

**11th Economics Lesson 3 Questions in English****3] Development Experiences in India**

1. Which among the following are the triple pillars of New Economic Policy?
  - a) Liberalizations, Exportation, Secularisation
  - b) Globalization, Corporation, Constitution
  - c) Liberalization, Privatization, Globalization
  - d) Privatization, Constitution, Transportation
2. Which refers to removal of relaxation of governmental restrictions in all stages in industry?
  - a) Secularisation
  - b) Globalization
  - c) Liberalization
  - d) Privatization
3. Which among the following statement is correct?
  - 1) At the time of Independence in 1947, India was a typically backward economy. Owing to poor technological and scientific capabilities, industrialization was limited and lop-sided. Agricultural sector exhibited features of feudal and semi-feudal institutions, resulting into low productivity. Means of transport and communications were underdeveloped.
  - 2) Educational and health facilities were grossly inadequate and social security measures were virtually non-existent. In brief, the country suffered from the twin problems of rampant poverty and widespread unemployment, both resulting in low standard of living.
  - a) Only 1
  - b) Only 2
  - c) Both 1 and 2
  - d) None
4. Indian economy responded to the crisis by introducing a set of policies known as \_\_\_\_\_.
  - a) Structural Reform
  - b) Economical Modulation
  - c) Political Conspiracy
  - d) Socialistic Modulation
5. Which among the following statement is correct?
  - 1) Privatization means transfer of ownership and management of enterprises from public sector to private sector. Nationalization, investment and closed exclusive public sector enterprises to public sector are the gateways to privatization.
  - 2) Globalization refers to the integration of the domestic (Indian) economy with the rest of the world. Import liberalization through reduction of tariff and non-tariff barriers, opening the doors to Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI) are some of the measures towards globalization.
  - a) Only 1
  - b) Only 2
  - c) Both 1 and 2
  - d) None
6. Which was necessitated because today a developed country can grow without the help of the under developed countries?
  - a) Liberalization
  - b) Privatization
  - c) Globalization
  - d) All the above
7. Which among the following statement is correct?
  - 1) Globalization was necessitated because various licensing policies were said to be deterring the growth of the economy. Privatization was necessitated because of the belief that the public sector was not given enough opportunities to earn more money.
  - 2) The surplus capital of the developed countries is invested in backward economies. Absolute and outdated technologies of the developed countries can be easily sold to poor under developed countries. Ultimately, the rich countries can grow further at the cost of developing economies.
  - a) Only 1
  - b) Only 2
  - c) Both 1 and 2
  - d) None
8. What was the Prime Minister's Crop Insurance Scheme launched on 18 February 2016?
  - a) The Pradhan Mantri Mudra Yojana
  - b) The Pradhan Mantri Awas Yojana
  - c) The Pradhan Mantri Jan Yojana
  - d) The Pradhan Mantri Fasal Bima Yojana
9. What is the position of India's in production of vegetables in the world?
  - a) Third
  - b) Fifth
  - c) Second
  - d) Seven
10. Which among the following is responsible for high marketing costs, market gluts, price fluctuations and other similar problems of Fruits and vegetables?
  - a) Perishability
  - b) Consumable
  - c) Frangibility
  - d) Legibility
11. Which among the following statement is correct?
  - 1) The Pradhan Mantri Gram Sadak Yojana envisages a uniform premium of only 4 percent to be paid by farmers for Kharif crops and 1.5 percent for Rabi crops.

The premium for (annual) commercial and horticultural crops will be 25 percent.

2) In order to overcome the constraint, the Government of India and the Ministry of Agriculture promulgated an order known as "Cold Storage Order, 1964" under Section 3 of the Essential Commodities Act, 1955. However, the cold storage facility is still very poor and highly inadequate.

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

12. Who estimate the annual value of harvest and postharvest losses of major agricultural produce at national level?

- a) Indian Agricultural Research Institute
- b) Indian Agricultural Statistics Research
- c) National Agricultural Production Unit
- d) Indian Council of Agricultural Research

13. Who among the following launched Kisan Credit Card (KCC) in 1998 along with Reserve Bank of India?

- a) SEBI
- b) NABARD
- c) NASSCOM
- d) SIDBI

14. Which among the following Banks does not offer Kisan Credit Card Scheme?

- a) Cooperative banks
- b) Regional rural banks
- c) Public sector banks
- d) Private sector banks

15. Which among the following statement is incorrect?

1) Liberalization measures, when effectively enforced, favour an unrestricted entry of foreign companies in the domestic economy. Such an entry prevents the growth of the local manufacturers.

2) Privatization measures favour the continuance of the competitive power. Both the powerful and common people can sustain in business markets. Social justice can be easily established and maintained. As a result, the disparities tend to widen among people and among regions.

