

Economy

INTRODUCTION

- India's a **developing economy** with agriculture being its backbone.
- It is a **mixed economy** where both public and private ownership prevail.
- It is a World's fourth largest in terms of real GDP after USA, China and Japan.
- Estimated to be **third largest economy** with a GDP size of \$15 trillion by 2030.

Features

- Low per capita income
- Heavy Population Pressure
- **Pre-dominance** of Agriculture
- Unemployment
- Low Rate of **Capital Formation**
- Poor Technology
- Backward Institutional and social framework
- Under-utilization of Resources
- Price instability
- Dependence on Imports
- Income **Disparities**
- Poverty

HISTORY OF PLANNING IN INDIA

- **1934:** First attempt to **initiate** economic planning in India was made by **Sir M.Visvesvarayya**, through his book '**Planned Economy For India**'.
- **1938:** 'National Planning Commission' was set up under the chairmanship of **J.L. Nehru** by the Indian National Congress.
- **1944:** '**Bombay Plan**' was presented by 8 leading industrialists of Bombay.
- **1944:** '**Gandhian Plan**' was given by S. N. Agarwal.
- **1945:** '**People's Plan**' was given by **M. N. Roy**.
- **1950:** '**Sarvodaya Plan**' was given by **J. P. Narayan**. A few points of this plan were accepted by the Government.

The Planning Commission

- It was set up on **March 15, 1950** under the chairmanship J.L. Nehru, by a **resolution** of Union Cabinet.
- It is an extra-constitutional, **non-statutory body**.
- Prime Minister is the ex-officio Chairman, one deputy-Chair appointed by the PM and some full time members.

- On May 29 ,2014, according to reports of IEO, Planning Commission submitted to PM Modi, Planning Commission to be replaced by "Control Commission".
- In January **2015**, Cabinet **resolution** replaced the **Planning Commission** by **NITI Aayog**.

PLANS

First Plan (1951 - 56)

- Based on **Harrod-Domar Model**.
- Community Development Program launched in 1952
- Focus on **agriculture, price stability, power and transport**.

Second Plan (1956 - 61)

- Also called **Mahalanobis Plan**.
- Focus - **rapid industrialization**
- Target Growth: 4.5% ; Actual Growth: 4.27%

Third Plan (1961 - 66)

- Target Growth: 5.6% ; Actual Growth: 2.4%
- Agriculture was given to priority to support the exports and industry.
- Aimed to make India a '**self-reliant**' and '**self-generating**' economy.
- Complete failure in reaching the targets due to unforeseen events - Chinese aggression (1962), Indo-Pak war (1965), severe drought 1965-66.

Three Annual Plans (1966-69) Plan holiday for 3 years

- The main reasons for plan holidays were the war, lack of resources, and increase in inflation.
- Equal priority was given to agriculture, its allied activities, and industrial sector.
- During the Annual Plans, the economy absorbed the shocks generated during the Third Plan.

Fourth Plan (1969 - 74)

- Target growth rate was 5.6%, actual growth rate was 3.3%.
- Main emphasis was on growth rate of agriculture to enable other sectors to move forward

Fifth Plan (1974-79)

- The fifth plan was prepared and **launched by D.D. Dhar**.
- Target growth rate was 4.4% and the actual growth rate was 5.0%.
- Expansion of tourism.

- It proposed to achieve two main objectives: ‘**removal of poverty**’ (Garibi Hatao) and ‘**attainment of self reliance**’.
- The plan was terminated in 1978 (instead of 1979) when Janta Party Govt. rose to power.

Rolling Plan (1978 - 80)

- There were two Sixth Plans. Janta Government put forward a plan for 1978-1983. However, the government lasted for only 2 years. Congress Govt. returned to power in 1980 and launched a different plan.

Sixth Plan (1980 - 85)

- Target growth rate was 5.2% and the actual growth rate was 5.4%.
- It was a great success and marked the beginning of **economic liberalisation**.
- Focus - Increase in national income, modernization of technology, ensuring continuous decrease in poverty and unemployment, population control through family planning, etc.

Seventh Plan (1985 - 90)

- Target growth rate was 5.0% and the actual growth rate was 6.01%.
- Focus - rapid growth in food-grains production, increased employment opportunities and productivity within the frame-work of basic tenants of planning.

