

DEVELOPMENT EXPERIENCE (1947-1950)

STUDY-NOTES

- Economy of a country includes all production, distribution or economic activities that relates with people and determines the standard of living. On the eve of independence Indian economy was in a very bad shape due to the presence of British colonial rule.

The Britishers generally framed policies that favoured England. The only purpose of Britishers was to unjustly enrich themselves at the cost of India's economic development. Thus, in 1947, when British transferred power back to India, we inherited a crippled economy.

- **India's National and Per Capital Income under Colonial Rule:** There were no efforts from the part of the colonial government to measure the national and per capital income of India. Some individual attempts were made to measure such incomes but produced conflicting and inconsistent results. The contribution of VKRV Rao and Dadabhai Naoroji are considered very significant in this context.
- **Low Economic Growth under Colonial Rule:** India had an independent economy before the arrival of British rule. But the Britishers dominated it for over a period of 200 years. Britishers framed policies that protected and promoted the economic interests of their own country. They transformed India into supplier of raw materials and consumer of finished goods from the factories of Britain. Such policies affected Indian economy very adversely. In this context, we will discuss the conditions of certain sectors that were badly affected by the presence of colonial rule, i.e., on the eve of independence.
- **State of Agriculture Sector:** Agriculture was the main source of livelihood for most of the people of India, and about 85% of the country's population lived mostly in villages and derived livelihood directly or indirectly from agriculture.

In spite of such a large segment of the population being dependent of agriculture, either directly or indirectly, this sector was facing stagnation and constant deterioration, as is brought forward through the following points.

1. **Low Level of Productivity:** Productivity, i.e. output per hectare of land was very low.
2. **High Degree of Vulnerability:** Agriculture was vulnerable to climatic factors and mostly affected by erratic rainfall. Poor rainfall generally led to a low level of output and also to crop failures. No effort was made by British Government to provide permanent source of irrigation facilities for the farmers.

The reasons for stagnation of agricultural sector were:

- (i) **Land Revenue System:** The zamindars were recognised as permanent owners of the soil. Zamindars were to pay a fixed sum to the government as land revenue and they were absolutely free to extract as much from the tillers of the soil as they could.
Their main interest was in rent collection regardless of the economic conditions of cultivators and this caused misery and social tension among the latter.
- (ii) **Lacking of Resources:** Because the tillers had to pay huge amount of rent, referred to as 'Lagaan', they were not left with any surplus to be able to provide for resources needed in agriculture in the form of fertilisers or providing for irrigation facilities. This further lowered the agricultural productivity.
- (iii) **Commercialization of Agriculture:** Commercialization of agriculture refers to shift from cultivation for self- consumption to cultivation for sale in the market. It also refers to cultivation of cash-crops like cotton, indigo, etc.

Due to commercialization of agriculture, there was some evidences of a relatively higher yield of cash crops in certain areas of the country. But this could not help in improving the conditions of Indian farmers.

Instead of producing food crops, farmers were producing cash crops, which were ultimately to be used by British industries.

- **State of Industrial Sector:** In the pre-British period, India was particularly well-known for its handicraft industries, in the fields of cotton and silk textiles, metal and precious stone works, etc. These products enjoyed a worldwide market based on the reputation of the fine quality of material used and the high standards of craftsmanship.

But the Britishers followed a policy of systematic de-industrialisation by creating circumstances conducive to the decay of handicraft industry and not taking any steps to promote modern industry and reduced India to a mere exporter of raw material and importer of finished goods.

The following points bring forward the state of the industrial sector at the eve of independence

1. **Decay of Handicraft Industry:** The traditional handicraft industry in India enjoyed worldwide reputation, but the British misrule in India led to the decline of Indian handicraft industry. The Britishers adopted the following policies to systematically destroy the handicraft industry.

- (i) **Discriminatory Tariff Policy of the State:** The Britishers followed a discriminatory tariff policy by allowing tariff free exports of raw material from India (to provide for the requirements of their industries in Britain) and tariff free import of British Industrial products (to promote British goods in India), but placed a heavy duty on the export of handicraft products. So, Indian handicraft products started losing their domestic as well as foreign markets.

- (ii) **Competition from Machine-made Products:** Machine-made products from Britain were cheap and better in quality than the handicraft products. This competition forced many a handicrafts to shut down their business.

