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ECONOMICS

11th Standard

1 Mark

CHAPTER - 1

Economic Growth and Development

EXERCISE

I. Choose the Correct Answer :

1. **The Sabbath (weak end) was introduced by _____.**
(a) Hebrews (b) Greeks (c) Romans (d) Indians
(Ans: (a) Hebrews)
2. **The author of Arthasastra is _____.**
(a) Thiruvalluvar (b) Kautilya
(c) Jawaharlal Nehru (d) Mahatma Gandhi
(Ans: (b) Kautilya)
3. **The Mercantilists gave utmost importance to _____.**
(a) Agriculture (b) Manufacturing industry
(c) Trade (d) Imports *(Ans: (c) Trade)*
4. **The physiocrats considered only the following as productive occupation _____.**
(a) Manufacturing industry (b) Agriculture
(c) Service sector (d) Soldiers *(Ans: (b) Agriculture)*
5. **The father of New Economics is _____.**
(a) Adam Smith (b) Marshall (c) Karl Marx (d) J.M. Keynes
(Ans: (d) J.M. Keynes)

II. Fill in the blanks :

6. The economic ideas of Thiruvalluvar are found in the _____ Part of Thirukkural.
(Ans : porutpal)
7. The Mercantilists believed in maximum _____ and minimum imports.
(Ans : exports)

8. The physiocrats belonged to _____. (*Ans : France*)
9. The classical economists believed in _____ policy.
(*Ans : Free trade / Laissez faire policy*)
10. The author of stages of growth theory is _____. (*Ans : W. W. Rostow*)

III. Match the Following :

- | | |
|---------------------------|------------------------------|
| 11. Historical school | - (a) Karl Marx |
| 12. Scientific Socialism | - (b) U.S.A |
| 13. Institutional School | - (c) Germany |
| 14. Low capital formation | - (d) Value Theory |
| 15. Marginal School | - (e) Underdeveloped country |
- (*Ans : 11. (c); 12. (a); 13. (b); 14. (e); 15. (d)*)

IV. Answer each one of the questions in a word or two :

16. What is the basis of European culture? (*Ans : Greek thought*)
17. Did mercantilism encourage exports or imports? (*Ans : Export*)
18. Who was the author of *Tableau Economique*? (*Ans : Prof. Quesnay*)
19. Was Ricardo interested in the problems of production or distribution?
(*Ans : Distribution*)
20. What is the annual investment that must be made for an economy to take off?
(*Ans : 20 - 25%*)

Other Important Questions**I. Choose the correct answer:**

1. The period of Hebrew civilizations dates back to _____.
a) 2500 years b) 3000 years c) 4000 years d) 5000 years
(Ans : (a) 2500 years)
2. Hebrews gave importance to _____.
a) Physiocrats b) agriculture
c) classical school d) Historical school
(Ans : (b) agriculture)
3. Hebrews had many laws against false weights and _____.
a) mercantilism b) physiocrats
c) ancient India d) adulteration
(Ans : (d) adulteration)
4. The Hebrew thought was against lending money to _____.
a) farmers b) industrialists
c) fellow Hebrews d) merchants
(Ans : (c) fellow Hebrews)
5. _____ was used during the Hebrew period.
a) Money b) Land
c) Water d) Farmers (Ans : (a) Money)
6. _____ thought, Roman law and christian religion form the basis of European culture.
a) Mercantilists b) Greek
c) Latin d) Physiocrats (Ans : (b) Greek)
7. _____ was only economic means for the creation of a strong state.
a) Capitalism b) Mercantilism
c) Socialism d) Physiocracy
(Ans : (b) Mercantilism)
8. The physiocrats developed a body of economic theory in the 18th century in _____.
a) Italy b) German c) France d) America
(Ans : (c) France)
9. Adam smith was interested in the nature and causes of the _____.
a) wealth and nations b) political change
c) Agricultural Revolution d) Industrial Revolution
(Ans : (a) wealth and nations)

10. "All history is a history of class struggle" is said to be _____.

- a) Adam smith b) Karl Marx c) J.M. Keynes d) Arthur Lewis

(Ans : (b) Karl Marx)

11. _____ is an important characteristic of poor countries.

- a) Capital Deficiency b) Low capital
c) Foreign Trade d) Economic

(Ans : (a) Capital Deficiency)

12. _____ tells, agriculture is the most fundamental activity.

- a) Hebrews b) Thiruvalluvar
c) Physiocrats d) Kautilya

(Ans : (b) Thiruvalluvar)

13. According to mercantilists _____ was the most important occupation.

- a) industry b) trade
c) agricultural d) economics *(Ans : (b) trade)*

14. _____ said that more money would promote business expansion.

- a) J.M.Keynes b) Adam smith
c) Alfred Marshall d) Karl Marx

(Ans : (a) J.M.Keynes)

15. _____ developed the concept of natural order.

- a) Mercantilism b) Capitalism
c) Physiocrats d) Historical school

(Ans : (c): Physiocrats)

16. According to physiocrats , _____ was a productive occupation.

- a) industry b) trade
c) economics d) agriculture

(Ans : (d) agriculture)

17. _____ belived in individualism and socialism.

- a) J.S. Mill b) Alfred Marshall
c) J.M. Keynes d) David Ricardo

(Ans : (d) David Ricardo)

18. _____ economists belived that the laws of economics were of universal application.

- a) Classical b) Neo-classical
c) Modern d) Foreign

(Ans : (a) Classical)

19. The founder of scientific socialism was _____.

- a) Adam smith
- b) Karl Marx
- c) J.S. Mill
- d) David Ricardo

(Ans : (b) Karl Marx)

20. There was economic growth when there was _____ in the U.K.

- a) Industrial Revolution
- b) Agricultural Revolution
- c) Internal war
- d) Political change

(Ans : (a) Industrial Revolution)

21. In India nearly _____ % of population depends upon agriculture.

- a) 70
- b) 45
- c) 60
- d) 30

(Ans : (a) 70)

22. Since _____ economic thought has focused on growth and development.

- a) 1991
- b) 1965
- c) 1950
- d) 1986

(Ans : (c) 1950)

23. According to _____, low capital formation is one of the basic causes of poverty in under developed countries.

- a) J.S. Mill
- b) J.A. Schumpeter
- c) Ragnar Nurkse
- d) Adam smith

(Ans : (d) Adam smith)

24. According to _____ innovating entrepreneurs play a key role in the process of economic development.

- a) J.A. Schumpeter
- b) J.M. Keynes
- c) Adam Smith
- d) J.B. Clark

(Ans : (a) J.A Schumpeter)

25. _____ many stages of economic growth were described by W.W.Rostow.

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

(Ans : (c) Five)

26. The third sector of our economy is _____.

- (a) Primary sector
- (b) Rural sector
- (c) Secondary sector
- (d) Service sector

(Ans : (d) Service sector)

27. Father of Economics is _____.

- (a) Adam Smith (b) J. M. Keynes
(c) Marshall (d) Robbins (*Ans : (a) Adam Smith*)

28. Development is basically related to _____.

- (a) Education (b) Health care
(c) Food and Shelter (d) Human development
(*Ans : (d) Human development*)

29. Trade was given top priority by _____.

- (a) Hebrews (b) Physiocrats
(c) Mercantilists (d) Modern economists
(*Ans : (c) Mercantilists*)

30. The classification of the characteristics of underdevelopment was given by _____.

- (a) Harvey Leibenstein (b) Cairncross
(c) Joan Robinson (d) Kurihara
(*Ans : (b) Cairncross*)

II. Fill in the blanks:

1. The Hebrews realized the _____. (*Ans : dignity of labour*)
2. The Hebrew civilization was a _____ and _____ civilization.
(*Ans : rural, agrarian*)
3. The jubilee year was the _____ year. (*Ans : 50th*)
4. The _____ system was one of the important institution in ancient India.
(*Ans : Joint family*)
5. _____ was an important occupation in ancient India.
(*Ans : Agriculture*)
6. The term 'physiocracy' means _____. (*Ans : Rule of Nature*)
7. The physiocrats developed the concept of _____. (*Ans : Natural order*)
8. Ricardo was interested in the problems of _____. (*Ans : distribution*)
9. _____ was the founder of scientific socialism. (*Ans : Karl Marx*)
10. _____ is considered the Father of New Economics. (*Ans : J.M. Keynes*)
11. Low percapita incomes are known as _____.
(*Ans : underdeveloped countries*)

