



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet No: 1	Topic: Rural Development

1. Name the key initiatives required for infrastructural development in rural areas.

Key initiatives required for rural development include:

- i. Expansion of rural credit
- ii. Development of irrigation facilities
- iii. Construction of roads
- iv. Organised agricultural marketing
- v. Information dissemination

2. Name a few defects of agricultural marketing.

Defects of agricultural marketing include:

- (i) Sale at only village level
- (ii) Inadequate transport facilities
- (iii) Malpractices
- (iv) Inadequate credit facilities

3. What is cooperative marketing?

Cooperative marketing is a system through which a group of farmers join together to undertake some or all the processes involved in bringing goods to the consumer instead of individual sale.

4. What is agricultural diversification?

Agricultural diversification refers to change in cropping pattern and/ or a shift of workforce from agriculture to other allied activities and non-agriculture sector.

5. What is operation flood?

Operation flood is a system in which all the farmers pool their milk produced as per quality-based grading and process and market the same to urban centres through cooperatives.

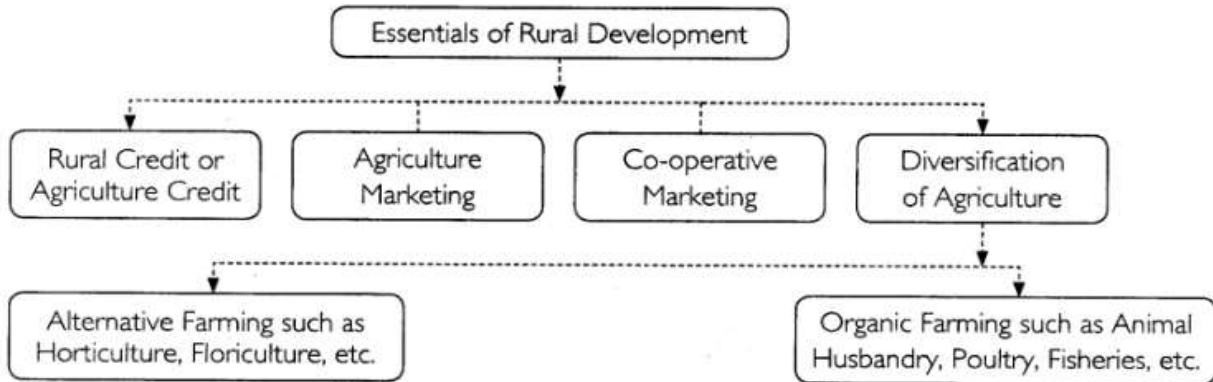
6. What efforts has the government made for rural development?

The government has made the following efforts for rural development:

- (i) Prepared a road map for agricultural diversification with focus on horticulture, floriculture, animal husbandry and fisheries
 - (ii) Started Vishesh Krishi Upaj Yojana on 1st April, 2004 as a special agricultural produce scheme with the objective of promoting exports of fruits, vegetables, flowers, minor forest produce, dairy and poultry.
 - (iii) Focused on micro irrigation, finance, insurance and rural credit
 - (iv) Strengthened agricultural marketing infrastructure
-

7. What are the essentials of rural development?

The essentials of rural development have been shown with the help of a diagram.



8. Write a short note on the role and performance of SHGs as a source of credit. ;

The formal credit delivery mechanism has not only proven inadequate but has also not been fully integrated into the overall rural social and community development. A vast proportion of poor rural households tend to remain out of the credit network as some kind of collateral is required to take loan from banks. Self-Help Groups (SHGs) have emerged to fill the gap in the formal credit system. A typical SHG consists of 15-20 members. These members usually belong to one neighbourhood, who meet and save regularly. Saving per member depends on the ability of the people to save. The SHG can extend these savings as small loans or micro credit to the needy members from the group itself. Although the group charges interest on these loans, it is still less than what the moneylenders charge. Total SHG savings with banks increased from ₹ 23.9 billion as on 31st March, 2006 to around ₹ 70 billion as on 31st March, 2011.