- (iii) **Introduction of Railways in India:** The Britishers introduced Railways in India, to expand the market of its low priced industrial products. Consequently, the demand of high-priced handicraft products started to fall, thus leading to the downfall of handicraft industry.

2. **Slow Growth of Modern Industry:** Under second half of 19th Century, modern industry showed slow growth. This development was confined to the setting up of cotton and jute textile mills. Subsequently, the iron and steel industries began coming up in the beginning of the 20th century.

In this context, the Tata Iron and Steel Company (TISCO) was incorporated in August, 1907 in India. It established its first plant in Jamshedpur [Bihar, at present Jharkhand].

- (i) **Limited Growth of Public Sector Enterprises:** The public sector enterprises such as railways, power, post and telegraph were confined to areas which would enlarge the size of market for British products in India.

- (ii) **Lopsided Industrial Structure:** The industrial growth was lopsided, in the sense that consumer goods industry was not adequately supported by the capital goods industry.

- (iii) **Lack of Basic and Heavy Industries:** No priority was given for the development of basic and heavy industries. Tata Iron and Steel Mills was the only basic industry in India.

- **State of Foreign Trade:** Due to the restrictive policies of commodity production, trade and tariff were imposed by the colonial government, it adversely affected the structure, composition and volume of India's foreign trade.

Following were the reasons behind the poor growth of foreign trade

1. **Exporter of Primary Products and Importer of Finished Goods:** Under the colonial rule, 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.

2. **Britain's Monopoly Control:** Britain maintained a monopoly control over India's exports and imports. Due to this, more than half of India's foreign trade was restricted to Britain while the rest was allowed with a few other countries like; China, Ceylon (Sri Lanka) and Persia (Iran). The opening of Suez Canal in 1869 further intensified British control over India's foreign trade.

3. **Drain of India's Wealth:** An important characteristic of foreign trade throughout the colonial period was the generation of a large export surplus. But this surplus came at a huge cost to the country's economy. Several essential commodities like food grains, kerosene, were scarcely available in the domestic market.

Also, this surplus was not used in any developmental activity of India. Rather, it was used to maintain the administrative set-up of the Britishers or bear the expenses of war taught by Britain.

All of this, led to the drain of Indian wealth.

- **State of Occupational Structure:** During the colonial period, the occupational structure of India exhibited its backwardness. The agricultural sector accounted for the largest share of the work force which remained at a high of 70-75% of the work force and the manufacturing and services sectors accounted for only 10 and 15- 20% respectively. There existed a growing regional disparity with few states such as Orissa, Rajasthan and Punjab witnessing an increase in agricultural workforce while the states which were the parts of Madras presidency. Bombay and Bengal witnessed a decline in the percentage of work force dependent on agriculture.
- **State of Infrastructure:** Infrastructure comprises of such industries which help in the growth of other industries. Under the colonial period, basic infrastructure such as railways, port per transport, posts and telegraphs developed. However, the real motive behind this development was not to provide basic amenities to the people but to sub serve various colonial interests.

The state of infrastructure under the colonial rule can be understood with the help of following points.

1. **Roads:** Roads constructed before independence were not fit for modern transport. It was very difficult to reach rural areas during rainy season. The roads were built only to serve the purpose of mobilizing the army within India and transporting raw materials from the countryside to the nearest railway station or the port for exporting it.
2. **Railways:** British rulers introduced railways in India in 1850 and it began its operation in 1853. It is considered as one of the important contribution of Britishers.

The railways affected the structure of the Indian economy in the following two ways.

- (i) It enabled people to undertake long distance travel and thereby break geographical and cultural barriers.
- (ii) It fostered commercialization of Indian agriculture which adversely affected the self-sufficiency of the village economies in India.

So, the social benefits provided by the Railways was outweighed by the country's huge economic loss.

3. **Water and Air Transport:** The colonial rulers took measures for the development of water transport. The inland waterways, at times, also proved uneconomical as in the case of the coast canal on the Orissa coast. The main purpose behind their development was to serve Britain's colonial interest.

The colonial government also showed way to the air transport in 1932 by establishing Tata Airlines. Thus, in this way it inaugurated the aviation sector in India.

4. **Communication:** Modern postal system started in India in 1837. The first telegraphy line was opened in 1857. The introduction of the expensive system of electric telegraph in India served the purpose of maintaining law and order.