12. The UDC's produce mostly _____ and _____.
(Ans : raw materials, food stuffs)
13. _____ pressures take many forms. (Ans : Population)
14. _____ resources in poor countries are underdeveloped
(Ans : Natural)
15. Low capital formation leads to low _____. (Ans : productivity)
16. India is a _____ economy. (Ans : mixed)
17. _____ is a book of ethics. (Ans : Thirukkural)
18. Education and health increase productivity of _____.
(Ans : labour)
19. The classical economists believed in _____ economy based on free trade.
(Ans : market)
20. _____ refers to an increase in per capital national income.
(Ans : Economic growth)
21. For under developed countries _____ policy is a luxury.
(Ans : Laissez faire)
22. Low savings leads to low _____.
(Ans : capital formation)
23. In underdeveloped countries, the tax system is marked by inefficiency in collection and there is _____.
(Ans : tax evasion)
24. In undeveloped countries, population is ruled by _____ and _____.
(Ans : customs, traditions)
25. Majority of the population in underdeveloped countries will be engaged in _____.
(Ans : agriculture)
26. The Industrial Revolution occurred in _____. (Ans : U.K)
27. During the _____ and _____ when the capitalist countries were affected by the great depression. (Ans : 1920s, 1930s)
28. _____ is the gift of former soviet Russia to the world based on socialist philosophy. (Ans : planning)
29. According to Marshall economic laws are always _____ and _____.
(Ans : conditional and hypothetical)

30. Hebrew civilization was essentially _____ and _____.
(Ans : rural and agrarian)
31. The economic policies of mercantalists dates back from _____ to _____.
(Ans : 15th to 18th century)
32. The term physiocracy means _____. (Ans : Rule of Nature)
33. Latest five stages of development are given by _____.
(Ans : W. W. Rostow)
34. Father of Classical Economics is _____. (Ans : Adam Smith)
35. The Jubilee Year was the _____ year. (Ans : 50th Year)
36. The word economics is derived from the _____ language.
(Ans : Greek language)
37. The word 'OIKONOMIA' mean _____.
(Ans : Household management)
38. "All history is a history of class struggle" said by _____.
(Ans : Karl Marx)

III. Match the following:**(a)**

- | | |
|-------------------------|---------------------------------|
| 1. Planning | - (a) innovating entrepreneurs |
| 2. W.W Rostow | - (b) Laissez Faire |
| 3. J.A. Schumpeter | - (c) gift of soviet Russia |
| 4. J.M. Keynes | - (d) Stages of economic growth |
| 5. Classical economists | - (e) father of New Economics |
- (Ans :1 (c), 2 (d), 3 (a), 4 (e), 5 (b))

(b)

- | | |
|---------------------|----------------------------------|
| 1. Marxism | - (a) Rule of Nature |
| 2. Mercantilism | - (b) Relaxation and good living |
| 3. Physiocrats | - (c) Free trade |
| 4. Classical School | - (d) Trade |
| 5. Sabbath | - (e) Socialist philosophy |
- (Ans :1 (e), 2 (d), 3 (a), 4 (c), 5 (b))

(C)

1. Physiocrats - (a) Industry and manufacture
2. Mercantilist - (b) The new deal policy
3. Former Soviet Russia - (c) Agriculture
4. J. M. Keynes - (d) Hebrews economic thought
5. Sabbath - (e) planning

(Ans : 1. (c); 2. (a); 3. (e); 4. (b); 5. (d))

IV. Answer for each of the following questions in a word or two:

1. Who gave top priority for religion and ethics? *(Ans :Hebrews)*
2. What is the important characteristic of poor countries?
(Ans :Capital deficiency)
3. What is formed by Greek thought, Roman law and christian religion?
(Ans :European culture)
4. What was the nature of Hebrew civilisation?
(Ans :Rural and agrarian)
5. What was the nature of the society of the middle ages?
(Ans :Feudal Society)
6. What does physiocracy mean?
(Ans :Rule of Nature)
7. Write any two infrastructural facilities,
(Ans : Transportation, power facilities, water supply etc.)
8. What are the two major causes of population?
(Ans : High birth rate and low death rate)
9. Who gave the idea to solve depression in America? *(Ans : J.M. Keynes)*
10. Who are the leading economists of the classical school?
(Ans : Adam smith, David Ricardo, Malthus and J.S.Mill)
11. Who are the proprietary class according to physiocrats?

(Ans : Farmers)

12. Who were influenced on the life and thought of middle ages?

(Ans : Church, Bible and Aristotle)

13. “There is no idolatry in them no temples for the gods. The vitality and affirmation of life pervading them are extraordinary” who stated this line?

(Ans : Pandit Jawaharlal Nehru.)

14. Is Economics a social science?

(Ans : Yes)

15. What is the expand form of I.M.F? *(Ans : International Monetary Fund)*

16. Who introduced the theory of population? *(Ans : T. R. Malthus)*

17. Which was essentially a revolt by the French against mercantilism?

(Ans : Physiocracy)

CHAPTER - 2**Population****EXERCISE****I. Choose the Correct Answer :**

1. Mention which is not a cause for Population Explosion _____.

- (a) High BR (b) Social customs
(c) High DR (d) Poverty

(Ans : (c) High DR)

2. T. R. Malthus published his book "Essay on the Principles of Population in _____.

- (a) 1896 (b) 1776 (c) 1857 (d) 1798

(Ans : (d) 1798)

3. Population increases in a _____ ratio, as explained by Robert Malthus.

- (a) Proportionate (b) Geometric
(c) Arithmetic (d) Progressive

(Ans : (b) Geometric)

4. According 2001 Census, the population of India was _____.

- (a) 236 million (b) 890 million (c) 1000 million (d) 1027 million

(Ans : (d) 1027 million)

5. _____ refers to the rate of death occurring per thousand new born babies.

- (a) Natality (b) Mortality
(c) infant mortality (d) death rate

(Ans : (c) infant mortality)

II. Fill in the blanks :

6. Density of population rose to _____ per sq. km. in 1991. *(Ans : 267)*

7. When per capita income increases rapidly, it lowers the _____ rate.

(Ans : Fertility)

8. _____ was the first demographer.

(Ans : T. R. Malthus)

9. The quality of population in a country depends on the ____.

(Ans : Level of literacy)

10. India is said to be in _____ stage of demographic transition.

(Ans : second)

III. Match the Following :

- | | |
|--------------------------------|------------------------------------|
| 11. First census | - (a) No. of deaths per 1000 |
| 12. Positive check | - (b) 2000 |
| 13. Death rate | - (c) Limit the size of the family |
| 14. National Population Policy | - (d) famine |
| 15. Family Planning | - (e) 1871 |

(Ans : 11. (e); 12. (d); 13. (a); 14. (b); 15. (c))

IV. Answer the following in a word or two :

16. Which theory of population is more realistic than the Malthusian Theory of Population?

(Ans : Optimum theory)

17. What are the man-made checks of population growth?

(Ans : Preventive Check)

18. Which is the most well-known theory of population in Economics?

(Ans : Malthusian theory of population)

19. Give examples for preventive checks.

(Ans : Family planning / Late marriage etc.)

20. What is the meaning of population explosion?

(Ans : Rapid rise in population)

Other Important Questions

I. Choose the correct answer:

1. The study of human resources is important from the point of view of _____.

- (a) Economic welfare (b) money welfare
(c) Physical welfare (d) all the above

(Ans : (a) Economic welfare)

2. _____ has a positive influence on growth of population.

- (a) Birth rate (b) Death rate
(c) Migration (d) All the above

(Ans : (a) Birth rate)

3. Population growth results in _____.

- (a) increase in supply of labour
(b) Increase in demand for product
(c) both
(d) none of the above

(Ans : (c) both)

4. The alarming and rapid rate of increase in population is called _____.

- (a) population divide (b) Population explosion
(c) population growth (d) none

(Ans : (b) population explosion)

5. In India the birth rate has come down from 45.8 per thousand to 25.8 per thousand between _____.

- (a) 1981-2000 (b) 2000-2005
(c) 1891-1900 and 2001 (d) 2002-2007

(Ans : (c) 1891-1900 and 2001)

6. The death rate in India is about _____ per thousand in 2001.

- (a) 4.5 (b) 8.5 (c) 6.2 (d) 10

(Ans : (b) 8.5)

7. The imbalance in population growth could be corrected by _____.

- (a) preventive checks only
- (b) positive checks only
- (c) Government steps
- (d) both preventive and positive checks

(Ans : (d) both preventive and positive checks)

8. Capital formation depends on _____.

- (a) Saving
- (b) investment
- (c) both
- (d) none

(Ans : (c) both)

9. Census of population in India was taken in India for the first time in the year _____.

- (a) 1872
- (b) 1881
- (c) 1886
- (d) 1890

(Ans : (a) 1872)

10. Population percentage growth per annum between the census years 1981 and 2001 was _____.

- (a) 1.80
- (b) 1.22
- (c) 0.19
- (d) 2.14

(Ans : (a) 1.80)

11. The theory of demographic transition points out _____ distinct stages of population growth.

- (a) three
- (b) four
- (c) five
- (d) two

(Ans : (a) three)

12. Sex ratio in the year 2001 was _____ per thousand males.

- (a) 1027
- (b) 531
- (c) 495
- (d) 933

(Ans : (d) 933)

13. Literacy rate during the year 2001 was _____.

- (a) 65.38
- (b) 531
- (c) 267
- (d) 324

(Ans : (a) 65.38)

14. population percentage growth per annum between the census years 1981 and 2001 was _____.

