

Indian Economy 1950 to 1990 MCQs

Class 12 (Multiple Choice Questions)

1. When was the Planning Commission set up in India?

- a) 1952
- b) 1950
- c) 1964
- d) 1975

[Answer](#)

2. Which economy produces the goods that can be sold in the domestic or foreign market for profit motive?

- a) Capitalist economy
- b) Socialist economy
- c) Mixed Economy
- d) None of the above

[Answer](#)

3. Who was the Chairperson of the Planning Commission of India ?

- a) President of India
- b) Finance Minister of India
- c) Prime Minister of India
- d) Governor of RBI

[Answer](#)

4. Which one of the following , is not a goal of the Planning Commission ?

- a) Economic Growth
- b) Equity
- c) Resource conservation
- d) Self-reliance

[Answer](#)

5. In the language of economics, which one of the following is a good-indicator of economic growth?

- a) GDP
- b) NDP
- c) GNP
- d) NNP

Answer

6. What is the term used for the policy ,which promote setting up of an upper limit of the land that could be owned by a landowner ?

- a) Land Fragmentation
- b) Land Ceiling
- c) Land Cultivation
- d) Land Tilling

Answer

7. Name the two states in which land-reform were successful ?

- a) Maharashtra and Tamil Nadu
- b) Karnataka and West Bengal
- c) Uttar Pradesh and Bihar
- d) West Bengal and Kerala

Answer

8. For the growth of _____, use of HYV seeds was beneficial.

- a) Rice
- b) Barley
- c) Wheat
- d) Pulses

Answer

9. What percentage of population was employed in agriculture by late 1990s ?
- a) 65
 - b) 75
 - c) 60
 - d) 55

[Answer](#)

10. Which sector was given the main emphasis in 2nd five-year plans?
- a) Agriculture
 - b) Trade
 - c) Industry
 - d) Transport

[Answer](#)

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11. In which year, Industrial Policy Resolution was adopted?
- a) 1956
 - b) 1950
 - c) 1965
 - d) 1953

[Answer](#)

12. Name the committee formed for the Village and Small-Scale Industries in 1955.
- a) Narasimhan committee
 - b) Karve Committee
 - c) Basel Committee
 - d) Rangarajan Committee

Answer

13. What is the trade-strategy, which India adopted in the first-seven five-year plans?

- a) Partially inward-looking trade strategy
- b) Partially outward looking trade strategy
- c) Inward looking trade strategy
- d) Outward looking trade strategy

Answer

14. In which year, The New Economic policy was introduced?

- a) 1992
- b) 1993
- c) 1996
- d) 1991

Answer

15. In 1950-1951, gross area under cultivation was ___ crore hectare which now has shot up to ___ crore hectare.

- a) 15,17
- b) 13,19
- c) 10,20
- d) None of the above

Answer

16. Consider the following statement with respect to Indian agriculture and mention the correct combination.

- I) Green Revolution led to the introduction of new technology
- II) Green Revolution started the usage of HYV seeds
- III) Green Revolution resulted in the improvement in oilseeds.

- a) I and II
- b) II and III

- c) I only
- d) None of the above.

[Answer](#)

17. Consider the following statement with respect to Indian Industries and mention the correct combination.

- I) Industrial Policy resolution was adopted in 1956
- II) Karve Committee was set up in favour of small-scale industries
- III) In 1991, Industrial Licensing policy was abolished for the improvement of Industries

- a) Only I
- b) Only II and III
- c) None of the above
- d) All of the above.

[Answer](#)

18. The four goals of five-year plans include which of the following : –

- a) Growth ;
- b) Modernization
- c) Self-reliance
- d) All of the above

[Answer](#)

19. The economy which produces only those consumer goods , which are demanded by the buyers and which can be sold in domestic or foreign markets profitably is known as : –

- a) Market economy.
- b) Capital Economy
- c) Both A and B
- d) None of the above

[Answer](#)

20. Land-ceiling is a policy of land-reform, under which the _____ size of the agricultural land that can be hold by a landowner is fixed.

- a) Maximum
- b) Minimum
- c) Average
- d) All of the above

[Answer](#)

21. The use of HYV seeds requires availability of :

- a) Regular supply of water ;
- b) Use of pesticides and fertilizers in correct proportion
- c) Both A and B
- d) None of the above

[Answer](#)

22. The portion of agricultural produce which the farmer actually sells in the market after satisfying his domestic need is called : –

- a) Profitable
- b) Marketed Surplus
- c) Cost surplus
- d) None of the above

[Answer](#)

23. Industries are classified into _____ categories in the Industrial Policy Resolution:

- a) Two
- b) Three
- c) Four
- d) Five

[Answer](#)

24. Small scale industries in 1950 were defined as all those industries in which maximum investment was _____ lakh rupee

- a) Five
- b) Ten
- c) Twenty
- d) Once Crore

Answer

25. Small scale industries today defined as all those industries in which maximum investment is _____

- a) Less than Five Lakh
- b) Less than Ten Lakh
- c) Twenty Crore
- d) Less than ten Crore

