

Indian Economy on the eve of Independence

Multiple Choice Questions

1. If Britain was the ruling Imperial power, India, was it's _____

- a) Colony
- b) Territory
- c) Neighbor
- d) Superpower

Answer: India was a British Colony; therefore, the correct answer is A.

2. Prior to the establishment of British rule in India, which of the following was/were True for the Indian economy : -

- a) India had an independent economy and flourishing markets;
- b) Livelihood of Indian people was mainly based on agriculture
- c) Indian Handicrafts, textile industries and metallic work enjoyed a worldwide market
- d) All of the above

Answer: The correct option is D; All of the above statements are true with regard to the question.

3. The person who made the most notable attempt to calculate India's national income during the British rule in India, on the eve of Indian independence was _____

- a) O Hume
- b) Dadabhai Naoroji
- c) Surendra Nath Bonnerji
- d) Mahatma Gandhi

Answer: Dadabhai Naoroji made the first attempt to calculate India's national income. Therefore, B is the correct option.

4. The most predominant sector of the Indian Economy, prior to independence was

- a) Agriculture
- b) Industry

- c) Service sector
- d) Trade sector

Answer: Agricultural sector was the most flourishing, therefore, correct option is A.

5. Which of the following was the main reason for stagnation in the agricultural sector during the British rule?

- a) Technological deceleration
- b) Problems of irrigation facilities
- c) Land Settlement systems
- d) De-industrialization

Answer: Agriculture was mainly stagnated during that time due to the introduction and implementation of Land settlement systems by the British Government. Therefore, C is the correct option.

6. Which was the first Census year of British India ?

- a) 1991
- b) 1947
- c) 1881
- d) 1757

Answer: The correct option is C; the first Census data was collected in 1881.

7. 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

Answer: The correct answer is option B; Deindustrialization is related to the breakdown of Handicrafts industry in India.

8. Production of large amount of cash crops for the purpose of export, is termed as —

- a) Commercialization of Agriculture
- b) Commencement of Agriculture

- c) Commercialization of Industries
- d) The great Indian Diaspora

Answer: Commercialization of Agriculture is the production of large amount of cash crops during the British rule, for sufficing the export of crops. Therefore, A is the correct option.

9. 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

Answer: Jute textile industries saw its advancement in parts of Bengal along with cotton in the west. Therefore, the correct option is A.

10. TISCO was established in India in the year ?

- a) 1917
- b) 1817
- c) 1907
- d) 1807

Answer: The Tata Iron and Steel Company (TISCO) was established in the year 1907. Therefore, the correct option is C.

11. Prior to the Independence, which of the following countries, was India's largest trading partner ?

- a) Britain
- b) China
- c) Brazil
- d) America

Answer: The correct option is A; The maximum amount of Indian raw materials was exported to Britain.

12. Which was the year of 'Great Divide' for India?

- a) 1996
- b) 1930

- c) 1856
- d) 1921

Answer: 1921 was the year of great divide, as the year saw major shift in the population of India. Therefore, the correct option is D.

13. The year 1853 , was an important year in the history of India . This was due to which of the following reasons ?

- a) Introduction of Road Transport
- b) Introduction of Railway
- c) Introduction of ships
- d) Introduction of Bullock carts.

Answer: The year 1853 witnessed the introduction of railways in India. Therefore, the correct option is B.

14. With reference to Industrial sector , state the correct combination of statements.

British wanted to reduce India to a mere supplier of raw materials

India was a market for British finished goods.

Improvement was the basis of Indian Economy due to the improvement of Industries

- a) 1 only
- b) 1 and 2 only
- c) All of the above
- d) 3 only

Answer: The correct option is B, as statement 3 is incorrect. There was no signs of improvement of the Industry.

15. Prior to Independence, India was an _____economy

- a) Agrarian;
- b) Industrial
- c) Both A and B
- d) None of the above.

