

## INDIAN ECONOMIC DEVELOPMENT

### Unit 8

#### Development Experience (1947-90) and Economic Reforms since 1991

1. What was the major characteristic of India's economy at the time of independence?
  - a) Industrialized economy
  - b) Agricultural economy
  - c) Highly diversified economy
  - d) Technology-driven economy
2. Which sector dominated the Indian economy at the time of independence?
  - a) Service sector
  - b) Manufacturing sector
  - c) Agricultural sector
  - d) Trade and commerce sector
3. What was the per capita income of India at the time of independence?
  - a) Rs. 1000
  - b) Rs. 250
  - c) Rs. 500
  - d) Rs. 1500
4. What percentage of India's population was employed in agriculture at the time of independence?
  - a) 40%
  - b) 60%
  - c) 75%
  - d) 85%
5. Which was the dominant feature of the Indian economy in 1947?
  - a) Technologically advanced
  - b) Self-sufficient in food grains
  - c) Backward and underdeveloped
  - d) Capital intensive
6. What is the primary goal of the Five-Year Plans in India?
  - a) To achieve higher literacy rates
  - b) To promote industrialization
  - c) To achieve economic growth and development
  - d) To eliminate poverty
7. The first Five-Year Plan in India focused primarily on which sector?
  - a) Services sector
  - b) Industrial sector
  - c) Agricultural sector
  - d) Infrastructure sector

8. Who was the architect of India's Five-Year Plans?
  - a) Jawaharlal Nehru
  - b) Dr. B.R. Ambedkar
  - c) Dr. P.C. Mahalanobis
  - d) Rajiv Gandhi
  
9. Which of the following is a common objective of India's Five-Year Plans?
  - a) Achieving self-sufficiency in food
  - b) Reducing foreign trade dependency
  - c) Industrialization of rural India
  - d) All of the above
  
10. What is the role of the Planning Commission in the Indian economic system?
  - a) To formulate and implement economic plans
  - b) To oversee foreign trade policies
  - c) To monitor fiscal policies
  - d) To regulate private industries
  
11. Which of the following was a key feature of the Green Revolution in India?
  - a) Introduction of organic farming
  - b) High-yielding variety seeds and chemical fertilizers
  - c) Reduction in the use of pesticides
  - d) Revival of traditional farming methods
  
12. What is the role of the Indian Agricultural Research Institute (IARI)?
  - a) Promotes organic farming
  - b) Research and development in agricultural technology
  - c) Provides subsidies to farmers
  - d) Manages irrigation systems
  
13. Which of the following was a major agricultural policy reform post-independence?
  - a) Nationalization of agricultural land
  - b) Land reforms and abolition of zamindari system
  - c) Promotion of subsistence farming
  - d) Expansion of traditional farming techniques
  
14. The introduction of HYV seeds in India was primarily aimed at:
  - a) Reducing unemployment in rural areas
  - b) Increasing agricultural productivity
  - c) Decreasing food consumption
  - d) Encouraging export of agricultural products
  
15. Which of the following was a major limitation of the Green Revolution in India?
  - a) Reduced agricultural output
  - b) Increased dependency on chemical fertilizers

- c) Decline in farmer incomes
  - d) Decline in rural literacy rates
16. The Industrial Policy Resolution of 1956 (IPR 1956) emphasized which of the following?
- a) Promotion of cottage industries
  - b) Nationalization of large industries
  - c) Private sector dominance
  - d) Focus on agriculture
17. Which of the following is NOT a feature of IPR 1956?
- a) Expansion of public sector industries
  - b) Encouragement of foreign investment
  - c) Development of key industries like iron, steel, and heavy machinery
  - d) De-emphasis on the private sector
18. Small Scale Industries (SSIs) play a major role in:
- a) Increasing exports
  - b) Creating employment opportunities
  - c) Reducing agricultural dependence
  - d) All of the above
19. What is the primary goal of the SSI sector in India?
- a) To promote large-scale industries
  - b) To generate employment and support local economies
  - c) To encourage foreign direct investment
  - d) To control inflation
20. Which of the following is a characteristic feature of Small Scale Industries (SSI)?
- a) High capital investment
  - b) Advanced technological infrastructure
  - c) Low capital investment and labor-intensive production
  - d) Large-scale manufacturing
21. What was the primary focus of India's foreign trade policy in the early years after independence?
- a) Maximizing exports
  - b) Minimizing imports
  - c) Promoting balanced trade
  - d) Exporting surplus food grains
22. Which of the following is a key objective of India's Foreign Trade Policy?
- a) To develop the agricultural sector
  - b) To encourage exports and reduce trade deficits
  - c) To attract foreign capital
  - d) To restrict private sector involvement in trade