- **Demographic Condition:** Various details about the population of British India were first collected through a census in 1881. Before 1921, India was in the first stage of demographic transition. The second stage began after 1921. However neither the total population of India nor the rate of population growth at this stage was very high. Though suffering from certain limitations, it revealed the Unevenness in India's population growth. The population grew at a rate of 1.2% up to the year 1951.

On the eve of independence the demographic condition was as follows

- (i) The overall literacy level was less than 16%.
- (ii) The female literacy level was at a negligible low rate of about 7%.
- (iii) Public health facilities were either unavailable to large chunks of population or when available, were highly inadequate. Infant mortality rate was 218 per thousand in contrast to present infant mortality rate of 63 per thousand.
- (iv) Life expectancy was very low 44 years in contrast to the present 66 years.
- (v) Both birth rate and death rate were very high at 48 and 40 per thousand of persons respectively.

QUESTION BANK

MULTIPLE CHOICE QUESTIONS

1. What was the objective behind the development of means of transport during the British period?
(a) To industrialise the country (b) To serve the interests of Indian company
(c) To transport finished goods from England to the interiors of colonial India
(d) Development of infrastructure in India
2. Industrial Revolution first started in:
(a) France (b) Germany (c) England (d) America
3. The Tata Iron and Steel Company was established in:
(a) 1857 (b) 1907 (c) 1921 (d) 1951
4. When was India's first official census undertaken?
(a) 1853 (b) 1881 (c) 1901 (d) 1921
5. Suez Canal was opened in:
(a) 1907 (b) 1869 (c) 1921 (d) 1901
6. In 1947, the growth rate of per capita income in India was approximately:
(a) 6% (b) 1.5% (c) 0.5% (d) 2.5%
7. During the first half of the 20th Century, the growth rate of National Income was:
(a) Less than 2% (b) more than 2% (c) 2% (d) None of these
8. Name the economist whose estimates on GDP and per capita income during the British rule was considered very significant:
(a) William Digby (b) Dr.V.K.R.V. Rao (c) Dadabhai Naoroji (d) Findlay Shirras
9. Which industry suffered a major setback during the British rule?
(a) Cement (b) Iron and steel (c) Handicraft (d) Paper
10. What was the principal source of occupation during the British rule?
(a) Agriculture (b) Mining (c) Manufacturing (d) Trade and Commerce
11. The literacy rate and the female literacy rate of India at the time of independence respectively were
(a) 16%, 7% (b) 12%, 7% (c) 32%, 16% (d) 16%, 12%
12. Which year is described as the "Year of Great Divide"?
(a) 1881 (b) 1921 (c) 1907 (d) 1931
13. The motive of British Government behind de-industrialization was
(i) To get raw material from India at cheap rate.
(ii) To sell British manufactured goods in Indian market at high prices.
(iii) To focus on development of agriculture. (iv) To get finished products from India at cheap rate.
(a) (i) and (ii) (b) (ii) and (iv) (c) Only (iii) (d) Only (iv)
14. The main reason for stagnation in agriculture during the British rule was:
(a) Lack of technology (b) Commercialization of agriculture
(c) Land settlement (d) De-industrialization
15. Which of the following statements is not true about the foreign trade in context of Indian Economy during the British rule?
(a) India became exporter of primary products and an importer of finished consumer goods and capital goods from Britain
(b) India traded with many countries of the world despite discriminatory tariff policy pursued by the British Government
(c) India generated huge export surplus
(d) Britain had a monopoly control over India's Foreign Trade