- (a) 1.22
- (b) 0.19
- (c) 2.14
- (d) 1.80

(Ans : (d) 1.80)

15. The year of Great Divide in the growth of population was _____.

- (a) 1981 (b) 2001 (c) 1921 (d) 1901

(Ans : (c) 1921)

16. The increase in population has led to uneconomic holding through _____.

- (a) sub division (b) fragmentation
(c) both (d) None of the above

(Ans : (c) both)

17. _____ means the percentage of couples using birth control or family planning method.

- (a) CPR (b) IMR (c) Both (d) None of these

(Ans : (a) CPR)

18. _____ theory of population is the most well known theory on population in economics.

- (a) Optimum theory of population
(b) Malthusian theory of population
(c) Theory of Demographic transition
(d) None of the above

(Ans : (b) Malthusian theory of population)

19. The size of population is determined by the availability of _____ according to Malthus.

- (a) Raw materials (b) Saving
(c) investment (d) food production

(Ans : (d) food production)

20. _____ theory of population brings out the relationship between changes in population and the consequent changes in per capita income.

- (a) Malthusian (b) Optimum
(c) Demographic transition (d) All the above

(Ans : (b) Optimum)

21. The theory of optimum population is explained by _____.

- (a) classical economists
- (b) neo-classical economists
- (c) modern economists
- (d) none of the above

(Ans : (c) modern economists)

22. _____ refers to the efforts made by the government to control and change the population structure.

- (a) Census policy
- (b) Government policy
- (c) Data policy
- (d) Population policy

(Ans : (d) Population policy)

23. The primary sector of our economy is _____.

- (a) Agriculture
- (b) Industry
- (c) Service Sector
- (d) None of these

(Ans : (a) Agriculture)

24. Mention the factors determining population growth _____.

- (a) Birth Rate
- (b) Death Rate
- (c) a and b
- (d) Social Customs

(Ans : (c) a and b)

25. Density of population is the least in which of the following states.

- (a) Rajasthan
- (b) Himachal
- (c) Andhra Pradesh
- (d) Gujarat

(Ans : (b) Himachal)

26. _____ is a causes for population explosion.

- (a) Early Marriage
- (b) Late Marriage
- (c) both a and b
- (d) None of these

(Ans : (a) Early Marriage)

27. 'Essay on the principles of population' was given by _____.

- (a) Adam Smith
- (b) Alfred Marshall
- (c) J. M. Keynes
- (d) T. R. Malthus

(Ans : (d) T. R. Malthus)

II. Fill in the blanks:

1. A study of population is necessary as it is an important determinant of _____.
(Ans : economic development)
2. Birth rate has a positive influence on growth of _____.
(Ans : population)
3. _____ is not an important factor contributing to the population.
(Ans : Migration)
4. _____ will induce technological improvements. (Ans : Specialisation)
5. _____ rate is a major cause responsible for the rapid growth of population.
(Ans : High birth)
6. _____ are source for income of the family. (Ans : Children)
7. Unemployment and underemployment further lead to _____.
(Ans : poverty)
8. India is facing the situation of _____. (Ans : population explosion)
9. In the first stage of demographic transition both the birth rate and death rate will be _____.
(Ans : high)
10. Malthus recommended to use the _____ checks to avoid misery.
(Ans : preventive)
11. In a backward economy _____ results in increase in supply of labour.
(Ans : population growth)
12. Out - migration will _____ population growth. (Ans : reduce)
13. The death in India has _____ in recent years. (Ans : fallen)
14. people must be made aware of different methods of _____ control.
(Ans : birth)
15. Family planning must be made a _____ movement. (Ans : national)
16. _____ means limiting the size of the family.
(Ans : family planning)
17. Rapid increase in population is a _____ strain to the government.
(Ans : financial)

18. Provision of pre-natal and post-natal care has reduced _____ mortality rate. *(Ans : infant)*
19. _____ is a compulsory institution as per social norms. *(Ans : Marriage)*
20. _____ is very essential for the economic development for the country. *(Ans : Capital formation)*
21. Fast growing _____ affects the capital formation in the country adversely. *(Ans : population)*
22. Rising population aggravates the problem of _____. *(Ans : unemployment)*
23. Both big and small industries require adequate _____. *(Ans : capital)*
24. The imbalance between population growth and food supply is corrected through _____ and _____ checks. *(Ans : positive and preventive checks)*
25. The theory of demographic transition brings out the relationship between _____ and _____. *(Ans : Birth Rate and Death Rate)*
26. Census report is submitted once in _____ years. *(Ans : 10 years)*
27. _____ means migration of people from agriculture to non-agricultural occupation. *(Ans : Urbanisation)*
28. The theory of optimum population brings out the relationship between _____ and _____. *(Ans : Population and Per capita Income)*

III. Match the following:**(a)**

- | | |
|-------------------------|--|
| 1. Birth rate | - (a) Emigration, immigration |
| 2. Population growth | - (b) Rapid increase in population |
| 3. Population explosion | - (c) unemployment and underemployment |
| 4. Migration | - (d) Number of birth per 1000 |
| 5. Poverty | - (e) Increase in supply of labour |

(Ans : 1 (d), 2 (e), 3 (b), 4 (a), 5 (c))

(b)

1. Family planning - (a) Polygamy
2. optimum population - (b) Subdivision and fragmentation
3. Legal steps - (c) Saving and investment
4. Agricultural Backwardness - (d) Check rapid growth of population
5. Capital formation - (e) Highest per capita income

(Ans :1 (d), 2 (e) 3 (a), 4 (b), 5 (c))

(c)

1. Birth Rate - (a) T. R. Malthus
2. Preventive Check - (b) Population education campaigns
3. First Demographer - (c) Illiteracy
4. Population Explosion - (d) 1027 million
5. 2001 census - (e) Family Planning

(Ans: 1. (b); 2. (e); 3. (a); 4. (c); 5. (d))

IV. Answer for each of the following questions in a word or two:

1. Write any two factors that depends on birth rate.

(Ans :Early marriage and higher child birth)

2. Write any two examples for increasing death rate.

(Ans :Hunger and starvation)

3. What are the two major causes for population?

(Ans :Birth rate and death rate)

4. Write any two causes for fall in death rate?

(Ans :Advancement in medical science and better facilities for sanitation)

5. Who are the unproductive consumers?

(Ans :Children and old persons)

6. How many percentage of total world land area does India occupies?

(Ans :2.4%)

7. When, India adopted the family planning programme?

(Ans :1952)

8. What is the optimum population? *(Ans :Ideal population)*
9. What is the main age of marriage for girls in India? *(Ans :18 years)*
10. What is the suggested minimum age of marriage for boys? *(Ans :21 years)*
11. What is the consequence of low purchasing power?
(Ans :Low effective demand)
12. Who gave the well-known theory on population in economists?
(Ans : T.R. Malthus)
13. Give examples for positive checks.
(Ans : Misery, disease, earthquakes and flood etc.)
14. In which year T. R. Malthus published his book "Essay on Principles of Population"? *(Ans :1798)*
15. What is Mortality? *(Ans : Mortality means death rate)*
16. What do you mean by population?
(Ans : Population refers to the whole number of people or inhabitants in a country)
17. What is Emigration? *(Ans : Outward-migration is known as Emigration)*
18. Name the cause of Population Explosion? *(Ans : High Death Rate)*
19. Give the formula to measure optimum population.
(Ans : $M = \frac{A - O}{O}$)
20. Name the economists who propagated The Theory of Optimum Population? *(Ans : Sidgwick, Cannon, Dalton and Robbins)*
21. Which is the first developing country who adopt a population policy?
(Ans : India)
22. What is MMR? *(Ans : Maternal Mortality Rate)*

CHAPTER - 3**Poverty and Unemployment****EXERCISE****I. Choose the Correct Answer :**

1. Basic needs like food, clothing and shelter are _____ needs.

(a) Physical (b) Social (c) Psychological (d) Cultural

(Ans : (a) Physical)

2. When a person lives below the minimum subsistence level, he is said to live in poverty _____.

(a) Absolute (b) Relative (c) Abstract (d) None

(Ans : (a) Absolute)