Answer: (a) Agrarian

16. The _____ sector had the largest share of workforce.

- a) Agriculture

- b) Industrial
- c) External
- d) None of the above

Answer: (a) Agriculture

17. The opening of the _____ facilitated British trade with India after the year _____.

- a) Suez Canal ; 1879
- b) Suez Canal ; 1869
- c) Indian Economy ; 1991
- d) None of the above

Answer: (b) Suez Canal and 1869

18. _____ Industry suffered the most due to de-industrialization

- a) Cotton
- b) Coal
- c) Handicraft
- d) Iron Ore

Answer: (c) Handicrafts

19. Which of the following books was written by Dadabhai Naoroji

- a) Poverty and British rule in India
- b) Poverty and Un-British rule in India
- c) Poverty and Independence in India
- d) None of the above

Answer: (b) Poverty and Un-British rule in India

20. The introduction of _____ saw the drain of profits from small farmers to Zamindars in Bengal

- a) Imperial system
- b) Zamindari system
- c) Colonial system
- d) All of the above

Answer: (b) Zamindari system

21. Life expectancy at the time of independence was__years.

- a) 40
- b) 42
- c) 43
- d) 44

Answer: (d) 44

22. 1881 was the first _____for India :-

- a) Year of great divide
- b) Census year
- c) Development Year
- d) Revolution Year

Answer: (b) Census year

23. One of the Social development Indicators, _____ was at 16% on the eve of Independence.

- a) Literacy rate
- b) Infant mortality rate
- c) Infant survival rate
- d) Illiteracy rate

Answer: (a) Literacy rate

24. A system of political and social relations between two countries of which one is the ruler and the other is its colony is referred to as _____.

- a) Statesman ship
- b) Narcism
- c) Both A and B
- d) Colonialism

Answer: (d) Colonialism

25. Modern postal system in India was introduced in _____. (Fill in the blank with correct alternative)

- a) 1937
- b) 1921

- c) 1950
- d) 1990

Answer: (a) 1937

26. The first rail in India started operating on _____. (Fill in the blank with correct alternative)

- a) 16th april 1853
- b) 20th april 1854
- c) 19th march 1843
- d) 25th February 1854

Answer: (a) 16th april 1853

27. Demographic profile refers to the size of the population of a _____.(Fill in the blank with the correct alternative).

- a) Demographic area
- b) Particular area along with socio economic state
- c) Particular area along with demographic profile
- d) All of the above

Answer: (b) Particular area along with socio economic state

28. The Suez canal was opened in _____. (Fill in the blank with correct alternative)

- a) 1853
- b) 1921
- c) 1911
- d) 1869

Answer: (d) 1869

29. Before British rule, the Indian economy was _____ economy. (Fill in the blank with correct alternative)

- a) Independent
- b) Self reliant
- c) Prosperous
- d) All of the above

Answer: (d) All of the above

30. At the time of British rule _____ was the main source of livelihood in Indian .(Fill in the blank with correct alternative)

- a) Revenue
- b) Production
- c) Agriculture
- d) Banking

Answer: (c) Agriculture

31. Read the following statement given below and choose the correct alternative

Statement 1- India was known for its handicraft industries in the field of cotton and silk textiles

Statement 2- The estimates of Dada bhai Naoroji on income and per capita income were very significant

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (c) Statement 1 is correct and statement 2 is incorrect

32. Read the following statement given below and choose the correct alternative

Statement 1- The economic policies pursued by Britishers were concerned with the development of Indian economy

Statement 2- The economic policies of Britishers were concerned to make India supplier of raw material for production in their country

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (d) Statement 1 is incorrect and statement 2 is correct

33. Read the following statement given below and choose the correct alternative

Statement 1- Before the advent of British rule, kings and nawabs protected

handicraft industries.