9. Explain the policy instruments introduced by the government to safeguard the interests of farmers.

Government has developed certain policy instruments to safeguard the interests of farmers. These instruments are:

- (i) **Fixation of Minimum Support Price (MSP):** MSP is announced before the sowing season and assures agricultural producers against any sharp fall in farm prices. It provides long-term guarantee to the farmer.
- (ii) **Buffer Stock:** The Food Corporation of India purchases wheat and rice from the farmers in states where there is surplus production and maintain it as buffer stock. Buffer stock is maintained by the government to stabilise prices. It helps in making the foodgrains available in the deficit areas and hence, resolves the problem of food shortage during adverse weather conditions or during the periods of calamity.
- (iii) **Public Distribution System (PDS):** The PDS operates through fair price shops, also known as ration shops. The government offers essential commodities like wheat, rice, sugar, kerosene, edible oils, coal, cloth, etc. at a price below the market price to poor section of the society.

10. Discuss the conditions required for efficient agriculture marketing in India.

Following are the conditions necessary for efficient marketing in India:

- (i) Storage Facilities: Efficient marketing needs adequate storage facilities so that they should be able to wait for times when they could get better prices of their produce. Moreover, they do not have to dispose off their surplus produce immediately after harvesting.
- (ii) Freedom from Moneylenders: In India, there is large number of moneylenders who compel farmers for distress sale. Thus, credit facilities should be extended to save them from the clutches of moneylenders.
- (iii) Transportation Facilities: Farmers should have cheap and adequate transport facilities so that they may be able to take their surplus to the regulated markets instead of selling it away at the village level.
- (iv) Reduced Intermediaries: The number of intermediaries should be minimised so that the profits of middlemen may be reduced. This in turn will increase the returns to the farmers.
- (v) Adequate Information: Farmers should have adequate and clear information regarding the market conditions as well as about the prevailing prices otherwise they may be cheated. There should be organised and regulated markets where they can directly sell their produce.

11. Discuss the importance of cooperative marketing in India.

The following are the advantages of cooperative marketing in India:

- (i) End of Middle Man: The agricultural cooperative marketing has ended the presence of middle man in the process of sale and purchase of products. With the help of cooperative marketing, S agriculturists get fair price of their products.
 - (ii) Increased Bargaining Power of the Producers: With the help of cooperative marketing, farmers are less prone to exploitation and malpractices. Instead of marketing their produce individually, they market it together through one agency. This increases their bargaining 'strength as merchants and intermediaries.
 - (iii) Direct Dealing with Final Buyers: The cooperatives can altogether skip the intermediaries and enter into direct dealing with the final buyers, which eliminates exploiters and ensure fair prices to both the producers and the consumers.
 - (iv) Standardisation and Gradation of Agricultural Produce: This task could be done more easily by a cooperative agency than by an individual farmer. Thus, each member can take advantages of standardisation and gradation of produce.
 - (v) Control Over the Supply of Produce: Prices of the produce fall down during cropping season due to excess supply in the market. The cooperative marketing societies provide storage facilities. As a result, there remains a control over the supply of produce. The farmers can wait for better prices.
 - (vi) Credit Facilities: The cooperative marketing societies provide credit facilities to the farmers to save them from the necessity of selling their produce immediately after harvesting. This ensures better returns to the farmers.
 - (vii) Provide Training of Commercial Methods: The cooperative societies also provide training to the farmers for cooperative efforts and commercial methods in the marketing, which develops the cooperative tendencies in the rural areas.
 - (viii) Advertisement and Publicity: Through advertisements and publicity services, cooperative marketing increases the sale of farmer's produce, which enlarges the size of the market.
-

1. Which among the following is NOT a non- institutional source of credit?

- a) Moneylenders
- b) Co-operative credit
- c) Traders and agents
- d) Relatives