16. Mortality rate is one of the indicators of _____ of an economy.
 (a) Occupational structure (b) unemployment (c) Demographic profile (d) Foreign trade
17. Which of the following social indicators contributed to the worsening of India's demographic profile during the colonial period?
 (a) Low Infant Mortality rate (b) High Life expectancy
 (c) Low Literacy rate (d) Low Birth rate and Death rate
18. Decline of handicraft industries Led to:
 (a) Massive unemployment (b) Import of Finished Goods
 (c) Export of Finished Goods (d) Both (a) and (b)
19. Which industry was adversely affected due to partition?
 (a) Silk (b) Cotton (c) Jute (d) Nylon
20. In India the first passenger train ran between:
 (a) Bombay to Thane (b) Thane to Bombay (c) Bombay to Surat (d) None of these
21. Identify the option which is not true in the context demographic condition of India during British rule.
 (a) High Birth Rate (b) Low Death Rate
 (c) Low Infant Mortality Rate (d) Both (b) and (c)
22. Life expectancy during the British India was
 (a) 66 Years (b) 70 Years (c) 44 Years (d) 50 Years
23. Indian economy on the eve of independence is characterised as
 (a) Stagnant economy (b) Backward economy (c) Colonial economy (d) All of the above
24. The main objective of zamindars during the land settlement system was to
 (a) Improve the economic conditions of the cultivators
 (b) Improve the crop yield by making significant contributions in technology and fertilizers uses
 (c) Collection of rent with no interest in the economic condition of the cultivators
 (d) Cooperating with colonial government to improve the condition of agriculture.
25. Occupational structure refers to:
 (a) Distribution of working force among the different occupations
 (b) Nature of different occupations
 (c) Size of working force in a country
 (d) Number of people living in a country
26. The main reason for food shortage in India after partition was
 (a) Low productivity in Indian agriculture
 (b) Food surplus areas of west Punjab & Sindh went to Pakistan
 (c) Negligible use of fertilizers
 (d) All of the above
27. Arrange the following events in chronological order in context of Indian economy and choose the correct alternative
 (i) Establishment of TISCO
 (ii) First census data collected during British India
 (iii) Opening of the Suez canaliv. Introduction of the railway by the British
 (a) (ii), (iv), (iii), (i) (b) (iv), (ii), (iii), (i) (c) (iv), (iii), (ii), (i) (d) (i), (ii), (iii), (iv)
28. The main focus of industrial policy persuaded during colonial period was to:
 (a) Strengthen the Indian industrial base
 (b) Strengthen the flourishing industrial base of Britain
 (c) Strengthening the industrial base of India along with Britain
 (d) Cannot comment as the goals of the industrial policy during colonial period was not clear

29. Colonial government restricted India's foreign trade with which of these nations?
 (a) Britain, China, America & Sri Lanka (b) Britain, China, America & Iran
 (c) Britain, America, Sri Lanka & Iran (d) Britain, China, Sri Lanka & Iran
30. Which of the given statement is true regarding the condition of Infrastructure during colonial government?
 (a) Balanced regional development in infrastructure in all the areas
 (b) Development in the areas of transport and communication
 (c) No development in the area of roads and railways
 (d) Barter system was still prevailing
31. During the British colonial rule, the various social development indicators were not quite encouraging. The female literacy level was at a negligible low of about _____.
 (a) 7 percent (b) 8 percent (c) 10 percent (d) 16 percent
32. Before 1921, India was in the first stage of _____. The second stage began after 1921. However, neither the total population of India nor the rate of population growth at this stage was very high.
 (a) Low literacy (b) Demographic transition
 (c) Death Rate (d) Mortality rate
33. During the colonial period, there was regional variation in the occupational structure. Parts of the then Madras Presidency, Bombay and Bengal witnessed a decline in the dependence of the workforce on the agricultural sector with a commensurate increase in the manufacturing and the services sectors. However, there had been an increase in the share of workforce in agriculture in states such as _____.
 (a) Punjab, Tamilnadu, Kerala (b) Orissa, Rajasthan and Punjab
 (c) Madhya Pradesh, Bihar, Punjab (d) Rajasthan, Kerala, Maharashtra
34. Under the colonial regime, the motive behind infrastructure development was to provide basic amenities to the people.
 (a) True (b) False (c) Can't say (d) None
35. On the eve of independence, the social and economic challenges before the country were enormous.
 (a) True (b) False (c) Can't say (d) None
36. The social benefits, which the Indian people gained owing to the introduction of the railways, were out-weighted by the country's huge economic loss.
 (a) True (b) False (c) Can't say (d) None
37. Major contribution to the GDP of the country on the eve of independence was from:
 (a) Tertiary sector (b) Secondary sector
 (c) Primary sector (d) Both (a) and (b)
38. The impact of British policy on India economic structure was
 (a) India becomes supplier of raw materials and consumer of finished industrial products from Britain
 (b) India became supplier of finished product to Britain
 (c) India became supplier of finished industrial products and consumer of raw materials from Britain
 (d) Both (a) and (c)
39. Decline of handicraft industries led to:
 (a) Massive unemployment (b) Import of finished goods
 (c) Both (a) and (b) (d) Neither (a) nor (b)
40. The Tata Iron and Steel Company was incorporated in the year:
 (a) 1907 (b) 1947 (c) 1908 (d) 1950
41. The major cause of decay of Indian handicrafts during British Rule:
 (a) Low priced machine made goods (b) Discriminatory tariff policy
 (c) Both (a) and (b) (d) Neither (a) nor (b)

