 2 only
- **14.** Disguised unemployment means:
 - (a) Large number of people remain unemployed
 - (b) Marginal productivity of labour is zero.
 - (c) Alternative employment opportunities are not available.
 - (d) Productivity of worker in low.
- **15.** NSSO (National Sample Survey Organization) is the largest organization in India conducting regular socio-economic surveys. Consider the statements given below:
- 1. Employment figures given by NSSO are based on annual surveys conducted by it.
- 2. NSSO is under the Ministry of Finance, government of India.

The correct statements are:

- (a) Both 1 and 2
- (b) None
- (c) 1 only
- (d) 2 only
- **16.** Consider the following statements with reference to Farming in India,
- Farmers of Coastal States lil
 Tamil Nadu were the first to try out the modern farming methods in India.

2. Dairy is an example for Non-farming activities.

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- **17.** Consider the following statements with reference to different sectors of Indian Economy,
- Mining is an important activity in the Secondary Sector.
- 2. Construction activities are included in the Tertiary Sector.

Which of the above statements is/are incorrect?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- **18.** Consider the following statements with reference to Unemployment in India,
- 1. The workforce population in India includes people from 21 years to 59 years.
- 2. Disguised unemployment is a type of unemployment found mostly in Tertiary sector.

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- **19.** Consider the following statements with reference to Poverty in India,
- 1. The most common method of determining poverty is income or consumption levels.
- 2. Surveys for determining poverty lines are carried out by the Survey of India.

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- 20. Consider the following statements,
- 1. No famine has occurred in India since independence.



2. India's Northeastern states consist the largest number of food insecure people.

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- **21.** Consider the following statements with reference to Minimum Support Price (MSP),
- The price at which food grains is distributed to poorer section of people is called Minimum Support Price.
- 2. MSP is paid by the Food Corporation of India (FCI).

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- **22.** Consider the following statements with reference to Integrated Child Development Services (ICDS) scheme,
- 1. Lactating mothers are also one of the beneficiaries of the scheme.
- 2. Immunisation of Children up to 6 years of age is one of the components of ICDS.

Which of the above statements is/are incorrect?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- **23.** Consider the following statements with reference to National Family Health Survey (NFHS),
- It is released by the National Sample Survey Office (NSSO).
- 2. There are 5 rounds of National Family Health Surveys (NFHS) conducted so far in India.

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both

- **24.** Consider the following statements with reference to Antyodaya Anna Yojana (AAY),
- 1. It is for the 'indigent seanior citizen'.
- It provides 10 kg of food grains free of cost per month.

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both
- **25.** Consider the following statements with reference to Targeted Public Distribution System (TPDS),
- 1. Under the TPDS, it is the state government which issues ration cards.
- 2. Monitoring of functioning of Fair Price Shops (FPSs) rest with the central government.

Which of the above statements is/are correct?

- (a) 1 Only
- (b) 2 Only
- (c) None
- (d) Both



Solutions

1. Answer: C

• More than 25% are engaged in non-farm activities

Answer : CAnswer : C

*	Sector 💠	GVA in 2020-21 (Rupees in Crore)			
		Constant prices	share (%)	Current prices	share (%)
1	Primary Sector	2,334,723	18.75 %	3,908,643	21.82
1.1	Agriculture, forestry & fishing	2,040,079	16.38 %	3,616,523	20.19
1.2	Mining & quarrying	294,644	2.37 %	292,120	1.63
2	Secondary Sector	3,359,718	26.98 %	4,352,265	24.29
2.1	Manufacturing	2,107,068	16.92 %	2,585,740	14.43
2.2	Electricity, gas, water supply & other utility services	306,254	2.46 %	484,477	2.70
2.3	Construction	946,396	7.60 %	1,282,048	7.16
3	Tertiary Sector	6,758,989	54.27 %	9,654,259	53.89
3.1	Trade, hotels, transport, communication and services related to broadcasting	2,208,388	17.73 %	2,941,477	16.42
3.2	Financial, real estate & prof servs	2,872,815	23.07 %	3,950,786	22.05
3.3	Public Administration, defence and other services	1,677,786	13.47 %	2,761,996	15.42
	GVA at basic prices	12,453,430	100 %	17,915,167	100