3. All poverty alleviation programmes implemented so far have less or no effect due to _____.

(a) Unemployment (b) Joint family system
(c) inequality (d) corruption

(Ans : (d) corruption)

4. The Planning Commission of India defined poverty on the basis of _____.

(a) Income (b) Consumption
(c) Calorie intake of food (d) Employment

(Ans : (c) Calorie intake of food)

5. Agriculture gives rise to _____ unemployment.

(a) cyclical (b) structural (c) seasonal (d) professional

(Ans : (c) seasonal)

II. Fill in the blanks :

6. Poverty is of _____ types. *(Ans : 2 types)*

7. India presently suffers from _____ unemployment which exists in open and disguised forms. *(Ans : structural)*

8. Our planning was not at all _____. *(Ans : employment oriented)*

9. Many workers in urban areas suffered from _____.

(Ans : sub-employment)

10. Existence of joint family system in India promotes ____.

(Ans : disguised unemployment)

III. Match the Following :

11. Employment assurance

scheme - (a) April 1999

12. Disguised unemployment - (b) Engineering

13. Jawahar gram samridhi

yojana - (c) Rural works programme

14. Indian Educational System - (d) low productivity employment

15. Underemployment - (e) 1993

(Ans : 11. (e); 12. (d); 13. (a); 14. (b); 15. (c))

IV. Answer the following in a word or two :

16. What is the major goal of planning in India? *(Ans : Reducing Poverty)*

17. What was the basis on which Planning Commission defined poverty line in rural areas? *(Ans : Rs. 49.1% per capita)*

18. What is the main reason for poverty in India? *(Ans : Population Pressure)*

19. What is the prerequisite for the development of a nation?

(Ans : Quality Education)

20. How many underemployed persons are there in India?

(Ans : More than 2 crores)

Other Important Questions**I. Choose the correct answer:**

1. Reducing poverty is one of the major goals of planning in _____.

- (a) India (b) Japan
(c) England (d) Italy *(Ans : (a) India)*

2. _____ has been defined as, "the inability to attain a minimum standard of living".

- (a) Unemployment (b) Poverty
(c) Both (d) None of the above
(Ans : (b) Poverty)

3. In the words of _____ "want of adequate income, howsoever defined is poverty..."

- (a) Baldwin (b) Rowntree
(c) Dandekar (d) Alfred Marshall
(Ans : (c) Dandekar)

4. _____ poverty refers to difference in income among different classes of people.

- (a) Relative (b) Absolute
(c) Both (d) None of the above
(Ans : (a) Relative)

5. _____ made a distinction between primary poverty and secondary poverbs.

- (a) Baldwin (b) Rown tree
(c) David Ricardo (d) Alfred Marshall
(Ans : (b) Rown tree)

6. _____ said that secondary poverty prevented many more people from meeting what he called 'human needs standard' than did primary poverty.

- (a) Baldwin (b) Rowntree
(c) David Ricardo (d) Marshall *(Ans : (b) Rowntree)*

7. _____ poverty means people work for few months and get low wages.

- (a) Urban (b) Primary
(c) Rural (d) None of the above

(Ans : (c) Rural)

8. If people do not have adequate food, clothing and shelter, than they are said to be in _____.

- (a) absolute poverty (b) relative poverty
(c) secondary poverty (d) urban poverty

(Ans : (a) absolute poverty)

9. Poor households generally invest in education for _____.

- (a) girls only (b) boys only
(c) boys and girls (d) none of the above

(Ans : (b) boys only)

10. _____ is the expenditure level at which a minimum calorie intake and indispensable non - food purchased are assured.

- (a) poverty line (b) poverty
(c) unemployment (d) population

(Ans : (a) poverty line)

11. _____ percentage of rural population is living below poverty line.

- (a) 20 (b) 40 (c) 30 (d) 50

(Ans : (b) 40)

12. B.S Minhas by taking per capita annual consumption expenditure of _____ as the barest minimum.

- (a) Rs. 360 (b) Rs. 210 (c) Rs. 240 (d) Rs.120

(Ans : (c) Rs.240)

13. The Integrated Rural Development programme was first proposed in the central budget in the year _____.

- (a) 2000-01 (b) 1986-87
(c) 1976-77 (d) 1950-51 (Ans : (c) 1976-77)

14. Existence of joint family system in India promotes _____.

- (a) disguised unemployment (b) full employment
(c) seasonal unemployment (d) Voluntary unemployment

(Ans : (a) disguised unemployment)

15. The situation where the educated and skilled persons do not accept casual work is known as _____.

- (a) disguised unemployment (b) under employment
(c) open unemployment (d) involuntary unemployment

(Ans : (c) open unemployment)

16. _____ to the number of persons who did not find even an hour of work during the survey week.

- (a) Daily status unemployment (b) Weekly status unemployment
(c) Open unemployment (d) All the above

(Ans : (b) Weekly status unemployment)

17. _____ legislation has been passed by the state governments, which aim at improving the economic conditions of agricultural landless labourers.

- (a) Zamindari system (b) Green revolution
(c) Land reforms (d) Ceiling of land holding

(Ans : (c) Land reforms)

18. At present as per Government of India, poverty line for the rural areas is Rs. _____ per month.

- (a) Rs.240 (b) Rs.276 (c) Rs.340 (d) Rs.380

(Ans : (b) Rs.276)

19. The _____ Finance Commission used a concept called 'the augmented poverty line'.

- (a) First (b) Second (c) Sixth (d) Seventh

(Ans : (d) Seventh)

20. The planning commission estimated the poverty line by taking Rs. _____ as per capita expenditure in rural areas.

- (a) 55.6 (b) 49.1 (c) 16.5 (d) 20

(Ans : (b) 49.1)

21. A person consuming less than _____ calories per day in rural area is under poverty line.

- (a) 2400 (b) 2100 (c) 2500 (d) 2200

(Ans : (a) 2400)

22. All _____ programmes implemented so far have less or no effect due to corruption.

- (a) Family planning (b) Poverty Alleviation
(c) Agricultural (d) None

(Ans : (b) Poverty Alleviation)

23. The number of unemployed persons from 1995 to 2000 was _____.

- (a) 14 million (b) 41 million (c) 37 million (d) 28 million

(Ans : (b) 41 million)

24. Disguised unemployment is mostly found in _____.

- (a) Agriculture (b) Sericulture
(c) Industry (d) Architecture

(Ans : (a) Agriculture)

25. The main reason for massive unemployment is poor _____.

- (a) Economic Planning (b) Manpower Planning
(c) Educational Planning (d) Military Planning

(Ans : (b) Manpower Planning)

II. Fill in the blanks:

1. Pradhan Mantri Gramodaya yojana was introduced in the budget for 2000-2001 with an allocation of _____ crore. *(Ans : ₹. 5000)*

2. Integrated Rural Development programme was first proposed in the central budget for _____. *(Ans : 1976-77)*

3. Reducing poverty is one of the major goals of _____ in India. *(Ans : planning)*

4. The farmers are poor for long then well call it _____ poverty. *(Ans : chronic or structural)*

5. _____ means people work for long hours but they get low incomes. *(Ans : Urban poverty)*

6. Dandekar and Rath estimated the value of the diet with _____ calories as the desired minimum level of consumption. *(Ans : 2,250)*

7. The planning commission accepted Rs. _____ per capita per month as the minimum desirable income. *(Ans : 20)*
8. According to P.D.Ojha _____ percentage of people are living below poverty line in rural sector in 1967-68. *(Ans : 70)*
9. People who earn less than Rs. _____ per day is considered to be below poverty line. *(Ans : 10)*
10. Indian agriculture is marked by low _____. *(Ans : productivity)*
11. Urban self - employment and urban _____ employment are two special schemes under Swarna Jayanthi Shahari Rozgar Yojana. *(Ans : wage)*
12. Land is overcrowded and a large part of a work force is unemployed and suffer from _____ unemployment. *(Ans : disguised)*
13. _____ system should be more diversified. *(Ans : Education)*
14. Intermediate technology would be more suited to _____ conditions. *(Ans : Indian)*
15. The agricultural surplus labour force is not absorbed by the _____. *(Ans : industrial sector)*
16. A person working _____ hours a day. *(Ans : 8)*
17. The _____ lands acquired were distributed to the landless labourers. *(Ans : surplus)*
18. In many countries poverty is correlated with _____ and _____. *(Ans : caste and race)*
19. The establishment of small industrial complexes can increase _____ opportunities. *(Ans : employment)*
20. _____ technologies would be more suited to Indian conditions. *(Ans : Intermediate)*
21. There is unemployment among _____ graduates also. *(Ans : technical)*
22. Seasonal employment is offered by _____ in India. *(Ans : agriculture)*
23. One of the causes of urban poverty is the _____ of people from rural to urban areas. *(Ans : migration)*