42. Decay of handicrafts was caused by:
 (a) British tariff policy (b) Competition from Man-Made Machines
 (c) New Patterns of demand (d) All of these
43. The exports surplus during the British rule was used:
 (a) To make payments for expenses incurred by an office set up by the colonial government in Britain
 (b) To meet expenses on war fought by the British government
 (c) To import invisible items (d) All of these.
44. Which year is described as the "year of Great Divide"?
 (a) 1881 (b) 1907 (c) 1921 (d) 1931
45. At the time of Independence, the infant mortality rate was:
 (a) 220 per thousand (b) 250 per thousand (c) 218 per thousand (d) 280 per thousand
46. During the British rule, high mortality rate was due to
 (a) Inadequate public health facilities (b) Occurrence of frequent natural calamities
 (c) Both (a) and (b) (d) Neither (a) nor (b)
47. Occupational structure refers to
 (a) Distribution of working force among the different occupations
 (b) Nature of different occupations
 (c) Size of working force in a country (d) Number of people living in a country
48. The most important infrastructure developed during British rule was:
 (a) Airways (b) Railways (c) Waterways (d) None of these

INPUT TEXT BASED MCQs

Read the following passage and write answers of Q49–Q52

India has seen a long and rich history of handicrafts. Years and years of evolution and refinement have made it possible for India to retain a coveted spot in the handicrafts landscape of the world. Where the ancients were exemplary in their craft, the contemporary craftsmen are adept in using the knowledge of the ancients by adding modern craft techniques to them. They have carefully preserved this age-old art that represents dignity, style and beauty of the Indian culture.

Voyaging through the lanes of Indian handicrafts is a tempestuous affair. There are seen striking ups and downs throughout the late 2000s, had a grave impact on handicrafts industry. Despite the growth of handicraft industry in India and the measures taken by the government to promote handicrafts, the average earning of a craftsman when compared to that of other fields is very low. Hence, the younger generation is moving to other fields with only the elder craftsmen being left behind. The country needs younger generation of craftsmen to carry on the tradition of handicrafts, and this is only possible by ensuring the assistance of craftsmen to improve their techniques, availability of quality raw materials, direct marketing channels, credit and better wages and providing them with socio-economic benefits.

49. India had a worldwide reputation of _____
 (a) Handicrafts (b) Landscape (c) Labour (d) None of these
50. To preserve handicrafts industry and to promote it, the country should encourage younger generation of craftsmen helping them with:
 (a) Availability of quality raw materials (b) Better wages
 (c) Direct marketing channels (d) All of the above
51. During British rule, Indian handicrafts were discouraged by _____ of their exports.
 (a) Removal of Rajas (b) Nawabs (c) Giving subsidies (d) None of these
52. Decay of indigenous handicrafts during British rule was due to:
 (a) Introduction of discriminatory tariff policy (b) Industrial Revolution in Britain
 (c) Commercialisation of agriculture (d) Both (a) and (b)

Read the following passage and write answers of Q53–Q56

India's economy under the British colonial rule remained fundamentally agrarian about 85 per cent of the country's population lived mostly in villages and derived livelihood directly or indirectly from agriculture. However despite such a major occupation, it experienced frequent deterioration and stagnation. This stagnation in the agricultural sector was caused mainly because of the various systems of land settlement that were introduced by the colonial government.

Agricultural productivity was quite low in terms of production of food crops; however there is a reliable evidence of relatively high yield in cash crops across different parts of the country due to commercialisation of agriculture. But this could hardly help farmers in improving their economic condition as, instead of producing food crops, now they were producing cash crops which were to be ultimately used by British industries back home.

Despite some progress made in irrigation, India's agriculture was starved of investment in terracing, Flood-control, drainage and desalinisation of soil.

