



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
WORKSHEET NO: 1	Topic: Indian Economy on the Eve of Independence

1. **Which of the following statements is correct about British rule in India?**
 - a. The literacy rate was high during the British rule in India
 - b. The infant mortality rate was high during the British rule in India
 - c. The life expectancy rate was high during the British rule in India
 - d. The female literacy rate was high during the British rule in India

2. Prior to the establishment of British rule in India, which of the following was /were true for Indian economy:
 - a. India had an independent economy and flourishing markets
 - b. Livelihood of Indian people was mainly based on agriculture
 - c. Indian handicrafts, textile industries and metallic work enjoyed a worldwide market.
 - d. All of the above

3. Farming which focuses on basic needs of the family is called:
 - a. Stagnant farming
 - b. Subsistence farming
 - c. Commercial farming
 - d. None of these

4. Which of the following was the main reason for stagnation in the agricultural sector during British rule?
 - a. Technological deceleration
 - b. Problems of irrigation facilities
 - c. Land Settlement systems

5. **What was the policy of British rulers in India for industrialisation?**
 - a. The British rulers wanted to make India an importer of both primary and finished goods
 - b. The British rulers wanted to make India an exporter of both primary and finished goods
 - c. The British rulers wanted to make India an importer of primary goods from Britain and an exporter of finished goods to Britain
 - d. The British rulers wanted to make India an exporter of primary goods to Britain and an importer of finished goods from Britain

6. British rule tried to _____ Indian handicrafts.

- a. Increase
- b. Destroy
- c. Develop
- d. Preserve

7. Landholdings at the time of independence was:

- a. Fragmented
- b. Large
- c. Small
- d. Both (a) and (c)

8. De-industrialization had a major setback to which of the following Indian industries in particular?

- a. Coal
- b. Handicrafts
- c. Iron and Steel
- d. Cotton textiles

9. Which of the following statements is true about the occupational structure of the Indian economy during British rule?

- a. The occupational structure of the Indian economy during the British rule was stagnant
- b. The occupational structure of the Indian economy during the British rule was underdeveloped
- c. The occupational structure of the Indian economy during the British rule was both stagnant and underdeveloped
- d. The occupational structure of the Indian economy during British rule was developed

10. Apart from Cotton, which other textile industry saw its advancement in parts of India during the British rule?

- a. Jute
- b. Sugar
- c. Paper
- d. Tea

11. Decay of handicrafts was caused by:

- a. British tariff policy
- b. Competition from machine made products
- c. Change in the pattern of demands
- d. All of these

12. What was one of the major contributions of the Britishers to the Indian economy?

- a. The British rule in India saw the construction of several all-weather roads
- b. The British rule in India saw the introduction of the railway network
- c. The British rule in India saw the development of the inland trade and sea lanes

d. All of the above

13. Railways were introduced in India in the year

- a. 1850
- b. 1853
- c. 1854
- d. 1855

14. The opening of Suez Canal served as a direct route for ships serving between

- a. India and America
- b. India and Pakistan
- c. India & Britain
- d. India and Sri Lanka

15. Which of the following statements correctly reflects the demographic profile of India on the eve of its independence?

- a. India had an average life expectancy of 63 years
- b. Both the birth rate and death rate in India were very low
- c. The overall levels of literacy in India was even less than 16 percent
- d. The infant mortality rate in India was just around 70 per every thousand live births

16. Which of the following statements is an accurate description of the Indian economy on the eve of independence?

- a. India was a net exporter of capital goods
- b. India was a net exporter of primary products
- c. India was a net exporter of industrial products
- d. India was a net exporter of agricultural goods

17. Which of the following statements reflects the condition of the agricultural sector in India during British rule?

- a. The agricultural sector experienced huge stagnation and deterioration because of the drain of India's wealth
- b. The agricultural sector experienced huge stagnation and deterioration because of the land tenure system
- c. The agricultural sector experienced huge stagnation and deterioration because of the decline of handicrafts
- d. None of the above

Assertion Reason based questions:

Read the following Statements – Assertion (A) and Reason (R). Choose one of the Correct alternatives given below:

1. **Assertion (A): The economic condition of the farmers under the British rule improved a lot.**

Reason (R): Commercialization of agriculture took place under the British rule.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

- b. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true

2. Assertion (A): During the British period, the production of cash crops improved the economic condition of the farmers.