24. Jawahar Gram Samridhi Yojana was introduced in _____ year.
(Ans : April 1999)
25. Privatisation of common property resources _____ the sufferings of poor.
(Ans : increase)
26. The Employment Assurance Scheme was launched in the year _____.
(Ans : 2nd October 1993)
27. Cyclical Unemployment is caused by _____ cycles. (Ans : Trade)
28. The problem of rural unemployment can be solved only by _____ agriculture.
(Ans : Modernising)
29. The types of poverty is _____ and _____.
(Ans : Absolute and Relative)
30. National Social Assistance Programme (NSAP) was launched on _____ year.
(Ans : August 15, 1995)
31. Pradhan Mantri Gramodaya Yojana (PMGY) focus on _____ and _____.
(Ans : Health, Primary Education)
32. _____ refers to a situation in which the workers who are capable of working and willing to work do not get employment.
(Ans : Unemployment)
33. Existence of joint family system in India promotes _____ unemployment.
(Ans : Disguised)
34. Two major problems that the developing countries of the world face are _____ and _____. (Ans : Mass Poverty and Mass Unemployment)

III. Match the following:

(a)

- | | |
|----------------------------------|-----------------------------------|
| 1. Low agricultural productivity | - (a) Employment Assurance scheme |
| 2. Augmented poverty line | - (b) Decline in rural poverty |
| 3. October 2, 1993 | - (c) Seventh Finance Commission |
| 4. Good agricultural performance | - (d) Montek Singh Ahluwalia |
| 5. Study of rural poverty | - (e) Chronic poverty |

(Ans : 1 (e), 2 (c), 3 (a), 4 (b), 5 (d))

(b)

1. Land reforms - (a) 75 : 25
2. JGSY - (b) Drought prone, desert, tribal and hill areas
3. NSAP - (c) Health, primary education
4. EAS - (d) Landless agricultural labourers
5. PMGY - (e) Benefits to poor households affected by old age.

(Ans :1 (d), 2 (a), 3 (e), 4 (b) 5 (c))

(c)

1. 2 Types - (a) 58% of the poor people live
2. Uttar Pradesh - (b) Seasonal Employment
3. IRDP - (c) Unemployment Estimates
4. Agriculture - (d) Integrated Rural Development Programme
5. Daily Status Unemployment - (e) Poverty

(Ans: 1. (e); 2. (a); 3. (d); 4. (b); 5. (c))

IV. Answer for each of the following questions in a word or two:

1. What do many workers in urban areas suffered? *(Ans :sub-employment)*
2. What are the two major problems faced by all developing countries?
(Ans :poverty and unemployment)
3. What is the other name of chronic poverty? *(Ans :structural poverty)*
4. Give two examples for staple food? *(Ans :Food grains and vegetables)*
5. How much percentage of people is living below poverty line in rural area according to Seventh Finance Commission? *(Ans :52)*
6. Which is the great defect of our educational system?
(Ans :One to take up the professional degree only)
7. Who suggested the wage-goods model of development?
(Ans :Vakil and Brahmanand)

8. Write any two causes for unemployment?

(Ans : High population growth and Joint family system)

9. What do many workers in urban areas suffer from? *(Ans : Sub-employment)*

10. What is the pre-requisite for the development of a nation?

(Ans : Quality education)

11. What fact has been revealed by the N.S.S data?

(Ans : Underemployment in India)

12. Is sugar industry a seasonal industry.

(Ans : Yes)

13. Which are the states have highest per capita income?

(Ans : Punjab and Haryana)

14. In which year the rural Landless Employment Guarantee Programme was set up?

(Ans : 1983)

15. What is the percentage of labour force engaged in agriculture?

(Ans : 2/3 labour force)

16. What is the prerequisite for the development of a nation?

(Ans : Diversified)

CHAPTER - 4

National Income

EXERCISE

I. Choose the Correct Answer :

1. The growth of an economy is indicated by an _____.

- (a) Increase in general prices (b) Increase in national income
(c) Increase in savings (d) Increase in investment

(Ans : (b) Increase in national income)

2. The per capita income of an economy can be calculated by _____.

- (a) Dividing GDP by population
(b) Dividing GNP by population
(c) Multiplying GNP by population
(d) Dividing GNP by number of people employed

(Ans : (b) Dividing GNP by population)

3. The total money value of final goods and services produced in the country excluding depreciation is called _____.

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

(Ans : (a) NDP)

4. The difference between NNP and NDP is _____.

- (a) Depreciation (b) Current transfers from rest of the world
(c) Indirect tax (d) Net factor income from abroad

(Ans : (d) Net factor income from abroad)

5. National income as commonly understood by every one refers to _____.

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

(Ans : (b) NNP)

II. Fill in the blanks :

6. Net value added method of calculating National Income is also known as _____ method. *(Ans : product method)*
7. Consumption of fixed capital should be _____ the GNP to arrive at the NNP. *(Ans : deducted from)*
8. In estimating the national income at constant prices latest base year used in India is _____. *(Ans : 1993-94)*
9. In India _____ specification is still incomplete. *(Ans : occupational)*
10. _____ will give an exaggerated figure of National income. *(Ans : Double Counting)*

III. Match the Following :

- | | |
|----------------------------|--------------------------------------|
| 11. GDP | - (a) 1993-1994 |
| 12. Net Income from abroad | - (b) X-M |
| 13. GNP –Depreciation | - (c) Personal income-personal taxes |
| 14. CSO 's latest series | - (d) NNP |
| 15. PDI | - (e) Foreign trade excluded |
- (Ans : 11. (e); 12. (b); 13. (d); 14. (a); 15. (c))*

IV. Answer the following in a word or two :

16. What is obtained by dividing the National income by total population? *(Ans : Per Capita Income)*
17. What is the method of estimate of national income from the distribution side is called? *(Ans : Income Method)*
18. How many methods are there to compute national income? *(Ans : Three)*
19. What should be added to the three sector economy to make it to form four sector economy? *(Ans : Foreign Trade)*
20. Give formula for per capita income.

$$\text{(Ans : } \text{GDP} / \text{Total Population (or) PC} = \frac{\text{National Income}}{\text{Total Population}} \text{)}$$

Other Important Questions

I. Choose the correct answer:

1. National income per person is used as an indicator of _____.

- (a) standard of living of people (b) poverty of the people
(c) the richness of people (d) growth of industrialisation

(Ans : (a) Standard of living of people)

2. _____ is the measure of welfare.

- (a) Human development index (b) Price index
(c) Employment (d) Population

(Ans : (a) Human development index)

3. National income was called 'national dividend' by _____.

- (a) Irving Fisher (b) Alfred Marshall
(c) Samuelson (d) J.M. Keynes

(Ans : (b) Alfred Marshall)

4. _____ is a measure of the total value of the goods and services produced in an economy for a year.

- (a) GNP (b) GDP
(c) National income (d) Per capita income

(Ans : (c) National income)

5. GDP = _____.

- (a) GNP + Depreciation
(b) GNP – Net income earned from abroad
(c) GNP – Depreciation (d) NNP – Depreciation

(Ans : (b) GNP – Net income earned from abroad)

6. _____ is the total value of output produced and income received in a year by domestic residence of a country.

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

(Ans : (d) GNP)

7. The income method of calculating national income includes the income of the _____.

- (a) farmers only (b) businessmen only
(c) service sector only (d) factors of production

(Ans : (d) factors of production)

8. The non-resident Indian income will be added to GDP to arrive at our _____.

- (a) PCI (b) GDP (c) GNP (d) NNP

(Ans : (c) GNP)

9. Growth of GDP per capita between 1980-2005 was _____.

- (a) 3.6% (b) 5.8% (c) 1.5% (d) 3.2%

(Ans : (a) 3.6%)

10. _____ employ factors of production to produce the goods and services.

- (a) Consumer (b) Business sectors
(c) House holds (d) Farmers

(Ans : (b) Business sectors)

11. Name the national income series in India 1980-81 _____.

- (a) New series (b) Conventional series
(c) Revised series (d) Latest series

(Ans : (c) Revised series)

12. _____ is not the correct indicator for the living standards of the people.

- (a) Per capita income (b) National income
(c) Both (d) None of the above

(Ans : (c) Both)

13. The share of primary sector declined from 59% to _____ %.

- (a) 50 (b) 25 (c) 24 (d) 26

(Ans : (c) 24)

14. According to the year 2001, Indian per capita income is _____ dollar.

- (a) 520 (b) 460 (c) 240 (d) 900

(Ans : (b) 460)

15. In _____ method, the measures of GDP are calculated for adding total value of output produced by all activities during a year.