53. Which of the following is the main reason explaining high dependence of the workforce in the agricultural sector?
- (a) Rampant illiteracy and poverty and also limited employment opportunity in other sectors.
 - (b) A vibrant agricultural sector which can engage a large amount of Indian diaspora
 - (c) Developing the agrarian base as there were limited employment opportunities in the manufacturing and service sector
 - (d) All of the above
54. Agricultural sector in India is often characterised as having a disguised unemployment. This implies
- (a) More number of workers are engaged in agriculture than required
 - (b) Marginal productivity of each additional worker is close to zero
 - (c) Less number of workers are engaged in agriculture than required
 - (d) Can be explained by either (a) or (b)
55. Commercialisation improved the socio-economic status of farmers during the British India
- (a) True
 - (b) False
 - (c) Partially true
 - (d) None
56. The main reason for stagnation of Indian agriculture during colonial rule was:
- (a) Land Settlement and revenue settlement
 - (b) Poor level of infrastructure
 - (c) Technological bottlenecks
 - (d) Financial constraints

Read the following passage and write answers of Q57–Q59

By the time India won its independence the impact of the the two century long British colonial rule was already showing on all aspects of the Indian economy. The agricultural sector was already saddled with surplus labour an extremely low productivity. The industrial sector was crying for or modernization diversification, capacity building and increased public investment. Foreign trade was oriented to feed the industrial revolution in Britain.

57. Mark the reason which is not true for stagnation in agriculture during British rule :
- (a) Land settlement system
 - (b) Industrialization
 - (c) Lack of technology
 - (d) Commercialization of agriculture
58. Which industry received the major setback during the colonial rule?
- (a) Cement
 - (b) Handicraft
 - (c) Paper
 - (d) Iron in steel
59. At the time of independence Indian industrial sector was crying for _____
- (a) Modernisation
 - (b) Diversification
 - (c) Capacity building and increased public investment
 - (d) All of these

Read the following passage and write answers of Q60–Q63

The restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade. Consequently, India became an exporter of primary products and an importer of finished consumer and capital goods like light machinery produced in the factories of Britain. The most important characteristic of India's foreign trade throughout the colonial period was the generation of

a large export surplus. Due to its quality, Indian Indigo was in great demand in Britain. In 1810, almost 95% of the indigo imported into Britain was from India. Indigo production became a very profitable business and many Britishers became Indigo planters. They advanced loans to peasants at high rate and forced them to cultivate indigo in 25% of their land. They paid a low price for the Indigo. As the Indigo plant had deep roots, it exhausted the soil fertility and the land became unfit for rice cultivation.

60. Production of Indigo brought huge surplus for the _____
- (a) Domestic cultivators (b) Indigo planters
(c) The colonial government (d) Zamindars
61. Indigo production increase the fertility of soil and brought huge revenues for the domestic cultivators
- (a) True (b) False (c) Partially True (d) None
62. Which sector was the second largest provider of employment during British India?
- (a) Agriculture (b) Industry (c) Services (d) None
63. What was the treatment given by the Indigo planters to the peasants?
- (a) They were paid low prices for growing Indigo
(b) They were given support measures on how to grow Indigo along with a piece of land
(c) Advancement of loans at a lower rate of interest
(d) Peasants voluntarily agreed with the Indigo planters to produce Indigo

Read the following passage and write answers of Q64–Q66

Before 1947, More than 90% of the national income relied on the Indian agriculture sector. A significant portion of the country's population resided in rural areas where agriculture was the primary source of livelihood. The pre-colonised India produced primary two crops, wheat and rice. Even if it was only two types of crops, country's agriculture sector was sustainable and self sufficient. The British invasion resulted in total commercialization of India's agriculture industry. On the eve of independence the once most prominent sector of this country was known to be suffering from stagnation and constant degradation.

64. What is meant by commercialization of agriculture?
- (a) Production of crop for sale in the market (c) Production of crop for self consumption
(b) Both (a) and (b) (d) None of these
65. Reason for low productivity in agriculture sector
- (a) HYV seeds (b) Low level of technology
(c) Improved irrigation system (d) All of these
66. Which of the following statements are connecting with reference to the Zamindari system?
- (i) The profit accruing out of the agriculture sector was proposed to go to the cultivators.
(ii) The main interest of the Zamindars was only to collect rent regardless of the economic condition of the Cultivators.
- (a) Both are correct (c) (i) correct (ii) incorrect
(b) Both are incorrect (d) (ii) correct (i) incorrect

Read the following passage and write answers of Q67–Q68

The 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.