4. Answer: A

Age group of working population: 15-59

5. Answer: C

Table 3.2: Poverty: Head Count Ratio Comparison among Some Selected Countries

Country	% of Population below \$1.90 a day (2011ppp)
1. Nigeria	53.5 (2009)
2. Bangladesh	14.8 (2016)
3. India	21.2 (2011)
4. Pakistan	4.0(2015)
5. China	0.7 (2015)
6. Brazil	3.4(2015)
7. Indonesia	5.7 (2017)
8. Sri Lanka	0.7 (2016)

Source: Poverty and Equity Database, World Bank Data; (databank.worldbank.org)

6. Answer : B7. Answer : D

State government distributes food through PDS at issue price.

Answer : D
 Answer : B

MSP has multiple benefits. All are true.

10. Answer: D

 Food for work was wage employment scheme , later subsumed into MNREGA

11. Answer : D12. Answer : C

· HDR is published by UNDP

13. Answer : D14. Answer : B15. Answer : B16. Answer : B

- ➤ Land area under cultivation is virtually fixed. However, some wastelands in India had been converted into cultivable land after 1960.
- Over the years, there have been important changes in the way of farming in India, which have allowed the farmers to produce more crops from the same amount of land. These changes include:
- Multiple cropping farming, Use of modern farming methods.
- Due to these changes (in the late 1960s) productivity of land has increased substantially which is known as Green Revolution.
- Farmers of Punjab, Haryana and Western Uttar Pradesh were the first to try out the modern farming methods in India.
- Non-farming activities::
- Out of every 100 workers in the rural areas in India, only 24 are engaged in non-farming activities. There is a variety of non-farming activities in the villages. Dairy, small scale manufacturing (e.g., activities of weavers and potters, etc.), transport, etc., fall under this category.

17. Answer: D

- Economic Activities:
- Economic activities refer to those activities of human which are undertaken for a monetary gain or to satisfy his/her wants. The activities of workers, farmers, shopkeepers, manufacturers, doctors, lawyers, taxi drivers, etc. fall under this category.
- Classification of Economic Activities::
- Various economic activities can be classified into three main sectors, that is, primary sector, secondary sector and tertiary sector. The primary sector includes activities like agriculture, forestry, animal husbandry, fishing, poultry, farming and mining. In this sector, goods are produced by exploiting nature. In the secondary sector, manufacturing (small and large) and construction



activities are included. The tertiary sector (also called service sector) provides various types of services like transport, education, banking, insurance, health, tourism, etc.

18. Answer: C

- Unemployment: Unemployment is said to exist when people who are willing to work at the prevailing wage rates cannot find jobs. When we talk of unemployed people, we refer to those in the age group of 15-59 years.
- Nature of Unemployment in India: Seasonal unemployment occurs when people fail to get work during some months of the year (that is, during offseason). Farm labourers usually face this kind of problem, Disguised unemployment is another kind of unemployment found in rural areas. Such kind of problem arises due to excessive pressure of population on agriculture. Disguised unemployment refers to a situation wherein the number of workers in a job is more than actually required to do the job. The extra number of workers are disguisedly unemployed.
- Consequences of Unemployment:
- Unemployment leads to wastage of manpower resource.
- Unemployment tends to increase the economic overload that is the dependence of the unemployed on the working population.
- Unemployment may lead to an increase in social unrest and tension.

19. Answer: A

- The most common method of determining poverty is income or consumption levels. A person is considered poor if his or her income or consumption level falls below a given "minimum level" necessary to fulfill basic needs. What is necessary to satisfy basic needs is different at different times and in different countries. Therefore, poverty line may vary with time and place. Each country uses an imaginary line that is considered appropriate for its existing level of development and its accepted minimum social norms.
- The poverty line is estimated periodically (normally every five years) by conducting sample surveys. These surveys are carried out by the National Sample Survey Organisation (NSSO).
- NSSO is under the Ministry of statistics and programme implementation of the Government of India.

There are many causes for the prevalence of poverty in India like unemployment, low economic development and income inequalities.