Eighth Plan (1992 - 97)

- It was postponed by two years because of political uncertainty at the Centre.
- **Modernization of industries was a major highlight.**
- Main economic outcomes were rapid economic growth, high growth of agriculture and allied sectors, and manufacturing sector, growth in exports and imports, improvement in trade and current account deficit.
- Target growth rate: 5.6%; Average growth rate: 6.78%

Ninth Plan (1997- 2002)

- Target growth was 7.1% and the actual growth was 6.8%.
- It was developed in the context of four important dimensions: Quality of life, generation of productive employment, regional balance and self-reliance.

Tenth Plan (2002 - 2007)

- Target growth: 8.1%
Growth achieved: 7.7%
- **20 point program was introduced.**
 - It targetted a GDP growth of 8% per annum.
 - Reduction in gender gaps in literacy and wage rates by at least 50%
 - Providing gainful and high-quality employment at least to the addition to the labour force.
 - Reduction of poverty rate by 5%.

Eleventh Plan (2007 - 2012)

- Accelerate GDP growth from 8% to 10%.
- Reduce Total Fertility Rate to 2.1
- Increase agriculture growth to 4%.
- Emphasis on social sector and delivery of service therein.
- Empowerment through education and skill development.

Twelfth Five Year Plan (2012-2017)

Major objective: Faster, Sustainable and More Inducive Growth.

Planning Commission in its meeting held on April 2011, the Prime Minister, Dr. Manmohan Singh, addressed the Planning Commission concerning the twelfth Five Year Plan of India. The main points of the Twelfth Plan are:

Resource Allocation Priorities in 12th plan

- Health and Education received less than projected in Eleventh Plan. Allocations for these sectors will have to be increased in 12th plan.
- Health, Education and Skill Development together in the Centre’s Plan will have to be increased by at least 1.2% point of GDP.
- Infrastructure, including irrigation and watershed management and urban infrastructure, will need additional 0.7 percentage point of GDP over the next 5 years.
- PPP model must be encouraged, including in the social sector, i.e. health and education. Efforts on this front need to be intensified.
- Distinction between plan and non-plan being reviewed by Rangarajan Committee.

Important Points

- Planning Commission has been replaced by NITI Aayog.
- Montek Singh Ahluwalia was the last Deputy Chairman of the Commission (resigned on 26 May 2014).
- Five-Year Plans (FYPs) are centralized and integrated national economic programs.

NATIONAL INCOME OF INDIA

- **National Income** is the money value of all the final goods & services which produced by a country during one year.
- India is now the world’s **3rd largest** economy in terms of real prices and purchasing power.
- For national income, the Indian economy is divided into 14 broad sectors which are grouped into 3 main categories.

Sector	Activity
Primary Sector	Agriculture and Allied Sector
	Forestry
	Fishing
	Mining & Quarrying
Secondary Sector or Industrial sector	Manufacturing
	Electricity, Gas and Water Supply
	Construction
Tertiary Sector or Service Sector	Trade, Hotels and Restaurants
	Transport
	Storage
	Communication
	Financing, (Banking Insurance)
	Real Estate and Business Services
	Community, Social, Personal and other Services

Measures/Concepts of National Income

1. **Gross Domestic Product (GDP):** GDP is the total money value of all final goods & services produced within the geographical boundaries of the country (produced by resident citizens + foreign nationals) during a given period of time, generally one year.

$$\text{GDP} = Q \times P,$$

Q = Total quantity of final goods & services.

P = Price of final goods & services.

2. **Gross National Product (GNP):** GNP is the money value of total output or production of final goods & services produced by the nationals of a country during a given period of time, generally a year. In this case, the income of all the resident & non-resident citizens of a country is included whereas the income of foreign nationals who reside within the geographical boundary of the country is excluded.

$$\text{GNP} = \text{GDP} + (X - M)$$

X = Export of goods & services

M = Import of goods & services

X - M = Net Factor Income from Abroad (NFIA)

So, $\text{GNP} = \text{GDP} + \text{NFIA}$

3. **Net National Product (NNP):** can be calculated in 2 ways:-

- (i) NNP at market price:

$$\text{NNP} = \text{GNP} - \text{Depreciation}$$

Depreciation means wear & tear of goods produced.

