



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
WORKSHEET: 1	Topic: Indian Economy on the Eve of Independence

1. 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
2. Railways were introduced in India in the year
 - a. 1850
 - b. 1853
 - c. 1854
 - d. 1855
3. 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
4. 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
5. 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
6. _____ pursued by colonial Government adversely affected the structure, composition and volume of India's foreign trade.
 - a) Restrictive trade policy
 - b) De-industrialization
 - c) Policy of tariffs
 - d) Both a & c

7. Identify the incorrect statement from the following
- Indian economy under the British colonial rule remained fundamentally agrarian.
 - A small section of the farmers in India during the British Rule changed their crop pattern from food crops to commercial crops.
 - Opening of the Suez Canal reduced the British control over India's foreign trade.
 - The export surplus generated by Colonial India did not result in any flow of gold or silver into India.
8. According to the 1881 census, the overall literacy level was _____ percent and female illiteracy was _____ percent.
- 16 & 7
 - 10 & 2
 - 15 & 3
 - None of the above
9. India became a/an _____ economy to the British.
- agrarian
 - Independent
 - Feeder
 - Market
10. Who among the following made significant contribution in estimating National Income during the colonial period?
- Dadabhai Naoroji
 - William Digby
 - V. K. R. V. Rao
 - R. C. Desai
11. The economic policies followed by the colonial government in India transformed India as a supplier of _____
- Finished goods
 - Raw materials
 - Capital good
 - Both a & c
12. Suez Canal was opened for transport in the year____
- 1805
 - 1853
 - 1850
 - 1869
13. Which of the following was the main reason for stagnation in the agricultural sector during British rule?
- Technological deceleration
 - Problems of irrigation facilities
 - Land Settlement systems
14. What was the policy of British rulers in India for industrialisation?
- 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

15. 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

16. 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

Assertion Reasoning based questions:

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

- 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

1. Assertion (A): The year 1921 is described as the year of great divide.

Reason (R): It was in 1921 that India entered second stage of demographic transition.

A: (a)

2. Assertion (A): Export surplus generated by India resulted in inflow of gold & silver

Reason (R): Export surplus came at a huge cost to the country's economy.

A: (d)

3. 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.

Ans: d

4. 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.

Ans: a

CASE BASED QUESTIONS:

Read the below given passage and Answer the questions that follow.

There was hardly any capital goods industry to help promote further industrialisation in India. Capital goods industry means: industries which can produce machine tools which are, in turn, used for producing articles for current consumption. The establishment of a few manufacturing units here and there was no substitute to the near wholesale displacement of the country's traditional handicraft industries. Furthermore, the growth rate of the new industrial sector and its contribution to the Gross Domestic Product (GDP) remained very small. Another significant drawback of the new industrial sector was the very limited area of operation of the public sector. This sector remained confined only to the railways, power generation, communications, ports and some other departmental undertakings.

1. Which of the following industries is capable of further promoting industrialization in an economy?
 - a) Consumer goods industry
 - b) Chemical industry
 - c) Agro-based industries
 - d) Capital goods industry
2. Which of the following industries is most affected by the deindustrialization policy of British?
 - a) Capital goods industry
 - b) Traditional handicraft industry
 - c) Consumer goods industry
 - d) public sector industry
3. Which of the following is incorrect regarding industrial sector during colonial period?
 - a) A few manufacturing units were established
 - b) The contribution of industrial sector to GDP was very small
 - c) Growth rate of the new industrial sector was low
 - d) The operation of public sector was on an extensive scale.
4. Which of the following was not confined to public sector
 - a) Railways
 - b) Iron & Steel industry
 - c) Power generation
 - d) Communications & ports

Q n A:

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. How did commercialization of agriculture result in famines?

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

3. 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 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.
2. **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.
3. **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.
4. **Limited Operation of the Public Sector.** Public sector was confined to railways, power generation, communication, ports and some other departmental under-takings.

4. 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)