



Mount Giris Matric. Hr. Sec. School, *Ayyarmalai.*

II – Mid – Term Test – 2018 – 2019 (*Answer Key*)

XI
ECONOMICS
Marks:45
Time : 1.30 Hrs.

Note:- (i) Each questions carries one mark

Choose the correct answer:-

1. b) Co-existence of public and private sectors
2. b) GDP
3. d) Crude Birth Rate
4. b) Ethical foundation
5. a) M.S. Swaminathan
6. a) Cotton
7. b) Social welfare
8. d) a single point tax with no cascading effects
9. c) Kandla
10. c) Privatization

PART B

11. **Feature of Indian Economy:**

Agriculture is an important sector of Indian economy as it contribute about 17% to the total GDP and provides employment to over 60% of the population.

12. **“Choice of Technique:**

Sen’s “Choice of Technique” was a research work where he argued that in a labour surplus economy cannot be increased at the initial stage by the adaptation of capital-intensive technique.

13. **Weakness of Green Revolution:**

- Indian agriculture was still a gamble in the monsoons.
- This strategy needed heavy investment in seeds, fertilizers pesticides and water.
- Gap between irrigated and rain fed areas has widened.

14. **Land tenure:**

- Zamindari, Mahalwari, Ryotwari system.

15. **LPG:**

Basic reasons behind liberalization, privatization could be summarized as nations believe that globalization and nation – state are not in contradiction.

16. Privatization:

- Privatization means transfer of ownership and management of enterprises from public sector to private sector.
- Denationalization, disinvestment and opening exclusive public sector enterprises to private sector are the gate ways to privatization.

17. Special Economic Zones:

A special economic zone in which business and trade laws different from the rest of the country are located within a country's national borders, and their aims include increased trade, increased investment, job creation and effective administration.

PART – C

18. Economic Development:(i) Economic Development is indicated not just by GDP but also an increase in citizen's quality of life or well being. (ii). The quality of life is being assessed by several indices such as Human Development Index, Physical Quality of Life Index, and Gross National Happiness Index.

19. Village sarvodaya: (i) According to Gandhi "Rural India was to be found in villages and not in towns or cities".(ii) So he suggested the development of self-sufficient, self-dependent villages.

20. Handicrafts declined in India:

- Through discriminatory tariff policy, the British government successfully destroyed the demand for handicrafts.
- Indian products couldn't compete with machine-made products.
- There is no one like nawab, kings to protect Indian handicrafts.
- Introduction of railways in India increased the domestic market for the British goods.

21. Reasons for nationalization of commercial banks:

- The main objectives of the economic planning aimed at social welfare.
- Before the independence commercial bank were in the private sector.
- These commercial banks failed in helping the government to achieve social objectives of planning.
- Therefore, the government decided to nationalize 14 major commercial banks.

22. PQLI:

- PQLI is a measure to calculate the quality of live (well-being of a country)
- He included three indicators such as life expectancy, infant mortality rate and literacy rate.

- A scale of each indicator ranges from the number of 1 to 100.
- Number 1 represents the worst performance by any country.
- 100 is the best performance.

23. Cold storage:

- India is the largest producer of fruits and second largest producer of vegetables in the world.
- In spite of that per capita availability of fruits and vegetables is quite low because of post-harvest losses which account for about 25% to 30% of production.

24. Function of APMC:

- To promote public private partnership in the ambit of agriculture markets.
- To provide market led extension services to farmer.
- To ensure payments to the farmers for the sale of agricultural produces on the same day.
- To promote agricultural activities.
- To display data on arrivals and rates of agricultural produce from time to time into the market.

PART-D

25. (a) Strong features of Indian economy:

- High National Income
- High Percapita Income
- High Standard of Living
- Full Employment of Resources
- Dominance of Industrial Sector
- High Level of Technology
- High Industrialization
- High Consumption Level
- High Level of Urbanization
- Smooth Economic Growth
- Social equity, Gender Equality and low levels of Poverty.
- Political Stability and good governance.

(b) Gandhian Economic thought:

(i) **Village Republics:** Gandhi was interested in developing the villages as self-sufficient units.

On Machinery: Gandhi described machinery as “great sin”. He said that “books could be written to demonstrate its evils”... it is necessary to realize that machinery is bad.

Industrialization: Gandhi considered industrialism as a curse on mankind.

Decentralization: He advocated a decentralized economy. Production in the people’s home.

Village Sarvodaya: Real India was to be found in villages and not in towns or cities.

Bread Labour: Gandhi realized the dignity of human labour. He believed that God created man to eat his bread by sweat of his brow.

On population: Gandhi considered self-control and Brahmacharya as a sovereign remedy to the problem of over – population.

26. (a) Indian economy during British Period:

Merchant capital: British captured political power to secure maximum goods for minimum payments.

The land revenue was an instrument of plundering the peasant.

Industrial capital: British products were both inferior and costly, and thus failed to penetrate Indian markets.

To protect the textile industry in England from Indian competition, the British Government levied a heavy customs duty of 78% on imports of Indian product.

Finance capital: The third phase was the period of finance capital starting from the closing years of the 19th century and continuing till independence.

Decline of Indian Handicrafts: through discriminatory tariff policy, the British Government successfully destroyed the demand for handicrafts.

Land tenure system in India: Zemindari, Mahalwari, Ryotwari.

Problems of British Rule on economic conditions: (i) The British rule stunted the growth of Indian enterprise. (ii) Indian agriculture sector became stagnant and deteriorated, but large number of Indians were dependent on agriculture for subsistence.

(b) Role of SSI in economic Development: SSI provide employment: (i) SSI use labour intensive techniques. (ii) SSIs provides more employment and reduce unemployment.

SSIs Bring Balance Regional Development: It removes regional disparities by industrializing rural and backward areas and bring balanced regional development.

SSIs pave for optimization of capital: SSIs require less capital per unit of output.

They provided quick return on investment due to short gestation period.

SSIs Promote Exports: (i) It reduces the pressure on the country's balance of payment. (ii) it earns valuable foreign exchange through exports from India.

SSI complement Large Scale Industries: SSIs meet a complementary role to large scale sector and support the large scale industries.

SSIs meet consumer Demand: SSIs meet the demand of the consumers without creating a shortage for goods.

SSIs develop Entrepreneurship: SSIs helps to develop a class of entrepreneurs in the society.

They help the job seekers to come job givers.

27. (a) Important initiative taken by the Govt of India towards Industrial policy:

- Industrial delicensing.
- Dereservation of the industrial sector.
- Public sector policy
- Abolition of MRTP act.
- Foreign investment policy and foreign technology policy

Industrial delicensing: (i) under this policies, private sector firms have to secure licenses to start an industry.

(ii) This has created log delay in the startup of industries.

Dereservation of the Industrial sector: only three sectors like atomic energy, mining and railway will continue as reserved for public sector, all other sectors have been opened for private sector.

Reforms related to the public sector enterprises: (i) Public sectors aimed at enhancing efficiency and competitiveness of the sector. (ii) the government identified strategic and priority areas for the public sector to concentrate.

Abolition of MRTP Act: the new industrial policy of 1991 has abolished the monopoly and restrictive trade policies act in 2010.

Foreign Investment Policy: Another major features of the economic reform was red carpet welcome to foreign investment and foreign technology.

(b) Characteristics of SEZs:

- Administrated by single body authority.
- Having separate custom area.
- Geographically demarked area with physical security.
- Stream lined procedures.
- Governed by more liberal economic laws.

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