- (a) Expenditure
- (b) Income
- (c) Product
- (d) All the above

(Ans : (c) Product)

16. In _____ method, the measures of GDP are calculated by adding all the expenditures made in the economy.

- (a) Income
- (b) Expenditure
- (c) Product
- (d) All the above

(Ans : (b) Expenditure)

17. _____ means unreported economy which is equivalent to the size of officially estimated size of the economy.

- (a) Developed economy
- (b) Under developed economy
- (c) Developing economy
- (d) Parallel economy

(Ans : (d) Parallel economy)

18. "National income estimate measures the volume of commodities and services turned out during a given period counted without duplication" is said that _____.

- (a) Alfred Marshall
- (b) Irving Fisher
- (c) National Income Committee of India
- (d) Samuelson

(Ans : (c) National Income Committee of India)

19. GDP indicates productive capacity for an _____.

- (a) economy
- (b) employment
- (c) income
- (d) population

(Ans : (a) economy)

20. The black economy as percentage of GDP is estimated to have grown from _____ percentage.

- (a) 2%
- (b) 3%
- (c) 5%
- (d) 7%

(Ans : (b) 3%)

21. The Indian High Commission in London is a part of the domestic territory of _____.

- (a) England (b) United Nations
(c) Common Wealth (d) India *(Ans : (a) England)*

22. Transfer earnings is referred to _____.

- (a) Pension payments to retired persons
(b) Income paid as rent to landlord
(c) An interest payments to a capitalist
(d) Medical payments made to an employee of a company

(Ans : (a) Pension payments to retired persons)

23. One of the following is not a stock variable.

- (a) income during a year of a company
(b) capital stock of the economy
(c) value of goods available in a general store
(d) amount of money in circulation

(Ans : (d) amount of money in circulation)

24. The value of net national product will be more than the value of net domestic product, if _____.

- (a) imports exceed exports (b) exports exceed imports
(c) exports equal imports (d) none of the above

(Ans : (b) exports exceed imports)

25. The base year 1993-94 is used in the _____.

- (a) New series (b) Conventional series
(c) C.S.O's latest series (d) revised series

(Ans : (c) C.S.O's latest series)

26. Parallel economy refers to _____.

- (a) agricultural economy (b) industries
(c) banking activities (d) black money in circulation

(Ans : (d) black money in circulation)

II. Fill in the blanks:

1. The measure of national income and _____ are used in economics to estimate the total value of production in an economy. *(Ans : output)*
2. The country's economic performance has been measured by indicators of _____. *(Ans : national income)*
3. $NNP = GNP - \text{_____}$. *(Ans : Depreciation)*
4. $GNP - \text{Foreign trade} = \text{_____}$. *(Ans : GDP)*
5. GNP is a crude indicator of _____. *(Ans : living standard)*
6. _____ is a measure of income flow from production and or the sum total of all the spending involved for the production of output. *(Ans : National income)*
7. _____ is the total value of output produced by the factors of production located within the country's boundary in a year. *(Ans : GDP)*
8. National Income at current price measures the national income after making necessary adjustments to eliminate the effect of _____. *(Ans : Inflation)*
9. _____ is the common feature in almost all the economies. *(Ans : Inflation)*
10. $\text{Output} = \text{Income} = \text{_____}$. *(Ans : Expenditure)*
11. GDP is the measure of an economy's total _____. *(Ans : Output)*
12. Income method of national income is the _____ side of our national income. *(Ans : distribution)*
13. The output of many business is the _____ of some other business. *(Ans : input)*
14. In recent years, the service sector is growing faster than that of the _____ and _____ sector. *(Ans : agricultural, industrial)*
15. The growth of national income has increased from 3.5% in 1950-80 to _____ % during 1980 - 2005. *(Ans : 5.6)*
16. The national income analysis ignores domestic work, house keeping and _____. *(Ans : Social service)*

17. Rural economy is called _____ economy.
(Ans : non-monetized)
18. In India, _____ money is all - pervasive, affecting not only the economy but also the society at large.
(Ans : black)
19. The problem of double counting can be avoided by including only the value added in the final value of _____ produced.
(Ans : output)
20. The share of primary sector has declined from _____ percent to _____ percent.
(Ans : 59 to 24)
21. In estimating national income, Net value added method is also known as _____.
(Ans : output or product method)
22. Pension is _____ of a wage income.
(Ans : injection)
23. Consumption of fixed capital should be _____ the gross national product to arrive at the net national product.
(Ans : deducted from)
24. Net factor income from abroad is _____ in the domestic factor income to national income.
(Ans : added)
25. _____ is included in the primary sector.
(Ans : Fishing)
26. Income method estimates national income from the _____ side.
(Ans : production side)
27. _____ is a major source of income to modern government.
(Ans : Tax)
28. PI - Personal taxes is = _____. (Ans : PDI - Personal Disposable Income)
29. Give an expand for BPO _____. (Ans : Business Process Outsourcing)
30. _____ income refers to the average annual income of the people of a country.
(Ans : per capita income)
31. _____ is defined as the total value of goods and services produced in a country during a year.
(Ans : National Income)
32. The flow chart consist of two segments _____ and _____.
(Ans : real flow and money flow)

III. Match the following:**(a)**

- | | |
|-----------------------|--|
| 1. Income method | - (a) Non - monetized |
| 2. Expenditure method | - (b) Parallel economy |
| 3. Rural economy | - (c) Almost reached half of our national income |
| 4. Black money | - (d) $C+I+G+(X-M)$ |
| 5. Service sector | - (e) Rent, wages, interest, profits |

*(Ans : 1 (e), 2 (d), 3 (a), 4 (b), 5 (c))***(b)**

- | | |
|------------------------------|------------------------------|
| 1. National dividend | - (a) Net income from abroad |
| 2. $(X-M)$ | - (b) Total value of output |
| 3. Taxes and import payment | - (c) depreciation |
| 4. Decline in capital assets | - (d) Leakages |
| 5. Output method | - (e) National income |

*(Ans : 1 (e), 2 (a), 3 (d), 4 (c) 5 (b))***(c)**

- | | |
|---------------------------------|---------------------------------|
| 1. Four sector economy | - (a) Primary Sector |
| 2. $Y = C + I$ | - (b) NNI |
| 3. Forestry | - (c) GNP - Depreciation |
| 4. NNP - indirect taxes | - (d) Product Method |
| 5. NNP | - (e) BPO |
| 6. Output Method | - (f) $Y = C + I + G + (X - M)$ |
| 7. Business Process Outsourcing | - (g) Two sector economy |

*(Ans: 1. (f); 2. (g); 3. (a); 4. (b); 5. (c); 6. (d); 7. (e))***IV. Answer for each of the following questions in a word or two:**

1. Which includes profits earned from capital invested abroad?

(Ans : GNP)

2. What is the other name of per capita income?

(Ans : Output per person)

3. What income is included in the National income calculation?

(Ans :Income of factors of production)

4. Give the formula to calculate per capita income.

$$(Ans: PCI = \frac{GNP}{Total\ population})$$

5. How many segments are there in the flow chart of income?

(Ans :Two)

6. Write any two components of national income.

(Ans :Consumers and producers)

7. Name the supply of factors of production.

(Ans :Land, Labour, Capital and Organisation)

8. What is the reward for capital?

(Ans :Interest)

9. What are the two units of two sector economy model?

(Ans :House holds, firms)

10. What are the three major sectors of our economy?

(Ans :Primary, Secondary and Tertiary)

11. What is 'real flow'?

(Ans : Goods flow from firms to households is known as real flow)

12. What are the two markets integrated through economic activities?

(Ans : Factor market and goods market)

13. What is leakages?

(Ans : Withdrawing some amount from the households and the firms for the payment of taxes is called leakages)

14. Give the expand form of C.S.O.

(Ans : Central Statistical Organisation (C.S.O))

15. What are the three methods of calculating national income?

(Ans : (i) Product Method; (ii) Income Method; (iii) Expenditure Method)

CHAPTER - 5

Economic planning

EXERCISE

I. Choose the Correct Answer :

1. The first country to introduce Five Year Plan was _____.

- (a) U.K. (b) U.S.A.
(c) Former Soviet Russia (d) France

(Ans : (c) Former Soviet Russia)

2. Planning in India is _____.

- (a) Centralized planning (b) Democratic planning
(c) Partial Planning (d) Indicative planning

(Ans : (b) Democratic planning)

3. Perspective Plan covers a period of _____.

- (a) 5 years (b) 10 years (c) 20 to 25 years (d) 15 years

(Ans : (c) 20 to 25 years)

4. The first Five Year Plan of India was launched in _____.

- (a) 1947 (b) 1951 (c) 1956 (d) 1961

(Ans : (b) 1951)

5. There was plan holiday in India from _____.

- (a) 1966 – 69 (b) 1961 – 63 (c) 1980 – 84 (d) 2002 – 2004

(Ans : (a) 1966 – 69)

II. Fill in the blanks :

6. In Soviet Russia they had _____ planning. *(Ans : central)*

7. Market Economy is a victim of _____ cycles.

(Ans : Trade or Business)

8. The planning strategy in India has been described as _____ strategy.

(Ans : Mahalanobis)

9. Former Soviet Russia launched its First Five Year Plan in _____.

(Ans : 1928)

10. During the Second Plan period, India adopted democratic _____.

(Ans : socialism)

III. Match the Following :

11. Industrial development

in U.K.