Reason (R): Farmers were given higher prices to produce cash crops.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true

3. Assertion (A): Decline of handicraft goods led to import of finished goods from Great Britain during the British rule.

Reason (R): The Indian made goods could not withstand the foreign competition of machine-made goods.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true

4. Assertion (A): Nearly 75% of the workforce was engaged in agriculture under the British rule.

Reason (R): Bombay and Bengal witnessed a decline in the workforce dependent on agriculture.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true

CASE BASED QUESTIONS:

Before colonial period, India was exporting manufactured goods which enjoyed worldwide demand. Under the colonial rule, India was reduced to a supplier of raw materials like jute, cotton, indigo, wool, sugar etc. and importer of finished consumer goods like silk and woollen clothes and light machinery manufactured in the factories of Britain. Additionally, the opening of Suez Canal intensified this control of Britishers over Indian foreign trade. The remaining volume of foreign trade was allowed with a handful of countries namely China, Ceylon (Sri Lanka) and Persia (Iran). Interestingly, even this trade was heavily monitored by the colonials. As a matter of fact, there was a large generation of export surplus under the British Raj. India was a large exporter in the colonial period. However, it did not affect the country's economy. Commodities like food grains, clothes, kerosene hit the country hard with its scarcity. Ironically, this export surplus never made its way to India. It was used to make payments for an office set up in Britain, war expenses of the British and import of invisible items. Such brutalities eventually led to the dawn of a rising foreign trade aspect of India

What was the state of country's real output during the first half of the twentieth century?

Answer:

The country's growth of aggregate real output was less than two percent during the first half of the twentieth century.

In which year was Suez Canal opened for trade?

1869

Define foreign trade.

Answer:

Foreign trade is exchange of capital goods and services across international borders or territories.

Name the countries with which India used to trade during British Rule.

Answer:

More than 50 percent of India's trade was confined to Britain. Other countries with which India used to trade were China, Ceylon (Sri Lanka) and Persia (Iran).

India experienced export surplus during colonial rule, then why was there drain of wealth from India during the same period.

Answer:

Throughout the colonial period, India's foreign trade experienced the generation of a large export surplus. However, the surplus came at huge cost to the India's economy. There was shortage of essential commodities such as food grains, clothes, kerosene, etc. in the domestic market.

The export surplus did not result in any flow of gold or silver into India. Rather, this was used to make payments for the expenses incurred by an office set up by the colonial government in Britain, expenses on war, and the import of invisible items. All these led to the drain of Indian wealth during the colonial period.

How did the export surplus lead to drain of resources in the colonial period.

Question. How did the opening of suez canal help the Britishers?

Answer . Cost of transportation and access to Indian market was made easier.

Question. The export surplus was used for the welfare of Indian Industry. (True/ False)

Answer . False

Question. Name the countries with which India had Foreign Trade.

Answer . Britain, China, Ceylon, Persia.

Question. What is the reason for shortage of food grains?

Answer . Commercialization of Crops

1 Mark:

1. What does colonialism refer to?

It is defined as the practice of powerful nation to extend its control over other countries establishing settlements or exploiting resources

3-4 Marks

2. Mention the most important infrastructure development during the British period. (Refer notes)

3. “Decline of handicraft industries adversely affected the Indian economy during the British rule.” Comment. (Refer notes)

6 Marks:

4. a. How did commercialization of agriculture result in famines?

A: a. It implies production of crops for the market rather than for self-consumption but during British rule it acquired a different meaning; It basically became the commercialisation of crops. The British started offering higher prices to the farmers for producing cash crops rather than food crops. The British government used these cash crops as raw materials for industries in Britain. As a result, food crop production decreased and this led to famines.

b. Briefly discuss the state of roads and railways during the British rule. (Refer notes the qn on positive contributions of the British.