Statement 2- Handicraft industries were a source of revenue for kings

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (a) Both are correct

34. Read the following statement given below and choose the correct alternative

Statement 1- The Indian agricultural sector gained prosperity and advancement under the British rule

Statement 2- 100% of the Indian population was engaged in agricultural activities

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (b) Both are incorrect

35. Read the following statement given below and choose the correct alternative

Statement 1- Capital goods industry means industries which can produce Machine tools which are, in turn ,used for producing articles for current consumption

Statement 2- There was very significant area of operations for public sector in industrial sector during British rule

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (a) Both are correct

36. Read the following statement given below and choose the correct alternative

Statement 1- Indian manufacturers have monopoly over trade in 19th century

Statement 2- Export surplus lead to drain of wealth of India under British rule

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (d) Statement 1 is incorrect and statement 2 is correct

37. Choose the correctly matched pair from the following

Column A	Column B
A. First census in Independent India	1. 32 years
B. Life expectancy under British rule.	2. 1850
C. Introduction of railways by Britishers	3. 1881
D. Introduction of modern postal system in India .	4. 1837

- a) A-1
- b) B-2
- c) C-3
- d) D-4

Answer: (d) D-4

38. Choose the correctly matched pair from the following

Column A	Column B
A. Life expectancy rate	Dada bhai Naoroji
B. National income of 1931-32 was estimated by	2. VKRV Rao

C. Commercialization of agricultural	3. Number of years a person is expected to live
D. Estimated the national income for the first time	4. Self sufficiency in food grain

- a) A-4
- b) B-2
- c) C-1
- d) D-3

Answer: (b) B-2

39. Choose the correctly matched pair from the following

Column A	Column B
A. After partition fertile land for food production went to Pakistan	Zamindars
B. After partition fertile land for jute production went to east Pakistan	2. Created shortage of raw material
C. Owner of land under land settlement systems	3. Created shortage of foodgrains
D. Due to commercialisation of agricultural	4. Farmers were exposed to the uncertainty of market

- a) A-1
- b) B-2
- c) C-3
- d) D-4

Answer: (d) D-4

40. Read the following statement given below and choose the correct alternative

Assertion (A) – The Suez canal is one of the most important waterways in the world

Reason (R)- Its opening reduced the cost of transportation and made access to the Indian market easier

- a) Both assertion and reason are true. Reason is the correct explanation of assertion
- b) Both assertion and reason are true. Reason is not correct explanation of assertion
- c) Assertion is correct but reason is not
- d) Assertion is incorrect and reason is correct

Answer: (a) Both assertion and reason are true. Reason is the correct explanation of assertion

41. Read the following statement given below and choose the correct alternative

Assertion (A) – Decline in handicraft increased burden on agriculture sector

Reason (R)- Decline in handicraft caused unemployment and poverty

- a) Both assertion and reason are true. Reason is the correct explanation of assertion
- b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- c) Assertion is true but reason is not
- d) Reason is true but assertion is not

Answer: (b) Both assertion and reason are true. Reason is not the correct explanation of assertion

42. Read the following statement given below and choose the correct alternative

Assertion (A)- Infant mortality rate was high under British rule.

Reason (R)- The public health facilities were unavailable at the time of British rule

- a) Both assertion and reason are true. Reason is the correct explanation of assertion
- b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- c) Assertion is true but reason is not true
- d) Reason is not true but assertion is not

Answer: (a) Both assertion and reason are true. Reason is the correct explanation of assertion

43. Read the following statement given below and choose the correct alternative

Assertion (A)- Under colonial regime, basic infrastructure was developed

Reason (R)- The motive behind infrastructure development was to make transportation easier.

- a) Both assertion and reason are true. Reason is the correct explanation of assertion
- b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- c) Assertion is true but reason is not
- d) Reason is true but assertion is not

Answer: (c) Assertion is true but reason is not

44. Read the following statement given below and choose the correct alternative

Assertion (A)- Roads constructed in India in the 19th century were not fit for modern transportation.