NNP at market price includes Indirect taxes and excludes subsidies.

- (ii) NNP at factor cost: NNP at factor cost calculates National Income only on the basis of cost incurred to produce the goods & services. This cost is the payment made to the factors of production.

$$\text{NNP}_{fc} = \text{NNP}_{mp} - \text{Indirect Taxes} + \text{Subsidy}$$

When NNP is obtained at factor cost, it is known as National Income.

Likewise, GDP at factor cost also can be calculated.

$$\text{GDP}_{fc} = \text{GDP}_{mp} - \text{Indirect Taxes} + \text{Subsidy}$$

4. **Personal Income :** It is that income which is actually obtained by nationals in one year.

P.I. = National Income - Undistributed Profits of Corporation - Payments for Social Security Provisions - Corporate Taxes + Government Transfer payments + Business Transfer payments + Net Interest paid by government.

Social Security Provisions = Payments made by employees towards pension & provident fund

Transfer payments = Payments made not against any productive activity. eg. - old age pension, unemployment compensation, disaster relief payment, etc.

5. **Disposal Personal Income (DPI):** Income that is available to individuals that can be disposed at their will.

$$\text{DPI} = \text{Personal Income} - \text{Direct Taxes.}$$

6. **National Income at constant price & current price**

NI @ CONSTANT PRICE = Total quantity of all final goods & services produced in a particular year \times Price of base year.

Base year of National Income accounts is the year chosen to enable inter-year comparisons. The new series changes the base to 2011-12 from 2004-05

NI @ CURRENT PRICE = Total quantity of all final goods & services produced in a particular year \times Price of goods & services in that particular year.

NATIONAL RURAL HEALTH MISSION

- Focus will be post-menopausal problems, osteoporosis and breast and cervical cancer.
- Dovetailing of NRHM with IGMSY [Indra Gandhi Matritva Sahyog Yojana] (conditional cash transfer for maternity benefit) and National Food Security Bill (NFSB) will be undertaken.
- Training Anganwadi and ASHA workers (Accredited Social Health Activist) on issues relating to nutrition, counselling, child rights and gender discrimination
- Work of ASHAs/AWWs, will be valued and recognised.

Child labour v/s Right to Education (RTE)

- RTE = Every child between the ages of 6 and 14 has right to free (and compulsory) elementary education
- Child Labour (Prohibition and Regulation) Act of 1986 makes a distinction between hazardous and non-hazardous categories of work for children under 14 years.

Rashtriya Bal Swasthya Karyakram

- This scheme was launched in 2013.
- To provide comprehensive healthcare and improve the quality of life of children focus on 4D.
- Defects at birth (cleft lip, down's syndrome, Talipes etc.).
- Diseases (dental, heart, asthma etc.).
- Deficiencies (Vit.A deficiency = Bitot spot).
- Development delays including disability.

ICDS

- Integrated Child Development Service started in 1975.
- Beneficiary-children below the age of six, lactating mothers, pregnant mothers.
- Provides for nutritional and health status, immunization, health checkups, pre-school and non-formal education
- Has convergence with reproductive and child health (RCH) program under National Rural Health Mission

Dhanlakshmi

Conditional cash transfer for girl child, launched in 2008, for fulfilling following conditions:

- birth and registration of birth
- immunization
- enrolment and retention in school

For this scheme, 12th FYP wants conditional transfer of assets (like home via IAY) instead of cash transfer.

Rajiv Gandhi National Creche

- Scheme provides for day-care facilities to 0-6 year-old children of working mothers by opening crèches and development services
- Requirement: combined monthly income of both the parents should not exceed ₹12,000 for availing of the facilities.