- Roads constructed in India by colonial rule was meant for drawing out raw materials from countryside to nearest railway station or to the port and send it to England.
- The British introduced railways in India in 1850 and it is considered as one of their most important contribution. It affected the structure of Indian economy in many

ways like it enabled people to undertake long distance travel and thereby break geographical and cultural barriers while on the other hand it developed commercialisation of Indian agriculture thus affecting the comparative self-sufficiency of the Indian economy.

4. Identify the correct sequence of alternatives given in Column II by matching them with respective items in Column I:

Column I	Column II
a. Zamindari system of land revenue	i. One in which per capita income is very low
b. Stagnant economy	ii. The distribution of Working population across different sectors of the economy
c. Backward economy	iii. It worked through the system of middleman
d. Occupational structure	iv. One which shows little or no growth in National Income

Answers:

(a)- iii, (b)- iv, (c) – i , (d) – ii

5. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration.

The state of Indian industrial sector on the eve of independence was as follows:

1. De-industrialisation—Decline of Indian Handicraft Industry. Britishers followed the policy of systematically de-industrialising India. The primary motive behind the de-industrialisation
2. by the British government was two-fold:
 - (a) To get raw materials from India at cheap rates in order to reduce India to a mere exporter of raw materials to the British industries.
 - (b) To sell British manufactured goods in Indian market at higher prices.

In this way, they exploited India through the device of double exploitation. It resulted in decline of world-famous traditional handicrafts. Britishers followed discriminatory tariff policy. It allowed free export of raw materials from India and free import of British final goods to India, but placed heavy duty on the export of Indian handicrafts. In this way, Indian markets were full of manufactured goods from Britain which were low priced. Indian handicrafts started losing both domestic market and export market. Ultimately, the handicraft industry declined.
3. Lopsided Modern Industrial Structure. Unbalanced and lopsided structure of Indian industries is again a legacy of the British rule in India. British rulers neither permitted modernisation of industries nor did they encourage the growth of heavy industries in India. The period 1850-55 saw the establishment of the first cotton mill, first jute mill and the first coal mine. By the end of 19th century, there were 194 cotton mills and 36 jute mills. The cotton textile mills were located in the western parts of the country, in the states of Maharashtra and Gujarat. Jute mills in Bengal were established mainly by British capitalists. First iron and steel industry during British rule was Tata Iron and Steel company (TISCO) incorporated in August 1907 in Jamshedpur (Bihar). Some other industries which had their modest beginning after Second World War were: sugar, cement, chemical and paper industries.

4. Capital Goods Industries were Lacking. The policy of Britishers was simply to develop those industries which would never be competitive to the British industry. They always wanted Indians to be dependent on Britain for the supply of capital goods and heavy equipments. Thus, the development of a few consumer goods industries was witnessed during the British rule. The heavy industries were, by and large, conspicuous by their absence. This resulted in an unbalanced and lopsided growth of industries in India.
5. Limited Operation of the Public Sector. Public sector was confined to railways, power generation, communication, ports and some other departmental under-takings.

6. Indicate the volume and direction of trade at the time of independence.

India has been an important trading nation since ancient times. But the restrictive policies of commodity production, trade and tariff pursued by the British government adversely affected the structure, composition and volume of India's foreign trade. The state of India's foreign trade on the eve of independence was as follows:

- a. Net Exporter of Raw Material and Importer of Finished Goods. India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, jute, etc. and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery produced in the factories of Britain. UK was the chief supplier to India contributing to over 31 per cent of total import at the time of independence. The principal item of import was food grains and by 1947 food grain imports had touched the level of 3 million tons.
- b. Britain had Monopoly Control on Foreign Trade. Opening of Suez Canal in 1869 served as a direct route for the ships operating between India and Britain. The canal connected Port Said on the Mediterranean Sea with the Gulf of Suez. It provided a direct trade route for ships operating between European or American ports and ports located in South Asia, East Africa and Oceania.
- c. It reduced the cost of transportation and made access to the Indian market easier. In other words, the exploitation of Indian market was now easier. British maintained monopoly control over India's foreign trade. More than half of India's foreign trade was with Britain. British allowed trade with few other countries like China, Ceylon (Sri Lanka) and Persia (Iran)