

Unit 9

Current Challenges Facing the Indian Economy

1. Which of the following is an example of absolute poverty?
 - A) Inability to afford a luxury car
 - B) Inability to meet basic needs like food, clothing, and shelter
 - C) Limited access to education
 - D) Lack of political representation

2. Relative poverty is characterized by:
 - A) Poverty based on an individual's income in relation to the average in society
 - B) Complete lack of basic necessities
 - C) Access to only primary education
 - D) A lack of healthcare services

3. Which of the following is NOT a characteristic of absolute poverty?
 - A) The inability to secure basic needs
 - B) The condition of living on less than a fixed amount per day
 - C) A condition linked with social inequality
 - D) The condition of being homeless

4. The 'poverty line' in India is determined based on:
 - A) Standard of living index
 - B) Income levels required to afford a basket of basic goods and services
 - C) Level of wealth inequality
 - D) Education and employment levels

5. Which government initiative primarily targets the alleviation of rural poverty?
 - A) MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act)
 - B) Swachh Bharat Abhiyan
 - C) Make in India
 - D) Pradhan Mantri Jan Dhan Yojana

6. The key goal of the Pradhan Mantri Awas Yojana (PMAY) is to:
 - A) Provide employment in rural areas
 - B) Ensure housing for all by 2022
 - C) Promote skill development
 - D) Facilitate financial inclusion

7. Which of the following is a main objective of the National Rural Employment Guarantee Act (NREGA)?
- A) To provide health services in rural areas
 - B) To ensure minimum wages for rural workers through guaranteed employment
 - C) To increase agricultural production
 - D) To provide education and healthcare
8. Which program was launched to provide direct cash transfer to the poor?
- A) Atal Pension Yojana
 - B) Pradhan Mantri Jan Dhan Yojana
 - C) Pradhan Mantri Ujjwala Yojana
 - D) Pradhan Mantri Kisan Samman Nidhi
9. The "Antyodaya Anna Yojana" primarily targets:
- A) Providing free education
 - B) Ensuring food security for the poorest families
 - C) Providing low-cost health insurance
 - D) Skill development in rural areas
10. Which of the following is NOT a poverty alleviation scheme in India?
- A) MGNREGA
 - B) Pradhan Mantri Fasal Bima Yojana
 - C) Digital India Campaign
 - D) National Rural Livelihood Mission
11. Human capital refers to:
- A) Physical assets like machines and equipment
 - B) The skills, knowledge, and health of individuals
 - C) The total value of land and property
 - D) Government expenditure on infrastructure
12. Which of the following is a key factor in human capital formation?
- A) Land ownership
 - B) Investment in education and training
 - C) Availability of natural resources
 - D) Technological advancements
13. Which of the following is the main challenge in human capital development in India?
- A) Unemployment among youth
 - B) Lack of natural resources
 - C) Insufficient foreign investment

D) Inadequate technological infrastructure

14. Which government initiative aims at skill development among the youth of India?

A) Skill India Mission

B) Digital India

C) Make in India

D) Swachh Bharat Mission

15. Which of the following is considered a major aspect of human capital formation?

A) Agriculture productivity

B) Public health and healthcare services

C) Market conditions and prices

D) The availability of financial capital

16. Human capital plays an important role in economic development because it directly influences:

A) Capital accumulation

B) Labor productivity

C) Natural resource availability

D) Government policies

17. Which of the following is NOT a consequence of investing in human capital?

A) Improved economic growth

B) Higher labor productivity

C) Increased dependency ratio

D) Reduction in poverty rates

18. The increase in per capita income in a country can largely be attributed to:

A) High inflation

B) Investment in human capital

C) Increase in land ownership

D) Excessive government intervention

19. Which sector benefits most from skilled human capital?

A) Primary sector (Agriculture)

B) Secondary sector (Manufacturing)

C) Tertiary sector (Services)

D) None of the above

20. The role of education in human capital formation is:

A) Unimportant in today's global economy

- B) To provide individuals with the necessary skills and knowledge
- C) To develop the industrial sector
- D) To improve government infrastructure