INDUSTRIES: PUBLIC SECTOR ENTERPRISES, NAVRATNAS AND MAHARATNAS

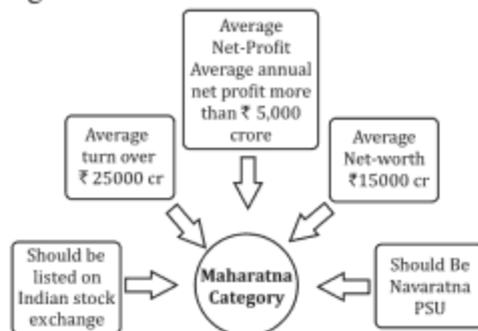
- Public Sector Enterprises (PSE) is a government-owned corporation owned by Union Government of India, or one of the many state or territorial governments, or both.
- They are under the Department of Public Enterprises of Ministry of Heavy Industries and Public Enterprises.
- There are currently 254 PSU companies in India.

Financial autonomy

- Maharatna**
 - Navratna**
 - Miniratna**
- CPSEs (itself divided into Category I & Category II)
In present, There are 8 Maharatna, 16 Navratna and 75 Miniratna CPSE'S.

Criteria for giving Maharatna Status

- Company already holds Navratna status.
- It is listed on the Indian stock exchange fulfilling the minimum prescribed public shareholding according to the SEBI regulations.



8 Maharatna CPSEs, namely:

- Bharat Heavy Electricals Limited
- Coal India Limited
- GAIL (India) Limited
- Indian Oil Corporation Limited
- NTPC Limited
- Oil & Natural Gas Corporation Limited
- Steel Authority of India Limited
- Bharat Petroleum Corporation Limited.

Criteria for giving Navratna Status

- Company must have 'Miniratna Category – I' status along with a Schedule 'A' listing.
- It should have at least 3 'Excellent' or 'Very Good' Memorandum of Understanding (MoU) during the last five years.

There are 16 Navratna CPSEs in the country, these are:

- Bharat Electronics Limited
- Container Corporation of India Limited
- Engineers India Limited
- Hindustan Aeronautics Limited
- Hindustan Petroleum Corporation Limited
- Mahanagar Telephone Nigam Limited
- National Aluminium Company Limited
- National Buildings Construction Corporation Limited

- NMDC Limited
- Neyveli Lignite Corporation Limited
- Oil India Limited
- Power Finance Corporation Limited
- Power Grid Corporation of India Limited
- Rashtriya Ispat Nigam Limited
- Rural Electrification Corporation Limited
- Shipping Corporation of India Limited

INDUSTRIAL POLICY 1991

(A) Objectives

- to maintain a *sustained growth* in productivity.
- to enhance *gainful employment*.
- to achieve *optimum utilisation of human resources*.
- to attain *international competitiveness*.
- to transform India into a major partner and players in the global arena.

(B) Main Focus on

- deregulating* Indian industry.
- allowing the industry *freedom and flexibility* in responding to market forces, and
- providing a policy regime which *facilitates and fosters growth* of Indian industry.

(C) Policy Measures

- Liberalisation* of Industrial Licensing Policy.
- Introduction of *Industrial Entrepreneur's Memorandum* (i.e. no industrial approval is required for industries not requiring compulsory licensing).
- Liberalisation* of Locational Policy.
- Liberalised* policy for Small Scale Sectors.
- Non-Resident Indians Scheme (NRIs are allowed to invest upto 100% equity on non-repatriation basis in all activities except for a small negative list).
- Electronic Hardware Technology Park* (EHTP), *Software Technology Park* (STP) Scheme for building up strong electronic industry to enhance exports.
- Liberalised* policy for Foreign Direct Investment (FDI).
- Abolition of the MRTP limit.
- FERA was replaced by highly liberal FEMA.

MAJOR INDUSTRIES IN INDIA

Classification of Industries:

A. On the basis of source of raw materials

- Agro based industry (cotton textile, jute textile and sugar).
- Mineral based industry (iron and steel, machine tools and aluminium).

B. On the basis of main role played by the industry

- Basic industries: these are the industries whose finished products are used as the raw materials for other industries.
- Consumer goods industries: these are the industries whose finished products are directly used for consumption by consumers.