2. Micro financing in rural credit is promoted by _____:

- a) Land Development Banks
- b) Regional Rural Banks
- c) Self Help Groups
- d) The Government

3. Which organization started Operation Flood?

- a) AMUL
- b) Food Corporation of India
- c) National Dairy Development Board
- d) Ministry of Food Processing Industries

4. Which of the following is a problem of rural banking system in India?

- a) Insufficiency
- b) Rising over dues
- c) Inadequate amount of sanction
- d) All of the above

5. Farmers need _____ between crop sowing and realization of income:

- a) Credit
- b) Fertilizers
- c) Infrastructure
- d) Storage locations

6. In which year was Operation Flood introduced?

- a) 1971
- b) 1970
- c) 1976
- d) 1975

7. India is the _____ largest producer of fruits and vegetables in the world:

- a) 3rd
 - b) 4th
 - c) 2nd
 - d) 1st
-

8. Which of the following is NOT a non- farm area of employment?

- a) Organic farming
- b) Dairying
- c) Fisheries

d) Information Technology

9. Which state was most successful in forming milk cooperatives?

- a) Maharashtra
- b) Haryana
- c) Kerala
- d) Gujarat

10. Minimum Support Price was started for the benefit of:

- a) Government
- b) Consumers
- c) Farmers
- d) None of the above

11. Diversification of crop production involves:

- a) Shift to organic farming
- b) Shift from single to multi- cropping system
- c) Use of more fertilizers
- d) All of the above

12. Which is the apex body that coordinates functioning of different financial institutions and works for expansion of rural credit?

- a) NABARD
- b) RBI
- c) SHG Linkages Programme
- d) The Government

13. Loans given by the Government for emergencies & distresses are called _____

- a) Relief funds
- b) SHG loans
- c) Taccavi loans
- d) None of the above

14. Which of the following is NOT included in agricultural marketing?

- a) Assembling
- b) Storage
- c) Transportation
- d) Labelling

15. TANWA is a project that aims to train women in _____:

- a) Latest agricultural techniques
-

- b) Technological advancements
- c) Effective fishing techniques
- d) Micro financing strategies

16. Which of the following are policy instruments aimed at protecting farmers?

- a) Maintaining buffer stock
- b) Public Distribution System
- c) Minimum Support Price
- d) All of the above

17. Which of the following accounts for the largest share in the livestock sector in India

- (A) Poultry
- (B) Cattle
- (C) Goats
- (D) Ponies and mules

18. Name the state which is held as a success story in the efficient implementation of Cooperativesystem in India.

- (A) Maharashtra
- (B) Jammu and Kashmir
- (C) Gujarat
- (D) Uttar Pradesh

19. Blue revolution is associated with:

- (A) Indigo cultivation
- (B) for tree farming
- (C) fisheries
- (D) availability of drinking water

20. The duration of short-term credit

- (A) 6 to 12 months
- (B) 2 to 5 years
- (C) 5 to 20 years
- (D) 12 months to 5 years

21. A project initiated in Tamil Nadu where rural woman find employment in non- farm jobs,as well as they are trained in latest agricultural techniques is called:

- a) TABOL
- b) TANWA
- c) TADN
- d) None of the above

22. 14 major commercial banks were nationalized in:a) 1969

- b) 1970
- c) 1971
- d) 1972

23. NABARD is _____ source of rural credit.

- a) Institutional
- b) Non- institutional
- c) Cooperative society
- d) Regional

1. Read the following statements—Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion: In India, major fish producing states have large share of fish worker families which are poor.

Reason: Rampant underemployment, low per capita earnings, absence of mobility of labour to other sectors and a high rate of illiteracy and indebtedness are some of the major problems fishing community face today.

A: a

2. Read the following statements—Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion: Non-institutional finance forms an important part of rural credit.

Reason: Small farmers are unable to access bank credit because of borrowers' unfriendly products.

- 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

A: b