21. A higher level of human capital leads to:
- A) Decreased innovation
 - B) Enhanced productivity and technological progress
 - C) Increased unemployment
 - D) Decline in the service sector
22. Which of the following is a direct result of investment in human capital?
- A) Decline in industrial output
 - B) Higher wages for skilled labor
 - C) Decrease in economic mobility
 - D) Reduced tax revenues
23. The concept of "brain drain" refers to:
- A) Migration of skilled workers from one country to another
 - B) Loss of natural resources
 - C) Decrease in agricultural output
 - D) Economic development through outsourcing
24. Which is an example of human capital formation?
- A) Government's spending on defense
 - B) Investment in primary healthcare and education
 - C) Increase in international trade
 - D) Expansion of infrastructure projects
25. Which of the following factors is most likely to lead to improved human capital in an economy?
- A) Increased government regulation
 - B) Provision of free universal education
 - C) Higher taxes on businesses
 - D) Introduction of protectionist trade policies
26. Poverty reduction can be achieved more effectively by focusing on:
- A) Increasing the number of natural resources
 - B) Enhancing human capital through education and healthcare
 - C) Taxing the wealthy
 - D) Expanding government bureaucracy

27. Increased human capital formation can reduce poverty by:
- A) Reducing government spending
 - B) Creating more low-paying jobs
 - C) Increasing the earning potential of individuals
 - D) Encouraging social inequality
28. The role of women in human capital development is crucial because:
- A) Women are the main labor force in rural areas
 - B) Educating women leads to higher economic growth rates
 - C) Women provide agricultural labor
 - D) Women have a higher rate of financial literacy
29. Which of the following can contribute to the effective utilization of human capital in a developing economy?
- A) Political instability
 - B) High unemployment rates
 - C) Access to quality education and skill development programs
 - D) Rapid industrialization without proper infrastructure
30. The human capital approach to economic development emphasizes:
- A) The importance of land and natural resources
 - B) The role of individual skills, knowledge, and health
 - C) The accumulation of physical capital
 - D) The reduction of government interference in markets
31. Which of the following is the main role of cooperatives in rural development?
- A) Providing subsidies to farmers
 - B) Organizing rural labor force
 - C) Providing credit and facilitating marketing for agricultural products
 - D) Reducing government intervention
32. Which of the following is a key issue in rural credit?
- A) Overproduction of crops
 - B) Lack of access to formal credit channels
 - C) High taxation on rural businesses
 - D) Limited agricultural diversification
33. Agricultural diversification refers to:
- A) Growing a single crop over large areas
 - B) Shifting from traditional to modern farming techniques
 - C) Expanding into different types of crops or non-farm activities

- D) Focusing exclusively on livestock farming
34. The main objective of agricultural diversification is to:
- A) Increase dependency on a single crop
 - B) Improve farm income stability and reduce risks
 - C) Promote monoculture practices
 - D) Reduce food security
35. Which of the following is NOT a challenge in rural marketing?
- A) Poor infrastructure
 - B) Fragmented market information
 - C) Access to modern technologies
 - D) High transportation costs
36. The workforce participation rate in the formal sector is typically:
- A) Higher in urban areas than in rural areas
 - B) Equal in both rural and urban areas
 - C) Higher in rural areas than in urban areas
 - D) Dependent on the level of education
37. Which of the following is true about the demographic transition in rural areas?
- A) Birth and death rates are high, leading to slow population growth
 - B) Death rates decline, and birth rates increase, leading to rapid population growth
 - C) Both birth and death rates decline, leading to a stable population
 - D) Both birth and death rates increase, leading to a population decline
38. What is the primary role of rural development in poverty alleviation?
- A) Fostering urban migration
 - B) Enhancing access to education and healthcare
 - C) Providing government subsidies to industries
 - D) Promoting foreign investment in agriculture
39. Which of the following factors contributes the most to economic growth in rural areas?
- A) Investment in infrastructure and human capital
 - B) High rates of migration to cities
 - C) Export of raw agricultural products
 - D) Lack of governmental intervention
40. Which government initiative aims at improving the living conditions in rural areas through infrastructure development?
- A) Pradhan Mantri Awas Yojana

- B) Atal Mission for Rejuvenation and Urban Transformation
- C) National Rural Livelihood Mission
- D) National Rural Infrastructure Development Scheme

41. Which of the following is a direct outcome of rural development initiatives in India?

- A) Decrease in rural unemployment
- B) Increased urbanization
- C) Concentration of resources in cities
- D) Decrease in agricultural output