C. On the basis of capital investment

- Small scale industry
- Large scale industry

D. On the basis of ownership

- Public sector undertaking (SAIL, HAL, BEML)
- Private sector undertaking (TISCO, Mahindra and Mahindra, Birla Cement)

- Joint sector undertaking (Oil India Limited)
- Co-operative industries (Sugar Industry in Maharashtra)

E. Based on the bulk of raw materials and finished products

- Heavy industries
- Light industries

In India, industries are concentrated in four main regions:

1. West Bengal, Jharkhand and Chhatisgarh
2. Maharashtra and Gujarat region
3. Gangetic Plains
4. South India

FIRST TIME IN INDIA

Cotton Industry	1818 Fort Gloster (Kolkata)
Iron and Steel Industry	1870 Kulti (West Bengal)
Sugar Industry	1900 Bihar
Jute Industry	1855 Rishara (West Bengal)
Paper Industry	1812 Serampur (W. Bengal)
Petroleum Industry	1956 Digboi (Assam)
Cement Industry	1904 Chennai (Tamil Nadu)

Agro-based Industries of India:

These industries depend on agricultural products as raw materials for the manufacturing products.

Cotton Textile Industry

- **Mumbai is called the Manchester of India**, for the large concentration of cotton mills in and around the city.
- India is one of the leading producers of cotton textile, ranking third in the world.

Jute Industry

- India is the **largest producer of raw jute** and jute goods and is the second largest exporter after Bangladesh. Also faces competition from Brazil and Thailand.
- Most of the 70 jute mills are located on the 98 km belt on both sides of River Hooghly in West Bengal.

Committees on Indian Economy

AC Shah Committee	Non-Banking Financial Company
Bimal Jalan Committee	Market Infrastructure Instruments
Malegam Committee	Functioning of Micro Finance
Birla Committee	Corporate Governance
Kirit Parikh Committee	Rationalisation of Petroleum Product Prices
Chaturvedi Committee	Improving National Highways in India
SR Hashim Committee	Urban Poverty
Abhijit Sen	Wholesale Price Index
C Rangarajan	Services Price Index
Abid Hussain Committee	Development of Capital Markets
Damodara Committee	Customer Service in Banks
Khandelwal Committee	Human Resource in Commercial Banks
Patil Committee	Corporate Debt
VK Sharma Committee	Credit to Marginal Farmers
Sarangi Committee	Non-Performing Assets
Khanna Committee	Regional Rural Banks
Dantawala Committee	Lead Bank Scheme
Gadgil Committee	Financial Inclusion

Sugar Industry

- India ranks second in the world in the production of sugar and **first in producing gur and khandsari**.
- Major sugar producing states: Maharashtra, UP, Gujarat, Bihar, MP, Haryana, Karnataka, Andhra Pradesh and Tamil Nadu.
- Problems faced: seasonal nature, transport delays, outdated and inefficient machineries.

Paper Industry

- Major centres are Kolkata, Titagarh, Kakinada and Bhadravati.
- India's production falls short of the demand.
- A large quantity of paper has to be imported.

Mineral-based Industries of India

Iron and Steel Industry

- **India ranks 5th in the world in steel production and first in the production of sponge iron.**
- Most of the steel plants are controlled by Steel Authority of India Limited (SAIL) that was established in 1974 and is responsible for development of steel industry.
- **First large scale steel plant TISCO at Jamshedpur in 1907** followed by IISCO at Burnpur in 1919. Both belonged to private sector.
- **The first public sector unit was 'Vishveshvarraya Iron and Steel Works' at Bhadravati.**
- Bhilai, Durgapur and Rourkela were established during the second five year plan. Bokaro was established during the third five year plan while the steel plants at Salem, Vijay Nagar and Vishakhapatnam were established in the fourth five year plan.

Aluminium Smelting

- It is the second most metallurgical industry in India.
- There are eight aluminium smelting plants in India.

Chemical and Fertilizer Industry

- India ranks 12th in the world in the production of different types of chemicals.
- India is the third largest nitrogenous fertilizer producer of the world.
- India exports cement to South and East Asia, Middle East and Africa.

