



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet no: 1	Topic: Indian Economy on the Eve of Independence

1. 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

Ans: d

2. Farming which focuses on basic needs of the family is called:

- a. Stagnant farming
- b. Subsistence farming
- c. Commercial farming
- d. None of these

Ans: b

3. 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

Ans: c

4. British rule tried to _____ Indian handicrafts.

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

Ans: b

5. Landholdings at the time of independence was:

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

Ans: d

6. 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

Ans: b

7. 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

Ans: a

8. 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

Ans: d

9. Railways were introduced in India in the year

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

Ans: a

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

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

Ans: d

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
 2. Which Indian traditional industries were well known before the British came?
Cotton industries, jute textiles, Iron n Steel industries, Handicrafts industries.
 3. What was the main cause of food shortage in India after partition?
The food surplus areas of west Punjab and Sind went to Pakistan.
 4. What was the effect of the decline of handicrafts industry in India?
It created massive unemployment and increased demand for British manufactured goods in the domestic market.
 5. Mention the most important infrastructure development during the British period. (Refer notes)
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- 6.. “Decline of handicraft industries adversely affected the Indian economy during the British rule.” Comment.
 7. How did commercialization of agriculture result in famines? Briefly discuss the state of roads and railways during the British rule. (Refer notes)
 8. State three reasons for the development of railways in India.
 9. Explain any three positive contributions made by the British in India.
 12. Briefly discuss the reasons for development of infrastructure by the British
 13. 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

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

Assertion (A): India experienced trade surplus during British rule.

Reason (R) : British used the trade surplus to finance their administrative expenses in India.

- 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

Ans: b

15. Assertion: (A): British levied no tariffs on export of raw materials from India to Britain.

Reason (R) : Under the colonial rule, Indian handicraft sector suffered a massive decay.

- 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.

Ans: b

16. Assertion (A): India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain.

Reason (R) : Restrictive policies of commodity production ,trade, and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade

- 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.

Ans: a

17. 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.

18. 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)