23. India's trade policy post-independence was characterized by:
- a) Free trade with all nations
  - b) Protectionism and import substitution
  - c) Total reliance on imports
  - d) Encouraging foreign ownership of industries
24. Which of the following is NOT a major export from India?
- a) Petroleum products
  - b) Textiles and garments
  - c) Gems and jewelry
  - d) High-tech electronics
25. Which policy shift in 1991 significantly changed India's foreign trade dynamics?
- a) Implementation of the Green Revolution
  - b) Liberalization, privatization, and globalization (LPG)
  - c) Nationalization of foreign trade
  - d) Devaluation of the rupee
26. The economic reforms of 1991 were primarily aimed at:
- a) Reducing the role of the private sector
  - b) Promoting self-sufficiency
  - c) Liberalizing the Indian economy and integrating it with the global market
  - d) Enhancing public sector dominance
27. Which Indian government body was responsible for initiating the economic reforms of 1991?
- a) Planning Commission
  - b) Reserve Bank of India
  - c) Ministry of Finance
  - d) Ministry of Commerce and Industry
28. Which of the following is NOT a feature of the 1991 economic reforms?
- a) Devaluation of the Indian Rupee
  - b) Privatization of public sector enterprises
  - c) Adoption of import substitution policies
  - d) Reduction of import tariffs
29. Which Indian Prime Minister introduced the economic reforms of 1991?
- a) Jawaharlal Nehru
  - b) Rajiv Gandhi
  - c) P.V. Narasimha Rao
  - d) Atal Bihari Vajpayee
30. The LPG reforms (Liberalization, Privatization, and Globalization) were primarily aimed at:
- a) Reducing government interference in economic matters

- b) Promoting agricultural exports
  - c) Increasing central planning in the economy
  - d) Enhancing the role of state-owned enterprises
31. Which was the first industry to be nationalized in India?
- a) Banking
  - b) Coal
  - c) Iron and Steel
  - d) Cotton
32. What is the major objective of India's Industrial Policy 1991?
- a) To focus on public sector enterprises
  - b) To remove industrial licensing requirements
  - c) To promote a protectionist approach
  - d) To discourage foreign investments
33. The term 'Green Revolution' refers to:
- a) Introduction of modern agricultural technology
  - b) Afforestation efforts in rural areas
  - c) Government-led environmental policies
  - d) Nationalization of agricultural industries
34. Which Indian state was the first to adopt the Green Revolution?
- a) Punjab
  - b) Uttar Pradesh
  - c) Maharashtra
  - d) West Bengal
35. The main benefit of the Green Revolution was:
- a) Lower cost of production
  - b) Reduced dependency on agriculture
  - c) Increase in agricultural productivity
  - d) Enhanced rural migration
36. What is the main function of the National Development Council (NDC) in India?
- a) Monitor fiscal policies
  - b) Formulate and evaluate Five-Year Plans
  - c) Regulate industrial output
  - d) Provide funds to local governments
37. Which of the following was a major outcome of the economic reforms of 1991?
- a) Reduced foreign investments
  - b) Liberalization of trade and markets
  - c) Tightening of import controls
  - d) Abandonment of the market economy