EXERCISE

- The central banking functions in India are performed by the:
I. Central Bank of India
II. Reserve Bank of India
III. State Bank of India
IV. Punjab National Bank
(a) I, II (b) II (c) I (d) II, III
- Development expenditure of the Central government does not include:
(a) defence expenditure
(b) expenditure on economic services
(c) expenditure on social and community services
(d) grant to states
- ICICI is the name of a:
(a) chemical industry (b) bureau
(c) corporation (d) financial institution
- On July 12, 1982, the ARDC was merged into:
(a) RBI (b) NABARD
(c) EXIM Bank (d) None of the above
- In which of the following types of economy are the factors of production owned individually?
(a) Capitalist (b) Socialist
(c) Mixed (d) Both (a) and (b)
- Poverty in less developed countries is largely due to:
(a) voluntary idleness
(b) income inequality
(c) lack of cultural activities
(d) lack of intelligence of the people
- The most appropriate measure of a country's economic growth is its:
(a) Gross Domestic Product (b) Net Domestic Product
(c) Net National Product (d) Per Capita Real Income
- Which of the following committees examined and suggested financial sector reforms?
(a) Abid Hussain Committee (b) Bhagwati Committee
(c) Chelliah Committee (d) Narasimham Committee
- Which of the following contributes the maximum earnings in Indian Railways?
(a) Passenger Earning (b) Goods Traffic Earning
(c) Sundry Earning (d) Other Coach Earning
- SEBI is a
(a) constitutional body (b) advisory body
(c) statutory body (d) non-statutory body
- Who has presented the Union Budget of India maximum number of times?
(a) Choudhary Charan Singh (b) Pranab Mukherjee
(c) VP Singh (d) Morarji Desai
- Who prints and supplies the currency notes in India?
(a) Security Press, Noida (b) Security Press, Mumbai
(c) RBI, Delhi (d) Security Press, Nasik
- Indian Economy is.....economy.
(a) mixed (b) socialist
(c) free (d) Gandhian
- The 'Father of Economics' is:
(a) Max Muller (b) Karl Marx
(c) Adam Smith (d) Paul
- National Sample Survey (NSS) was established in
(a) 1950 (b) 1951 (c) 1952 (d) 1943
- Agriculture Income Tax is assigned to the State Government by:
(a) the Finance Commission
(b) the National Development Council
(c) the Inter-State Council
(d) the Constitution of India
- National Income is the:
(a) Net national product at market price
(b) Net national product at factor cost
(c) Net domestic product at market price
(d) Net domestic product at factor cost
- Who among the following was the first Chairman of the Planning Commission?
(a) Dr Rajendra Prasad (b) Pt Jawaharlal Nehru
(c) Sardar Vallabhbhai Patel (d) JB Kriplani
- Planning Commission was established in the year:
(a) 1950 (b) 1947 (c) 1975 (d) 1960
- During which Plan the growth rate of agricultural production was negative?
(a) Third Plan (b) Second Plan
(c) First Plan (d) None of these
- The Planning Commission of India is:
(a) a constitutional body
(b) a statutory body
(c) a non-statutory body
(d) an independent and autonomous body
- Which one of the following statements most appropriately describes the nature of the Green Revolution?
(a) Intensive cultivation of crops
(b) Seed-fertilizer-water technology
(c) Intensive agriculture district programme
(d) High-yielding varieties programme
- Who gave the call for 'Evergreen Revolution' in India?
(a) MS Swaminathan (b) APJ Abdul Kalam
(c) Dr Manmohan Singh (d) MS Ahluwalia
- Abid Hussain Committee is related to reforms in industries.
(a) private sector (b) large
(c) public sector (d) small
- Name the First Indian private company to sign an accord with Government of Myanmar for oil exploration in second offshore blocks in that country:
(a) Reliance Energy (b) GAIL
(c) ONGC (d) Essar Oil
- National Development Council (NDC) was constituted in:
(a) 1948 (b) 1950 (c) 1952 (d) 1947
- Planning in India was started in:
(a) 1951 (b) 1950
(c) 1952 (d) None of these