42. What is one of the main challenges in rural education?

- A) Lack of access to urban facilities
- B) Poor quality of education and lack of trained teachers
- C) Overcrowded urban schools
- D) High teacher salaries in rural areas

43. Which of the following is a feature of the National Rural Livelihood Mission (NRLM)?

- A) Providing free food to rural families
- B) Promoting self-employment and entrepreneurship
- C) Providing direct financial subsidies to farmers
- D) Building large-scale industries in rural areas

44. The "Digital India" initiative primarily focuses on:

- A) Promoting agricultural productivity through technology
- B) Providing internet access to rural areas
- C) Reducing foreign imports in digital products
- D) Increasing literacy rates in urban areas

45. The "Rashtriya Krishi Vikas Yojana" (RKVY) aims to:

- A) Increase agricultural productivity and income
- B) Improve food security through imports
- C) Enhance rural education systems
- D) Provide healthcare services in rural areas

46. Which of the following is a result of improving rural infrastructure?

- A) Increased rural-to-urban migration
- B) Lower agricultural productivity
- C) Better connectivity and access to markets
- D) Increased dependence on foreign aid

47. Which initiative aims to provide clean cooking fuel to rural households?
- A) Pradhan Mantri Ujjwala Yojana
 - B) National Rural Employment Guarantee Act
 - C) National Health Mission
 - D) Swachh Bharat Abhiyan
48. Which of the following is a core aspect of rural development in India?
- A) Reducing urban population density
 - B) Creating more job opportunities in cities
 - C) Ensuring better access to healthcare, education, and sanitation in rural areas
 - D) Building large-scale urban industrial complexes
49. The primary objective of "Swachh Bharat Mission" in rural areas is:
- A) Improving rural infrastructure
 - B) Promoting sanitation and eliminating open defecation
 - C) Promoting digital literacy
 - D) Ensuring food security in rural areas
50. Which program aims to provide direct income support to farmers in India?
- A) Pradhan Mantri Kisan Samman Nidhi
 - B) National Rural Health Mission
 - C) Make in India
 - D) Pradhan Mantri Awas Yojana
51. The role of microfinance in rural development is to:
- A) Provide small loans to the urban poor
 - B) Improve access to formal financial services for rural populations
 - C) Encourage large-scale industrial investments
 - D) Provide subsidies to large-scale rural enterprises
52. The key focus of the "Skill India" initiative is to:
- A) Provide education for rural children
 - B) Promote skill development to increase employability
 - C) Focus on urban infrastructure development
 - D) Encourage migration of youth to urban areas
53. The "Atal Mission for Rejuvenation and Urban Transformation" (AMRUT) focuses on:
- A) Improving urban infrastructure
 - B) Providing loans to farmers
 - C) Rural skill development

D) Promoting green energy in rural areas

54. The main aim of "Pradhan Mantri Fasal Bima Yojana" is to:

- A) Provide insurance to rural households
- B) Improve agricultural productivity
- C) Provide financial support to rural women
- D) Insure crops against natural calamities

55. The concept of "inclusive growth" refers to:

- A) Economic growth that benefits only the urban elite
- B) Economic growth that leads to increased inequality
- C) Growth that ensures equal opportunities for all sections of society
- D) Growth that excludes rural areas from development

56. Which of the following factors is critical in reducing poverty in rural areas?

- A) Urbanization and migration to cities
- B) High subsidies for urban industries
- C) Access to education, healthcare, and employment opportunities
- D) High import taxes on agricultural products

57. Which program specifically targets the improvement of rural health in India?

- A) National Rural Health Mission (NRHM)
- B) National Food Security Mission
- C) Make in India
- D) Pradhan Mantri Awas Yojana

58. What is one of the major benefits of rural electrification?

- A) Reduced agricultural output
- B) Improved access to healthcare services
- C) Increased migration to cities
- D) Decreased income levels in rural areas

59. The "Beti Bachao Beti Padhao" initiative aims to:

- A) Promote rural industrialization
- B) Empower women and improve female education
- C) Increase birth rates in rural areas
- D) Provide financial assistance to rural households

60. The "National Mission for Sustainable Agriculture" aims to:

- A) Promote crop diversification and organic farming
- B) Subsidize fertilizers and pesticides

- C) Increase urban industrial production
- D) Focus on monoculture practices