20. Answer: A

- Massive starvation might take a turn of famine.
- A famine is characterised by widespread deaths due to starvation and epidemics caused by forced use of impure water or decaying food and loss of body resistance due to weakening from starvation.
- The most devastating famine in India was the famine of Bengal in 1943. Thirty lakh people died in it.
- No famine has occurred in India since independence.
- Food Insecure Regions:
- Economically backward states with high level of poverty, tribal and remote areas, regions more prone to natural disasters (like Eastern and Southeastern parts of Uttar Pradesh, Bihar, Odisha, Jharkhand, West Bengal, Chhattisgarh, Maharashtra and parts of Madhya Pradesh) consist the largest number of food insecure people.
- Food security is needed in a country to ensure food at all times. It is needed to ensure that no person in a country dies of hunger.

21. Answer : C

- Buffer Stock: It is the stock of food grains (wheat and rice) procured by the government. Government purchases wheat and rice from farmers through the Food Corporation of India (FCI) from states having surplus production. The farmers are paid a Minimum Support Price (MSP) for their crops. The MSP is announced at the beginning of the sowing season to give an incentive to the farmers to grow more. These purchased food grains are stored in granaries as a buffer stock. This stock is maintained to distribute food grains through the PDS in the areas of the country where production is less. It is provided, to the poorer sections of society at subsidised prices, i.e. lower than the market price which is known as the issue price. The buffer stock also helps to resolve the problem of food shortage due to a calamity or in adverse weather conditions.
- ➤ The price at which food grains is distributed to poorer section of people is called issue price. It is lower than market price.

22. Answer: C

The Integrated Child Development Service (ICDS) Scheme providing for supplementary nutrition, immunization and pre-school education to the children is a popular flagship programme of the government.



- ➤ Launched in 1975, it is one of the world's largest programmes providing for an integrated package of services for the holistic development of the child.
- ➤ ICDS is a centrally sponsored scheme implemented by state governments and union territories.
- Objectives are to improve the nutritional and health status of children in the age-group 0-6 years; to reduce the incidence of mortality, morbidity, malnutrition and school dropout;
- Beneficiaries:
- Children in the age group of 0-6 years;
- Pregnant women and
- Lactating mothers.

23. Answer: B

- NFHS is a large-scale, multi-round survey conducted based on the representative samples collected from households throughout India.
- ➤ The NFHS survey provides state and national information for India on various health parameters such as fertility, infant and child mortality, the practice of family planning, maternal and child health, reproductive health, nutrition, anaemia, utilization and quality of health and family planning services.
- NFHS is released by the Ministry of Health and Family Welfare (MOHFW).
- But the MOHFW designated the International Institute for Population Sciences (IIPS), Mumbai, as the nodal agency.
- Every NFHS has two specific goals to fulfill. They are-
- ➤ To provide essential data needed by the Ministry of Health and Family Welfare and other agencies for informed decision making and policy and programme intervention purposes;
- > To provide insight regarding important emerging health and family welfare issues.

24. Answer: C

- AAY was launched in December, 2000.
- ➤ It covers the poorest of the poor families from amongst the BPL families covered under Targeted Public Distribution System (TPDS) within the States.
- Households under AAY are entitled to 35 Kg of food grains per household per month.
- Under AAY, food grains at a highly subsidized rate of Rs.1/ per kg coarse grains, Rs.2/ per kg for wheat and Rs. 3/ per kg for rice are distributed to beneficiaries.
- ➤ The States/UTs were required to bear the distribution cost, including margin to dealers and retailers as well as the transportation cost.

- ➤ Thus the entire food subsidy was passed on to the consumers under the scheme.
- Presently It is a part of NFSA (National Food Security Act) 2013.
- All primitive tribal households are eligible to get the benefit under the scheme.

25. Answer: A

- ➤ In 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor.
- TPDS aims to provide subsidised food to the poor through a network of ration shops.
- The functions of this scheme are divided between centre and state.
- ➤ The Central Government is responsible for procurement of food grains, as well as transportation to designated depots of FCI.
- The state government is responsible for allocation and distribution of food grains within the state, identification of beneficiaries and issuance of ration cards.
- The FCI and the Commission of Agricultural Costs and Prices (CACP) were set up by the government of India, mainly to improve domestic procurement and storage of food grains.
- Ration shops (also known as fair price shops), keep stocks of food grains, sugar etc to be sold to people at a price lower than market price.