28. 'Gadgil Formula' is concerned with:
 (a) 4th plan (b) 6th plan
 (c) 1st plan (d) 3rd plan
29. 'Mukherjee Committee' was constituted during:
 (a) 5th plan (b) 4th plan
 (c) 6th plan (d) 8th plan
30. Who made the first attempt to estimate the National Income of India?
 (a) Dadabhai Naoroji (b) RC Dutt
 (c) V K R V Rao (d) PC Mahalanobis
31. Which of the following bank is a commercial bank?
 (a) SBI
 (b) Regional Rural Banks (RRBs)
 (c) Cooperative Bank
 (d) All of the above
32. The Imperial bank of India was established in:
 (a) 1945 (b) 1931 (c) 1921 (d) 1936
33. Mumbai Stock Exchange was set up in:
 (a) 1875 (b) 1948 (c) 1952 (d) 1891
34. UTI is now controlled by:
 (a) IDBI (b) Finance Ministry
 (c) RBI (d) SBI
35. State Bank of India (SBI) came into existence in:
 (a) 1948 (b) 1955 (c) 1935 (d) 1949
36. NABARD was established in:
 (a) 1982 (b) 1964 (c) 1980 (d) 1990
37. IDBI was established in:
 (a) 1964 (b) 1972 (c) 1982 (d) 1955
38. RBI was nationalized in:
 (a) 1949 (b) 1935 (c) 1969 (d) 1955
39. The largest bank of India is:
 (a) RBI (b) SBI
 (c) Central Bank (d) Bank of India
40. The headquarter of RBI is in:
 (a) Mumbai (b) Delhi
 (c) Kolkata (d) Chennai
41. SEBI (Securities and Exchange Board of India) was constituted in:
 (a) 1986 (b) 1982 (c) 1988 (d) 1992
42. The majority of workers in India are:
 (a) casual workers (b) self-employed
 (c) regular salaried workers (d) None of these
43. Which of the following institutions does not provide loans directly to the farmers?
 (a) NABARD
 (b) State Bank of India
 (c) Regional Rural Bank
 (d) Primary Agricultural Credit Society
44. The apex institution in the area of rural finance is:
 (a) RBI (b) SBI
 (c) NABARD (d) All of these
45. Who was the Chairman of the first Finance Commission?
 (a) K Santhanam (b) A K Chandra
 (c) P V Rajamannar (d) KC Niyogi
46. Who is the Chairman of the 13th Finance Commission?
 (a) Vijay Kelkar (b) K C Pant
 (c) C Rangarajan (d) Montek Singh Ahluwalia
47. National Rural Employment Guarantee Scheme (NREGS) came into force in:
 (a) 2004 (b) 2006 (c) 2002 (d) 2005
48. Community Development Programme was launched in India is:
 (a) 1948 (b) 1952 (c) 1950 (d) 1951
49. Green Revolution in India was launched in:
 (a) 1971-72 (b) 1960-61
 (c) 1966-67 (d) 1980-81
50. Which of the following is/are included in the primary sector?
 (a) Agriculture (b) Mining
 (c) Forestry (d) All of these
51. Which of the following is related to secondary sector?
 (a) Manufacturing (b) Transport
 (c) Trade (d) All of these
52. Service sector (tertiary sector) includes:
 (a) trade (b) transport
 (c) health and education (d) All of these
53. Vat has been introduced on the recommendation of:
 (a) Kelkar Committee (b) Rangarajan Committee
 (c) L K Jha Committee (d) None of these
54. In India, VAT was implemented on:
 (a) 1 April, 2004 (b) 1 April, 2005
 (c) 1 April, 2006 (d) 1 March, 2005
55. Which state published the Human Development Report for the first time in India?
 (a) Kerala (b) MP
 (c) UP (d) Rajasthan
56. Disguised unemployment in India is prevalent in:
 (a) service sector (b) manufacturing sector
 (c) agriculture sector (d) None of these

Hints & Solutions

1. (b) 2. (a) 3. (d) 4. (b) 5. (a) 6. (b)
 7. (d) 8. (d) 9. (b) 10. (c) 11. (d) 12. (c)
 13. (c) 14. (c) 15. (c) 16. (a) 17. (d) 18. (b)
 19. (a) 20. (a) 21. (c) 22. (b) 23. (a) 24. (c)
 25. (d) 26. (c) 27. (a) 28. (a) 29. (d) 30. (a)
 31. (a) 32. (c) 33. (a) 34. (a) 35. (b) 36. (a)
 37. (a) 38. (a) 39. (a) 40. (a) 41. (c) 42. (b)
 43. (a) 44. (c) 45. (d) 46. (a) 47. (b) 48. (b)
 49. (c) 50. (d) 51. (a) 52. (d) 53. (c) 54. (b)
 55. (b) 56. (c)