- (a) Indian Five Year Plans

12. Increasing standard

of living

- (b) Laissez Faire Policy

13. Second Five Year Plan

- (c) Garibi Hatao (Removal of poverty)

14. Fifth Five Year Plan

- (d) Equity and Social Justice

15. Tenth Five Year Plan

- (e) Rapid industrialization

(Ans : 11. (b); 12. (a); 13. (e); 14. (c); 15. (d))

IV. Answer the following in a word or two :

16. Who was the Prime Minister of India when the First Five Year Plan was launched?

(Ans : Jawaharlal Nehru)

17. What was the policy followed during the 19th century?

(Ans : Laissez Faire Policy)

18. What is the body that draws Five Year plans in India?

(Ans : The Planning Commission)

19. What is the period of the Tenth Five Year Plan?

(Ans : 2002-2007)

20. Who gave the name "Hindu rate of growth"?

(Ans : Rajkrishna)

Other Important Questions**I. Choose the correct answer:**

1. Planning is a gift of _____ to the world.

- (a) America (b) Japan
(c) Former Soviet Russia (d) Germany

(Ans : (c) Former Soviet Russia)

2. "Strictly speaking, all economic life involves planning" is said to be _____.

- (a) Alfred Marshall (b) Lionel Robbins
(c) J.M. Keynes (d) Schumpeter

(Ans : (b) Lionel Robbins)

3. In _____ countries, planning is almost a religion.

- (a) Socialist (b) Capitalist
(c) Mixed economic (d) Traditional economic

(Ans : (a) Socialist)

4. In a socialist state most of the means of production are owned by the _____.

- (a) Private individuals (b) state
(c) Planning authority (d) none of the above

(Ans : (b) state)

5. In a democracy planning is done by _____.

- (a) inducement (b) index
(c) discussion (d) choice

(Ans : (a) inducement)

6. The Great Depression occurred in _____.

- (a) 1930 (b) 1950 (c) 1980 (d) 2000

(Ans : (a) 1930)

7. The under developed nations, plan for economic _____.

- (a) stability (b) equality
(c) growth and development (d) progress

(Ans : (c) growth and development)

8. Capitalist economy is basically a _____ economy.

- (a) traditional (b) market
(c) mixed (d) socialist

(Ans : (b) market)

9. In capitalism, the allocation of resources and distribution of rewards are done through the _____ system.

- (a) supply (b) demand (c) price (d) curve

(Ans : (c) price)

10. There will be _____ planning in a capitalist economy.

- (a) rural (b) urban
(c) total (d) partial

(Ans : (d) partial)

11. The period of eighth plan was _____.

- (a) 1978-83 (b) 1985-90
(c) 1992-97 (d) 1990-95

(Ans : (c) 1992-97)

12. The term modernisation means _____.

- (a) industrialisation (b) electrification
(c) structural changes (d) urbanisation

(Ans : (c) structural changes)

13. During depression, there will be falling prices and mass _____.

- (a) full employment (b) unemployment
(c) production (d) recession

(Ans : (b) unemployment)

14. In Soviet Russia, the New Economic policy was from 1921 to _____.

- (a) 1924 (b) 1926 (c) 1928 (d) 1932

(Ans : (a) 1924)

15. Socialist economy gives more importance to _____ sector.

- (a) agriculture (b) industry
(c) service (d) goods

(Ans : (b) industry)

16. The National Planning Commission was set up in India in _____.

- (a) 1947 (b) 1950 (c) 1956 (d) 1952

(Ans : (b) 1950)

17. The objectives of five year plan in India is to _____.

- (a) raise the standard of living (b) increase output
(c) reduce inequalities (d) all the above

(Ans : (d) all the above)

18. Indian plans have looked at employment as an intergral part of the problem of the removal of _____.

- (a) Poverty (b) unemployment
(c) Both (d) None

(Ans : (c) Both)

19. The basic causes of poverty is _____.

- (a) rapid growth of population (b) low agricultural productivity
(c) low savings and disguised unemployment
(d) all the above

(Ans : (d) all the above)

20. Garibi Hatao is the slogan during the _____ Five Year Plan.

- (a) Second (b) Third
(c) Fourth (d) Fifth *(Ans : (d) Fifth)*

21. _____ is the period of sixth five year plan during Janata party in centre.

- (a) 1975-80 (b) 1980-85
(c) 1985-90 (d) 1978-83

(Ans : (d) 1978-83)

22. The aim of seventh five year plan _____.

- (a) agricultural growth in food grains production
(b) increasing employment opportunities
(c) raising productivity in all sectors
(d) all the above

(Ans : (d) all the above)

23. The new reforms policy was introduced in _____.

- (a) 1950 (b) 1971 (c) 1986 (d) 1991

(Ans : (d) 1991)

24. Poverty alleviation programmes started by the government from _____ Five Year Plan.

- (a) Fourth (b) Fifth (c) Sixth (d) Seventh

(Ans : (b) Fifth)

25. The Ninth Plan _____ on the external trade front.

- (a) succeeded (b) failed
(c) succeeded more than target (d) aim and target are equal

(Ans : (b) failed)

26. The process of decision making about alternative ways of using available scarce resources is _____.

- (a) consumption (b) saving
(c) expenditure (d) economic planning

(Ans : (d) economic planning)

27. All means of production are owned by the state under _____.

- (a) mixed economy (b) socialism (c) capitalism (d) feudalism

(Ans : (b) socialism)

28. Normally, India was been adopting _____.

- (a) annual plans (b) rolling plans
(c) mid-term plans (d) perspective plans

(Ans : (c) mid-term plans)

29. In _____ planning the period extends over 3 to 5 year upto 7 to 10 years.

- (a) over all (b) rolling (c) indicative (d) mid-term

(Ans : (d) mid-term)

30. The people's plan was prepared by _____.

- (a) Sriman Narayan (b) Sir M. Viswesvaraya
(c) M. N. Roy (d) N. S. C. Bose

(Ans : (c) M. N. Roy)

II. Fill in the blanks:

1. In countries like U.S.A and U.K with a capitalistic system, they have _____ planning. *(Ans : partial)*

2. The modern state is a _____ state. *(Ans : welfare)*

3, planning involves the economizing of _____ resources. *(Ans : scarce)*

4. _____ policy is a luxury for modern governments.
(Ans : *Laissez faire*)
5. For giving basic necessities, first of all, the governments had to increase their _____.
(Ans : *national income*)
6. Reduction of poverty by _____% by 2007 is the important aim of tenth five year plan.
(Ans : 5)
7. The 20th century was an era of _____.
(Ans : *planning*)
8. The 19th country state was a _____ state.
(Ans : *Laissez faire*)
9. Second five year plan aimed at rapid _____.
(Ans : *industrialisation*)
10. Increase in literacy to _____% by 2007 is the important target of 10th plan.
(Ans : 75)
11. The Ninth five year plan aimed at achievement of an average growth rate of _____% of GDP.
(Ans : 6.5)
12. Market economy is a victim of _____.
(Ans : *trade cycles*)
13. A socialist economy is a totally planned _____.
(Ans : *economy*)
14. In democracy planning is done by _____.
(Ans : *inducement*)
15. The developed nations of the world, plan for economic _____.
(Ans : *stability*)
16. Planning in under developed countries is the failure of _____.
(Ans : *market mechanism*)
17. _____ economy means both public sector and private sector play important roles in economic planning.
(Ans : *Mixed*)
18. _____ plan was formulated keeping in mind the quality of the life of poor people.
(Ans : *Ninth*)
19. _____ mean equal opportunities for all and reduction in inequalities in income and wealth.
(Ans : *Social Justice*)
20. The term _____ refers to a number of structural changes in the economy.
(Ans : *modernization*)

