



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet No: 1	Topic: Indian Economy (1950-1990)

1. In which of the following type of economy are resources owned privately and the main objective behind economic activities is profit-making?
(A) Capitalist
(B) Socialist
(C) Mixed
(D) Global
 2. Which of the following is the main objective of carrying out various economic activities?
(A) Profit
(B) Public welfare
(C) Competition
(D) Equality
 3. When was the National Development Council (NDC) set up as an adjunct to the Planning Commission?
(A) 1950
(B) 1969
(C) 1952
(D) 1979
 4. Agriculture sector contributed _____ percent to the GDP in 1990-91.
(A) 24.6
(B) 34.9
(C) 40.5
(D) 59.0
 5. What is needed to provide protection against natural calamities like floods, drought, locusts, thunderstorms, etc.?
(A) Multiple cropping
(B) Green revolution
(C) Crop insurance
(D) HYV
 6. Which of the following steps promoted the growth of the economy as a whole by stimulating the development of industrial and tertiary sectors?
(A) Independence
(B) Planning
(C) Colonial rule
(D) Green revolution
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7. How many industries have been reserved for the public sector under Industrial Policy Resolution, 1956?

- (A) 17
- (B) 21
- (C) 15
- (D) 2

8. The percentage of the total population below the poverty line has _____ in India since independence. (declined)

9. _____ is the Chairman of the Planning Commission. (Prime minister)

10. _____ economy is the framework of planning in India. (Mixed economy)

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

(A): Low-cost housing is not considered a “demand” in capitalistic society.

(R): In a socialist society the government decides what goods are to be produced in a accordance with the needs of society

- 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

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

(A): In the first phase of the green revolution, all the states received the HYV or High Yielding Variety of seeds.

(R): The use of HYV seeds primarily benefited the wheat growing regions only

- 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: d

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

(A): Industrial Policy Resolution of 1956 was adopted, in accordance with the goal of The state controlling the commanding heights of the economy

(R): System of licences was used for all the industries after the IPR 1956.

- 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: c

CASE STUDY:

Five–Year Plans of India

From: Wikipedia, the free encyclopedia

The Twelfth Plan completed its term in March 2017. Prior to the Fourth Plan, the allocation of state resources was based on schematic patterns rather than a transparent and objective mechanism, which led to the adoption of the Gadgil formula in 1969. Revised versions of the formula have been used since then to determine the allocation of central assistance for state plans. The new government led by Narendra Modi, elected in 2014, has announced the dissolution of the Planning Commission, and its replacement by a think tank called the NITI Aayog (an acronym for National Institution for Transforming India).

ANSWER THE FOLLOWING QUESTIONS:

1. Planning commission was renamed as _____ in _____ year.

Ans: NITI AAYOG in 2015

2. Who was the last Deputy Chairman of Planning?

Ans: Montek Singh Ahluwalia.

3. Who announced the replacement of planning commission and when?

Ans: The new government led by Narendra Modi, has announced the replacement in 2014.

4. Who was the first chairman of planning commission?

Ans: Prof. Mahalanobis

1. How did the Govt ensure that even the small farmers benefit from the green revolution like the rich farmers?

(Through minimum support price, sufficient credit facility, package of inputs before sowing seasons)

2. How do small scale industries promote rural development? (More labour intensive, generates more employment)

3. Explain how the tariffs and quotas protect the domestic industries. (Refer notes)

4. How was the licensing policy misused by some industrial houses? (Refer notes)

5. How did the Govt promote regional equality in industrial development?

(Explain about programmes taken by the government to promote small scale industry,

license)

6. Explain the policy of 'Land to the tiller' and its benefits.
(Explain about: abolition of zamindari system, abolition of intermediaries, land ceiling)
7. 'Subsidies provide an incentive for wasteful use of resources.' Comment. (Refer notes answer regarding arguments of subsidies)
8. Explain the statement "Green revolution enabled the government to procure sufficient food grains to build its stock that could be used at times of shortage"
 - a. The spread of green revolution enabled India to achieve self-sufficiency in food grains. We no longer had to be under the mercy of America or any other nation for meeting our nation's food requirements. As a result, price of food grains declined relatively to the other items of consumption.
 - b. The low-income groups who spent a large percentage of their income on food benefitted from this decline in price. Thus, the green revolution enabled the government to procure sufficient amount of food grains to build a stock which could be used in times of shortage of food.
9. Why despite the implementation of green revolution 65% of our population continues to be engaged in agriculture till 1990.

On the negative side, 65% of the country's population continued to be employed in agriculture even till 1990. Economists have found out that as the nation becomes more prosperous, the proportion of GDP contribution by agriculture as well as proportion of population working in this sector declined considerably. In India between 1950 and 1990, the proportion of GDP by agriculture declined but not the population depending on it. The other reason was that the industrial and service sector could not absorb the surplus labour force which was a failure of our policies during 1950-1990.

10. Discuss the different types of land reforms implemented in the agricultural sector.

Types of land reforms:

- Abolition of intermediaries:** Ownership of land to motivate cultivators to make improvements in agricultural production.
- Land ceiling:** Fixing a ceiling to redistribute surplus land among landless cultivators and prevent them from holding land below the minimum size.
- Landholding consolidation:** Preventing segmentation and sub-division of landholding to bring one large piece of land under cultivation.
- Regulation of rent:** Determining the rent payable by tenant cultivators.

11. What are the achievements of green revolution.

Achievements of the Green Revolution:

- Self-sufficiency in food grains through the use of high-
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yielding variety seeds for wheat and rice.

- A decline in the price of food grains as compared to other consumption goods; hence, low-income groups benefited from reduced prices.
- Procure the required amount of food grains to build a stock to be used in times of shortage.
- The government provided loans to small farmers to purchase the necessary inputs for new technology.

12. 'Growth with equity is a rational and desirable objective of planning.' - Do you agree?

Yes, it is essential for every nation to have growth along with equity.

- When there is only growth (without equity) in the economy then everyone is not enjoying the benefit of growth.
- So, the government should ensure appropriate allocation of wealth among the people to reduce economic inequality.

13. Note on Subsidies:

Subsidies to farmers

A subsidy is a direct or indirect monetary assistance granted by the government for production activities. Economists have different views on whether subsidies encourage farmers to use new technology or are a huge burden on government finances. For and against points highlighting farm subsidies in India:

Usefulness of subsidies	Against subsidies
<ul style="list-style-type: none">• Subsidies help in <i>encouraging farmers</i> to use new and innovative technology.	<ul style="list-style-type: none">• Once technology is widely accepted, the government should stop providing goods at subsidised rates.
<ul style="list-style-type: none">• In India, more than 50% of the farmers are poor and cannot afford new technology in their farming activity. So, the government can help them by providing subsidies.	<ul style="list-style-type: none">• Subsidies are provided to benefit farmers, but it has been observed that the fertiliser industry has benefited others more than farmers.
<ul style="list-style-type: none">• Abolishment of subsidy will violate the goal of equity because it raises differences between poor and rich farmers in India.	<ul style="list-style-type: none">• Also, farmers from prosperous regions benefited from subsidies more than farmers from poor regions.
<ul style="list-style-type: none">• Application of new technology in farming will increase the total output of agricultural products in developing nations.	<ul style="list-style-type: none">• The fertiliser subsidy should not be continued as it failed to serve the target group.