38. Which of the following industries was given priority under the Industrial Policy Resolution of 1956?
- a) Electronics
  - b) Heavy industries like steel and coal
  - c) Small-scale industries
  - d) Chemical and petrochemical industries
39. The policy of 'Import Substitution' during the 1950s and 1960s was aimed at:
- a) Reducing dependence on foreign countries for goods
  - b) Promoting foreign investment
  - c) Encouraging agricultural exports
  - d) Increasing foreign currency reserves
40. What was a major effect of the devaluation of the Indian Rupee in 1991?
- a) Decreased exports
  - b) Improved trade balance
  - c) Increased capital flight
  - d) Reduced foreign debt
41. Which of the following was a major challenge faced by India's foreign trade post-independence?
- a) Low domestic consumption
  - b) Balance of payment crisis
  - c) Excessive imports from the West
  - d) High foreign debt
42. The primary objective of the Indian Foreign Exchange Management Act (FEMA), 1999 was:
- a) To control the flow of foreign currency
  - b) To regulate import-export policies
  - c) To increase export duties
  - d) To manage foreign aid
43. Which international organization did India join in 1995 to promote trade and investment?
- a) ASEAN
  - b) WTO (World Trade Organization)
  - c) IMF
  - d) BRICS
44. Which Indian sector has shown the most growth in exports in recent years?
- a) Agriculture
  - b) Services (including IT)
  - c) Textiles
  - d) Manufacturing

45. Which of the following has been a major contributor to India's foreign exchange reserves?
- a) Agricultural exports
  - b) Foreign remittances
  - c) Tourism
  - d) Oil exports
46. One major challenge India faced after economic reforms was:
- a) Economic stagnation
  - b) Rise in poverty levels
  - c) Disparities between urban and rural areas
  - d) Complete industrial shutdown
47. Which of the following was NOT a component of the economic reforms in India post-1991?
- a) Liberalization of industrial policy
  - b) Decentralization of decision-making
  - c) Imposition of strict import restrictions
  - d) Encouraging privatization of public sector enterprises
48. The establishment of SEZs (Special Economic Zones) was aimed at:
- a) Promoting sustainable agriculture
  - b) Attracting foreign investment and boosting exports
  - c) Encouraging local manufacturing
  - d) Reducing industrial pollution
49. India's services sector has become a major contributor to GDP mainly because of:
- a) Increased government spending
  - b) Development of IT and software services
  - c) A focus on industrial exports
  - d) Growth in agricultural production
50. Which of the following was a key measure introduced in India's 1991 budget?
- a) Increase in taxes
  - b) Reduction in subsidies
  - c) Full control over all economic policies by the state
  - d) Introduction of socialism in the economy
51. What was the immediate impact of the 1991 economic reforms on India's GDP growth?
- a) Decline in growth rate
  - b) Moderate increase in growth
  - c) High economic growth rate
  - d) No noticeable effect on growth
52. India's economic reforms of 1991 led to:
- a) A more self-sufficient economy

- b) Increased isolation from global markets
  - c) Greater integration with the global economy
  - d) A decline in foreign investments
53. India's economic liberalization helped in:
- a) Improving the Indian manufacturing sector
  - b) Reduction of unemployment rates
  - c) Promotion of state-run industries
  - d) Establishing social welfare programs
54. India's trade policy after 1991 focused on:
- a) Strengthening protectionist policies
  - b) Promoting import substitution
  - c) Integration into global trade markets
  - d) Restricting all foreign trade activities
55. In the 1990s, India saw a growth in which of the following sectors?
- a) Services and Information Technology
  - b) Agriculture and Forestry
  - c) Coal and Mining
  - d) Textile Manufacturing
56. The introduction of foreign direct investment (FDI) was part of which of the following?
- a) Industrial Policy 1956
  - b) 1991 Economic Reforms
  - c) Green Revolution
  - d) Import Substitution Policies
57. Which country was India's largest trading partner after the 1991 reforms?
- a) China
  - b) United States
  - c) European Union
  - d) Saudi Arabia
58. What major effect did liberalization have on the Indian rupee?
- a) It led to its complete devaluation
  - b) It led to its stabilization and gradual strengthening
  - c) It caused its sudden appreciation
  - d) It made the rupee non-convertible
59. The liberalization of India's economy led to an increase in:
- a) Public sector dominance
  - b) Foreign direct investment (FDI)
  - c) Reduction in exports
  - d) State ownership in businesses

60. Which of the following is the main goal of India's Export Promotion Policies post-1991?
- a) To reduce imports
  - b) To improve industrial production
  - c) To increase agricultural subsidies
  - d) To boost exports and create a favorable trade balance