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

16. Which among the following statement is correct?

1) As globalization measures tend to integrate all economies of the world and bringing them all under one umbrella; they pave the way for redistribution of economic power at the world level.

2) Not only well-developed countries but also less developed countries also favoured in globalization process and the welfare of the less developed countries will be increased more. The economic crisis of the developed countries is easily spread to the developing economies through trade.

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

17. Which among the following is not the major change after 1991 economic policy?

- a) The pattern of consumption started improving (or deteriorating).
- b) There was a rapid industrialization
- c) Foreign exchange reserves started declining
- d) Infrastructure facilities such as express highways, metro rails, flyovers and airports started expanding (but the local people were thrown away).

18. Which among the following statement is correct?

1) The benefits of LPG growth in some sectors have reached the marginalized sections of the community. Moreover, the process of development has degenerated serious social, economic, political, demographic and ecological issues and challenges.

2) Development brings benefits, but which section gets this benefit depends on socioeconomic structure of the society. As new institutional economists suggest, the values, beliefs, norms etc. of the individuals also matter.

3) Despite all these initiatives in the Indian economy, a large section of the people of India continue to face basic economic problems such as poverty, unemployment, discrimination, social exclusion, deprivation, poor healthcare, food insecurity and labour migration. However, for these problems, Government policies alone cannot be blamed.

- a) Only 2
- b) Both 1 and 2
- c) Both 1 and 3
- d) Both 2 and 3

19. Which means selling of government securities of Public Sector Undertakings (PSUs) to other PSUs or private sectors or banks?

- a) Corporate Investment
- b) Disinvestment
- c) Cooperative
- d) Investment Conversion

20. According to whom GDP (nominal) of India in 2016 at current prices was \$2,251 billion?

- a) World Bank

- b) United Nations  
c) World Trade Organisation  
d) International Monetary Fund
21. Which Asian country shares highest GDP?  
a) China  
b) Japan  
c) India  
d) South Korea
22. Which among the following statement is correct?  
1) The Prime Minister of India announced the new industrial policy on July 24, 1991. The new policy radically liberalized the industrial policy itself and de-regulated the industrial sector substantially.  
2) The primary objectives of the industrial policy were to promote major industries from the clutches of bureaucrats, to abolish restrictions on foreign direct investment, to liberate the indigenous enterprise from the restrictions of MRTP Act, to maintain a sustained growth in productivity and employment and also to achieve international competitiveness.  
a) Only 1  
b) Only 2  
c) Both 1 and 2  
d) None
23. Under the new industrial policy of 1991 which among the following sector does not continue as reserved for public sector?  
a) Railway sector  
b) Health sector  
c) Mining sector  
d) Atomic sector
24. Which among the following statement is correct?  
1) The most important objective of the new industrial policy of 1991 was the introduction of the industrial licensing or the license raj or red tapism. Under the industrial licensing policies, both and private public sector firms had to secure licenses to start an industry  
2) Previously, the public sector was given reservation especially in the capital goods and key industries. Under industrial deregulation, most of the industrial sectors were opened to the private sector as well.  
3) Reforms in the public sector were aimed at enhancing efficiency and competitiveness of the sector. The government identified strategic and priority areas for the public sector to concentrate. Loss making PSUs were sold to the private sector.  
a) Only 2  
b) Both 1 and 2  
c) Both 2 and 3  
d) All 1, 2 and 3
25. Which among the following was abolished by New Industrial Policy of 1991?  
a) Monopoly and Restrictive Trade Practices Act 1969  
b) Foreign Trade Development and Regulation Act 1972  
c) Custom Tariff Act 1975  
d) Special Economy Zone 1981
26. Which among the following statement is correct?  
1) Another major feature of the economic reform was red carpet welcome to foreign investment and foreign technology. This measure has enhanced the industrial competition and improved business environment in the country.  
2) Foreign investment including FDI was allowed not FPI. In 1992, the government announced a specified list of high-technology and high investment priority industries wherein pre request permission was granted for foreign direct investment (FDI) up to 61 percent foreign equity.  
3) The limit was raised to 74 percent and subsequently to 100 percent for many of these industries. Moreover, many new industries have been added to the list over the years.  
a) Both 1 and 2  
b) Both 1 and 3  
c) Both 2 and 3  
d) All 1, 2 and 3
27. Who has been set up to negotiate with international firms and approve foreign direct investment in select areas?  
a) International Trade Promotion Service  
b) Foreign Trade promotion Service  
c) Trade Exchange Promotion Service  
d) Foreign Investment Promotion Board
28. Which among the following statement is incorrect?  
1) Since the inception of economic reforms, Indian economy has achieved a remarkable rate of growth in industry and service sector. However, this growth process bypassed the agricultural sector, which showed sharp deceleration in the growth rate (3.62 percent during 1984/85 – 1995/96 to 1.97 percent in 1995/96 – 2004/05).  
2) The sector has recorded wide variations in yield and productivity and there was a shift towards cash crop cultivation. Moreover, agricultural indebtedness pushed several farming households into poverty and some of them resorted to extreme measures like suicides.  
a) Only 1  
b) Only 2  
c) Both 1 and 2  
d) None

29. Which among the following scheme was not implemented by the Ministry of Food Processing Industries to reduce wastage of agricultural produce and minimize post-harvest losses?