For all practical purposes, Britain maintained a monopoly control over India's exports and imports. The opening of the Suez Canal further intensified British control over India's foreign trade.

67. The opening of _____ further intensified British control over India's foreign trade.
- (a) Suez Canal (b) Indian Ocean (c) Both (a) and (b) (d) None of these

68. More than _____ of India's foreign trade was restricted to Britain.
(a) 90% (b) 60% (c) 50% (d) 40%

Read the following passage and write answers of Q69–Q72

By the time India won its independence the impact of the two century long British colonial rule was already showing on all aspects of the Indian economy. The agricultural sector was already saddled with surplus labour an extremely low productivity. The industrial sector was crying for or modernization diversification, capacity building and increased public investment. Foreign trade was oriented to feed the industrial revolution in Britain.

69. The main reason for stagnation in agriculture during British rule was:
(a) Land settlement system (b) De industrialization
(c) Lack of technology (d) Commercialization of agriculture
70. Which industry received the major setback during the colonial rule?
(a) Cement (b) Handicraft (c) Paper (d) Iron in steel
71. At the time of independence Indian industry was crying for modernization due to
(a) Lack of capital goods industries during British rule
(b) Adverse effects of decline of handicraft industry
(c) Limited role of public sector
(d) None of these
72. Foreign trade was oriented to feed the industrial revolution in Britain as India became an _____ of primary products and an _____ of finished consumer goods.
(a) Importer, Exporter (b) Exporter, Importer (c) Importer, Importer (d) Exporter, Exporter

Read the following passage and write answers of Q73–Q75

Backward, stagnant and non-vibrant agriculture during the British Raj sharply contrasted with the pre-British period agriculture. Prior to the British Raj in India, rural India was described as a system of self-contained village communities. These village communities included farmers and the functionaries. The farmers were engaged in crop farming or cattle farming while the functionaries would render essential services like that of blacksmiths, goldsmiths, washer men and shoe-makers. Agriculture was prosperous even without Mechanization (Pre-British Period). There were no intermediaries (like zamindars) between the state and the farmers; the farmers paid land revenue directly to the king. Prosperity and stability were the key characteristics of life in rural India. Thus, the French traveler, Bernier, described Bengal in 17th century as "Richer than Egypt" producing amply for self-consumption and exporting in abundance.

73. During British rule Indian economy was _____
(a) Backward (b) Non vibrant (c) Stagnant (d) All of the above
74. Before British rule Indian economy was backward.
(a) true (b) false (c) Can't say (d) None
75. Why did Britishers come to India?
(a) For trade (b) For traveling (c) For development (d) All of above

Read the following passage and write answers of Q76–Q79

During the second half of the nineteenth century, modern industry began to take root in India but its progress remained very slow. Initially, this development was confined to the setting up of cotton and jute textile mills. The cotton textile mills, mainly dominated by Indians, were located in the western parts of the country, namely, Maharashtra and Gujarat, while the jute mills dominated by the foreigners were mainly concentrated in Bengal.

Subsequently, the iron and steel industries began coming up in the beginning of the twentieth century. The Tata Iron and Steel Company (TISCO) was incorporated in 1907. A few other industries in the fields of sugar, cement, paper etc. came up after the Second World War.

76. When did the modern industry begin to take root in India during the second half of _____
 (a) 17th century (b) 18th century (c) 19th century (d) 20th century
77. Which country had command over cotton mills.
 (a) India (b) Britain (c) Both (a) and (b) (d) None of these
78. Who is the founder of TISCO
 (a) Jamsetji Tata (b) India Government (c) Both (a) and (b) (d) None of these
79. There was systematic by Britishers.
 (a) De-industrialization (b) Industrialization (c) Transportation (d) None of these

ANSWERS

Multiple Choice Questions

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

Input Text Based MCQs

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|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 49. (a) | 50. (d) | 51. (a) | 52. (d) | 53. (a) | 54. (d) | 55. (b) | 56. (a) | 57. (b) | 58. (b) |
| 59. (d) | 60. (a) | 61. (b) | 62. (b) | 63. (a) | 64. (a) | 65. (b) | 66. (d) | 67. (a) | 68. (c) |
| 69. (a) | 70. (b) | 71. (c) | 72. (a) | 73. (d) | 74. (b) | 75. (a) | 76. (c) | 77. (a) | 78. (a) |
| 79. (a) | | | | | | | | | |