Answer

26. At the time of independence _____ system of economy appealed to Jawaharlal Nehru the most. (Fill in the blank with correct option)

- a) Capitalist
- b) Socialist
- c) Mixed economy
- d) Open economy

Answer

27. _____ refers to an arrangement by which central problem of an economy are solved.(Fill in the blank with correct alternative)

- a) Economic growth
- b) Social welfare
- c) Economic system
- d) Socialism

Answer

28. _____ spells out how the resources of a nation are put to use (fill in the blank with correct alternative)

- a) Plan
- b) Feedback
- c) Economic system
- d) Policy

[Answer](#)

29. The planning commission was set with the _____ as its chairman. (Fill in the blank with correct alternative)

- a) Prime minister
- b) President
- c) Civil servants
- d) State ministers

[Answer](#)

30. _____ is known as the architect of Indian planning. (Fill in the blank with correct alternative)

- a) Jawaharlal Nehru
- b) Mahatma Gandhi
- c) Mahalanobis
- d) M Visvesvaraya

[Answer](#)

31. The contribution made by each sector of the economy into GDP is called _____.(Fill in the blank with correct option)

- a) Real GDP
- b) Structural GDP
- c) Structural composition
- d) Real composition

[Answer](#)

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

Statement 1- Small scale industries are more capital intensive

Statement 2- Industrial policy resolution formed the basis of second five year plan

- 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](#)

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

Statement 1- Inward looking trade policy is known as import substitution

Statement 2- Tariffs and quotas were the instruments of import substitution policy

- 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](#)

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

Statement 1- In a capitalist economy, goods and services are distributed on the basis of what people actually need

Statement 2- In a socialist economy, goods and services are distributed on the basis of purchasing power

- 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](#)

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

Statement 1- Small scale industries were important for employment generation

Statement 2- Small scale industries contributed in foreign trade

- 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

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

Statement 1- The investment limit of small scale industries is INR 10 crore

Statement 2- There are 68 items which are reserved for small scale industry

- 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

37. Choose the correctly matched pair from the following

Column A	Column B
A. Small scale industry	1. Green revolution
B. Introduction of new technology and scientific farm management practices	2. Prone to pest attacks
C. Indian agriculture at the time of independence	3. Dependent on monsoon
D. HYV crops	4. Established in 1955

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

Answer

38. Choose the correctly matched pair from the following

Column A	Column B
A. Subsidy	1. Economic benefit granted by government to domestic producers
B. Economic planning	2. Reducing dependence on imports
C. Modernization	3. Optimum utilisation and coordination of limited resources
D. Self reliance	4. Adoption of new technology

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

Answer

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

Assertion(A)- After independence, India adopted inward looking trade strategy which is called import substitution

Reason (R)- Import substitution was highly regulatory and restrictive in nature

- 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

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

Assertion (A)- After independence, India adopted mixed economy

Reason (R)- After independence, India adopted the objective of economic growth with social justice.

- 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

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

Assertion (A)- In a mixed economy, factors of production are owned by the public sector

Reason (R)- Consumer sovereignty exists in mixed economy

- 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

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

Assertion (A)- Economic planning means coordination and utilisation of available resources in an economy

Reason (R)- Economic planning is undertaken by the private sector in an economy

- 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](#)

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

Assertion(A)- Land reforms refers to the change in the ownership of landholdings

Reason (R)- Equity in agricultural sector called for land reforms in 1950

- 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](#)

Read the case study given below and answer the questions that follows

Economic growth suggests a steady expansion in GDP or a predictable expansion in the degree of production or a reliable expansion in the progression of labor and products in the economy throughout an extensive stretch of time.

Modernisation– It is a process of updating or improving something especially in the field of science and technology where we are doing technological advancement and innovation.

Self reliance– It implies staying away from imports of those products which can be produced in India itself. This approach was viewed as a need to lessen our reliance on Foreign nations, particularly for food.

Equity suggests impartial dispersion of pay with the goal that the advantages of development is shared by the general public at large.

44. Which of the following are objectives of planning (choose the correct alternative)

- a) Modernization
- b) Equity
- c) Self reliance
- d) All of the above

[Answer](#)

45. _____ refers to means avoiding imports of goods which could be produced in India (Fill in the blank with correct option)

- a) Equity
- b) Modernization
- c) Self reliance
- d) Economic growth

[Answer](#)

46. Economic growth refers to constant increase in _____.(Fill in the blank with correct option)

- a) Production
- b) GDP
- c) Equity
- d) None of the above

[Answer](#)

47. Modernization facilitated ; (choose the correct alternative)

- a) Innovative

- b) Invention
- c) Adoption of new technology
- d) All of the above

Answer

48. Equity aims at ;(choose the correct alternative)

- a) Equitable distribution
- b) Economic growth
- c) Modernization
- d) All of the above

Answer