- a) Mega Food Parks
- b) Modern Food Preservation
- c) Integrated Cold Chain
- d) Value Addition Preservation Infrastructure

30. Which is a statutory body constituted by state government in order to trade in agricultural or horticultural or livestock products?

- a) Agricultural Produce Market Committee
- b) Agricultural Preservation Service Board
- c) Agricultural Trading and Market Committee
- d) Agricultural Soli Representative Board

31. Which among the following is not the Function of Agricultural Produce Market Committee?

- a) To promote public private partnership in the ambit of agricultural markets.
- b) To ensure payments to the farmers for the sale of agricultural produce within one week.
- c) To display data on arrivals and rates of agricultural produce from time to time into the market.
- d) To provide market led extension services to farmer, To promote agricultural activities.

32. Which among the following is the biggest input for farmers?

- a) Flowers
- b) Roots
- c) Seeds
- d) Fertilizers

33. Which among the following is not the export oriented 'cash crops'?

- a) Chill
- b) Cotton
- c) Tobacco
- d) Wheat

34. Which among the following statement is correct?

- 1) Liberalisation policies reduced the subsidies on pesticide, fertilizer and elasticity. As a result, prices have increased by 300%. However, the prices of agricultural goods have not increased to that extent.
- 2) After 1991 the lending pattern of commercial banks, excluding nationalised bank drastically changed. As a result, loan was easily adequate. This has made the farmers not to rely on moneylenders who charge exorbitant rate of interest.
- 3) Following the deregulation many state government institutions were closed down in 2003. These hit farmers doubly hard: seed prices shot up, and fake seeds made an appearance in a big way.

- a) Only 3
- b) Both 1 and 3
- c) Both 2 and 3
- d) All 1, 2 and 3

35. Which among the following result in the cheap imports flooded the market, pushing prices of crops like cotton and pepper down?

- a) Withdrew tariffs and duties on imports
- b) United Nation declaration of tariff deduction
- c) Construction of more port docks
- d) All the above

36. According to the trade policy of 1 April 1992 how many items remained restricted?

- a) 24
- b) 54
- c) 71
- d) 64

37. Which among the following Committee's Report had suggested drastic reduction in import duties?

- a) Narasimham Committee
- b) Tandon Committee
- c) Chelliah Committee
- d) Dave Committee

38. Which ministry announced New Foreign Trade Policy (Export and Import Policy) on 01st April 2015 for the period of 2015-2020?

- a) Ministry of Finance
- b) Ministry of Commerce and Industry
- c) Ministry of Corporate Affairs
- d) Ministry of Information and Broadcasting

39. Which among the following was not the focus of new Export and Import (EXIM) Policy?

- a) Increasing in exports scenario
- b) Boosting production
- c) Supporting the concepts like Make in India and Digital India
- d) Gradually decreasing the debts on World Bank

40. According to new Export and Import Policy, reduce export obligations by what percent?

- a) 10%
- b) 25%
- c) 40%
- d) 62%

41. Which among the following statement regarding Export and Import Policy is correct?

- 1) As a step to Digital India concept, online procedure to upload digitally signed document by CA/CS/Cost Accountant are developed and further mobile app for filing tax, stamp duty has been developed

2) Repeated submission of physical copies of documents available on Exporter Importer Profile is required. Import obligation period for import items related to defence, military store, aerospace and nuclear energy to be 14 months.

3) EXIM Policy 2015-2020 is expected to double the share of India in World Trade from present level of 3% by the year 2020. This appears to be too ambitious

- a) Both 1 and 2
- b) Both 1 and 3
- c) Both 2 and 3
- d) All 1, 2 and 3

42. To attract larger foreign investments in India, when the Special Economic Zones (SEZs) Policy was announced?

- a) April 1992
- b) April 2000
- c) April 1995
- d) April 1998

43. As per the Special Economic Zones Act of 2005, the government has so far notified about how many zones in our country?