Reason (R)- Under British rule there was a shortage of all weather roads

- a) Both assertion and reason are true. Reason is the correct explanation of assertion
- b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- c) Assertion is true but reason is not
- d) Reason is true but assertion is not

Answer: (b) Both assertion and reason are true. Reason is not the correct explanation of assertion

45. The sole purpose of British colonial rule in India was; (choose the correct alternative)

- a) Indian economic growth
- b) Social welfare of Indians of economic welfare of Britishers
- c) Expand its modern industry base
- d) Reduce the country to being a raw material supplier

Answer: (d) Reduce the country to being a raw material supplier

46. Which of the following were the motives behind systematic deindustrialization. (Choose the correct alternative)

- a) Make India exporter of raw material

- b) Make India importer of finished goods
- c) Both (a) and (b)
- d) None of the above

Answer: (c) Both (a) and (b)

47. The British rule in India lasted for almost _____ centuries. (Fill in the blank with correct alternative)

- a) Two
- b) Three
- c) Half
- d) One and a half

Answer: (a) Two

48. Read the following statements given below and choose the correct alternative

Statement 1- India had independent economy before the British rule

Statement 2- Production was the main source of livelihood for people under British rule

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (c) Statement 1 is correct and statement 2 is incorrect

49. Choose the correctly matched pair from the following

Column A	Column B
A. TISCO	1. 1972
B. First census under British rule	2. 1907
C. First census in Independent India	3. 1881

- a) A-1
- b) B-2
- c) C-3

Answer: (c) C-3

50. Which of the following can be termed as positive contributions of British rule. (choose the correct alternative)

- a) Self sufficiency in food grain production
- b) Better means of transport
- c) Shift to monetary economy in India
- d) All of the above

Answer: (d) All of the above

51. Read the following statement given below and choose the correct alternative

Assertion (A)- British government developed communication services in India to maintain law and order .

Reason (R)- The British government wanted to have effective control over administration in India.

- a) Both assertion and reason are true. Reason is the correct explanation of assertion
- b) Both assertion and reason are true. Reason is not the correct explanation of assertion
- c) Assertion is true but reason is not
- d) Reason is true but assertion is not

Answer: (a) Both assertion and reason are true. Reason is the correct explanation of assertion

Case study

The Indian economy just before autonomy endured and keeps on experiencing the impacts of the zamindari framework. In this framework, the principle focal point of the property managers is to separate lease paying little mind to the financial states of the ranchers. This is one of the center explanations behind pressure among ranchers and dread of taking a risk to develop. Consequently, prompting a stale rural area.

The absence of assets, be it monetary or something else, is a basic factor prompting a stale rural area.

Broad commercialization of agribusiness alludes to the shift from developing for self to developing available to be purchased on the lookout. This has not been useful in working on the state of ranchers because of the presence of brokers. Subsequently, the stagnation or hindrance of the Indian rural area.

52. The British rule in India lasted for almost _____ centuries. (Fill in the blank with correct alternative)

- a) Two
- b) Three
- c) Half
- d) One and a half

Answer: (a) Two

53. Read the following statements given below and choose the correct alternative

Statement 1- India had independent economy before the British rule

Statement 2- Production was the main source of livelihood for people under British rule

- a) Both are correct
- b) Both are incorrect
- c) Statement 1 is correct and statement 2 is incorrect
- d) Statement 1 is incorrect and statement 2 is correct

Answer: (a) Both are correct

54. _____ is known as shift from cultivating for self to shift from cultivating for sale in the market.(Fill in the blank with correct option)

- a) Extensive agriculture
- b) Extensive commercialisation
- c) Shift to monetary economy in India
- d) All of the above

Answer: (b) Extensive commercialisation

55. Which of the following were the reason for stagnant agriculture (choose

the correct alternative)

- a) Lack of awareness
- b) Lack of financial capital
- c) Lack of resources
- d) Both (b) and (c)

Answer: (d) Both (b) and (c)

56. Indian agriculture at the time of independence suffered from;

- a) Zamindari system
- b) Land reforms
- c) Allocation of land
- d) Land ceiling.

Answer: (d) Land ceiling