- a) 200
- b) 850
- c) 400
- d) 600

44. Where Asia's first Export Processing Zone (EPZ) was set up in 1965?

- a) Kandla
- b) Gaya
- c) Kanpur
- d) Aligarh

45. Which among the following does not come under the Special Economic Zone?

- a) Heavy Vehicle Development Zone
- b) Free Trade Zones
- c) Economic and Technology Development Zones
- d) High-tech Zones

46. Which among the following is not the Major Objectives of Special Economic Zone?

- a) To generate additional economic activity. To create employment opportunities
- b) To increase shares in Global Export (International Business)
- c) To modernize infrastructure facilities, To exchange technology in the domestic market.
- d) To enhance foreign investment, especially to attract foreign direct investment (FDI) and thereby increasing GDP.

47. Which among the following is not the main characteristic of Special Economic Zone?

- a) Geographically demarked area with physical security
- b) Administrated by Multi body/ authority. Governed by more reserved economic laws
- c) Streamlined procedures. Having separate custom area
- d) Greater freedom to the firms located in SEZs. As a result, they need not respect the Government's rules and regulations. The social and environmental impacts were disastrous.

48. Which among the following statement is incorrect?

- 1) A key element in the stabilization effort was to restore fiscal discipline. It means reduction of fiscal deficit to the extent of just 10% of GDP, as suggested by World Bank Policies.
- 2) In this way, the budget aimed at containing government expenditure and augmenting revenues; reversing the downtrend in the share of direct taxes to total tax revenues and curbing conspicuous consumption.
- 3) Some of the important policy initiatives introduced for correcting the fiscal imbalance were: reduction in fertilizer subsidy, abolition of subsidy on sugar and disinvestment of a part of the government's equity holdings in select public sector undertakings. Gradually expenditures on welfare measures were reduced.

- a) Only 1
- b) Only 2
- c) Both 2 and 3
- d) None

49. Which is defined as the tax levied when a consumer buys a good or service?

- a) VAT
- b) GST
- c) Excise Tax
- d) Perquisite Tax

50. Which among the following is the other term of Goods and Services Tax?

- a) One-point tax
- b) Multi point tax
- c) Parallel tax
- d) Chain point tax

51. When the Goods and Service Tax Act was passed in the Parliament?

- a) 21st April 2016
- b) 8th September 2014
- c) 5th August 2015
- d) 29th March 2017

52. Which among the following is the moto of GST?

- a) One nation, one market, one tax
- b) One nation, one trade, one tax
- c) One nation, one service, one tax

d) One nation, one government, one tax

53. Which among the following is not the advantage of GST?

- a) Removing cascading tax effect, Single point tax.
- b) Lower threshold for registration, Composition scheme for large business.
- c) Online simpler procedure under GST, Defined treatment for e-commerce
- d) Increased efficiency in logistics, regulating the unorganized sector.

54. Which reforms aimed at doing away with interest rate distortions and rationalizing the structure of lending rates?

- a) Monetary reform
- b) Marketing reform
- c) Consumer reform
- d) Trading reform

55. Which 1991 committee recommended Reduction in statutory liquidity ratio (SLR) and the cash reserve ratio (CRR)?

- a) Narasimham Committee
- b) Tandon Committee
- c) Chelliah Committee
- d) Dave Committee

56. Which among the following statement regarding Monetary and Financial Sector Reforms is correct?

- 1) Dave Committee was proposed to cut down the SLR from 18.5 percent to 15 percent within a time span of five years. Similarly, it was proposed that the CRR be brought down to 6 to 8% over a period of five years.
- 2) Earlier, RBI controlled (i) the interest rates payable on deposits, (ii) the interest rates which could be charged for bank loans. Greater competition among public sector, private sector and foreign banks and elimination of administrative constraints
- 3) Liberalisation of bank branch licensing policy in order to rationalize the existing branch network. Banks were

given freedom to relocate branches and open specialized branches

- a) Both 1 and 2
- b) Both 1 and 3
- c) Both 2 and 3
- d) All 1, 2 and 3

57. What is the position of India in the world in terms of nominal GDP?

- a) Fourth
- b) Ninth
- c) Twelfth
- d) Tenth

58. Who among the following used the term "Hindu rate of growth"?

- a) Raj Krishna
- b) Arun Shourie
- c) N. S. Rajaram
- d) Michel Danino

59. Which among the following statement is incorrect?

- 1) New accounting norms regarding classification of assets and provisions of bad debt were introduced in tune with the Narasimham Committee Report.
- 2) The increased GDP growth rate has failed to alleviate the miseries of the common people and to reduce the socio, economic and environmental imbalances. The basic problems of unemployment, poverty, ill-health and inequalities remain unsolved.

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

60. The Chelliah Committee on Trade Policy Reforms suggested the peak rate on import duties at \_\_\_\_

- a) 50%
- b) 75%
- c) 25%
- d) 60%