21. The _____ was the first nation in the world to introduce Economic Planning. *(Ans : Soviet Union)*
22. Overall Planning is also known as _____. *(Ans : Functional)*
23. First five year plan was an _____ oriented plan. *(Ans : Agriculture)*
24. Second five year plan was an _____ oriented plan. *(Ans : Industrial)*
25. Planning is imperative and totalitarian a _____ economy. *(Ans : Socialist)*
26. _____ plan is a short term plan. *(Ans : Annual Plan)*
27. The plan prepared by eight leading businessmen is called. *(Ans : Bombay Plan)*
28. India is a _____ economy. *(Ans : Mixed)*
29. _____ plan is a long term plan. *(Ans : Perspective Plan)*
30. Planning in France is a good example of _____ planning. *(Ans : indicative)*
31. _____ is a victim of trade cycles. *(Ans : Market Economy)*
32. Laissez Faire Policy is a _____ for modern governments. *(Ans : Luxury)*

III. Match the following:**(a)**

- | | |
|-------------------------|-----------------------------------|
| 1. Laissez Faire | - (a) market system |
| 2. Great depression | - (b) equal opportunities for all |
| 3. Price mechanism | - (c) 1930 |
| 4. Centralised planning | - (d) non-intervention |
| 5. Social Justice | - (e) Socialist economy |

(Ans : 1 (d), 2 (c), 3 (a), 4 (e), 5 (b))

(b)

- | | |
|------------------------|----------------------------|
| 1. Rolling plan | - (a) Mahalanobis strategy |
| 2. Indian planning | - (b) Low productivity |
| 3. Planning commission | - (c) Without fixed target |
| 4. Poverty | - (d) 1950 |
| 5. Plan Holiday | - (e) 1966-69 |

*(Ans : 1 (c), 2 (a), 3 (e), 4 (b) 5 (d))***(c)**

- | | |
|--|--|
| 1. War communism | - (a) Standard of Living of the people |
| 2. Liberalization and privatization policies | - (b) Heavy industry |
| 3. Depression | - (c) 1918-21 |
| 4. Second plan | - (d) 1991 |
| 5. Planning in India | - (e) Trade cycle |

*(Ans : 1 (c), 2 (d), 3 (e), 4 (b) 5 (a))***(d)**

- | | |
|---------------------------|----------------------------|
| 1. 2002 - 2007 | - (a) 1985 - 1990 |
| 2. Seventh five year plan | - (b) Central plan |
| 3. Former Soviet Russia | - (c) 1966 - 69 |
| 4. Fourth plan | - (d) France |
| 5. Indicative planning | - (e) Mixed Economy |
| 6. India | - (f) Tenth five year plan |

*(Ans: 1. (f); 2. (a); 3. (b); 4. (c); 5. (d); 6. (e))***IV. Answer for each of the following questions in a word or two:**

- Which country introduced planning in the world first?
(Ans : Soviet Russia)
- What is the main business of the Governments of the newly emergent nations?
(Ans : provide food, clothing and shelter)
- What was the nature of the 25th century state?
(Ans : Laissez Faire States)
- What for the developed nation of the world plan? *(Ans : Economic stability)*

5. What was the period of the Seventh plan? *(Ans : 1985-90)*
6. What was the rate of growth in the first 30 years of planning?
(Ans : 3.5%)
7. Which economic system will reduce the inequalities of income and wealth?
(Ans : Socialistic country)
8. Give an example for capital intensive. *(Ans : Iron and steel industry)*
9. What is the period of Eights plan? *(Ans : 1992-97)*
10. What are the changes in our economic policy marked in the Eighth plan?
(Ans : Liberalization, privatization and Globalization)
11. What are the four main objectives that are grouped by planning commission in India?
(Ans : Growth, Modernization, self reliance and social justice)
12. What are the problems of planning in underdeveloped nations?
(Ans : Over population and Low capital formation)
13. What type of objectives are taken in the Five Year Plans?
(Ans : Long term objectives)
14. Which party in centre in the period of Sixth Five Year Plans?
(Ans : Janata party)
15. What are the types of economic system?
(Ans : Capitalism, socialism, and mixed economy)
16. Give example for long term plan. *(Ans : Population)*
17. Name the two types of planning. *(Ans : Centralized and rolling plan)*
18. When did the Soviet Russia implemented its First five year plan?
(Ans : 1928)
19. Mention any one of the main objective of Tenth five year plan.
(Ans : Equity and Social justice)
20. What is the period of the Third five year plan? *(Ans : 1961 - 66)*
21. What is the period of the Fifth five year plan? *(Ans : 1974 - 79)*
22. What is the period of Second five year plan? *(Ans : 1956 - 61)*

CHAPTER - 6

Agriculture

EXERCISE

I. Choose the Correct Answer :

1. Nearly 64% of labour force in India is engaged in

- (a) Agriculture (b) Industry
(c) Service sector (d) Foreign trade

(Ans : (a) Agriculture)

2. Agricultural productivity can be measured in terms of

- (a) consumption of fertilizer (b) Irrigational facilities
(c) Land and labour productivity (d) Mechanization

(Ans : (c) Land and labour productivity)

3. Nearly 20% of the cultivated area is irrigated by

- (a) Tube wells (b) Storage canals
(c) Perennial canals (d) Tanks

(Ans : (d) Tanks)

4. The contribution of agricultural sector to the GDP has declined to

- (a) 29.7% (b) 56.1% (c) 27.9% (d) 26%

(Ans : (a) 29.7%)

5. Green revolution increased the foodgrains production especially in

- (a) Rice and sugarcane (b) Rice and wheat
(c) Wheat and sugarcane (d) Ragi and rice

(Ans : (b) Rice and wheat)

II. Fill in the blanks :

6. _____ has been the major source of livelihood in the Indian Economy.

(Ans : Agriculture)

7. Agriculture provides _____ to the Industries. (Ans : Raw Materials)

8. _____ means the proportion of area under different crops at a point of time.

(Ans : Cropping pattern)

9. _____ means the size of land owned and cultivated by a farmer at a particular time. *(Ans : Agricultural holding)*
10. _____ means the economic process under which agricultural goods are exchanged. *(Ans : Agricultural Marketing)*

III. Match the Following :

11. Sub- division and fragmentation - (a) New Agricultural price policy
12. Sudden increase in production per acre of land - (b) Decline of joint family system
13. Zamindari system - (c) Green revolution
14. Disguised unemployment - (d) British period
15. 1986 - (e) Agriculture
- (Ans : 11. (b); 12. (c); 13. (d); 14. (e); 15. (a))*

IV. Answer each one of the questions in a word or two :

16. What is the yield per hectare called? *(Ans : Land productivity)*
17. What are the ways in which agricultural productivity can be measured? *(Ans : Labour productivity)*
18. Is capital-output-ratio small in agriculture? *(Ans : Yes)*
19. Give example for natural factors affecting cropping pattern. *(Ans : Climate)*
20. Is crop insurance scheme essential for the farmers? *(Ans : Yes)*

Other Important Questions

I. Choose the correct answer:

1. _____ occupies a very importance place in the economic life our country.

- (a) Agriculture (b) Industry
(c) Service (d) Banking

(Ans : (a) Agriculture)

2. _____ is the back bore of our economic system.

- (a) Industry (b) Agriculture
(c) Service (d) Banking

(Ans : (b) Agriculture)

3. Contribution of national income during 2002-03, declined about _____ percent.

- (a) 26 (b) 20 (c) 25 (d) 30

(Ans : (c) 25)

4. Six out of every ten persons in India depend on _____.

- (a) service sector (b) industries
(c) foreign crade (d) agriculture

(Ans : (d) agriculture)

5. The share of various agricultural commodities, animal husbandry and ancillary activities have been more than _____ percent between the year 1950-51 and 1979-80.

- (a) 50 (b) 60 (c) 40 (d) 30

(Ans : (c) 40)

6. Disguised unemployment is related with _____ sector.

- (a) service (b) agriculture
(c) insurance (d) economy

(Ans : (b) agriculture)

7. India exports like _____

- (a) tea, oil cakes, fruits etc (b) capital goods
(c) investment goods (d) plant, machinery, equipments

(Ans : (a) tea, oil cakes, fruits etc)

8. According to the year 1995, the number of people working on land increased to _____ million.

- (a) 235 (b) 250 (c) 225 (d) 210

(Ans : (a) 235)

9. Government adopted _____ to ensure fair distribution of food grains at controlled prices.

- (a) barter system (b) money system
(c) exchange system (d) public distribution system

(Ans : (d) public distribution system)

10. _____ are a long term guarantee to farmers that the prices of products will not be allowed to fall below a certain level.

- (a) Issue Price (b) Minimum Support Price
(c) Retail Price (d) Procurement Price

(Ans : (b) Minimum Support Price)

11. In Indian villages the percentage of people who earn their livelihood from cultivation and allied agro - industries is _____.

- (a) 80 (b) 70 (c) 60 (d) 50

(Ans : (b) 70)

12. Qualitative aspects of food problem is related to _____ in food.

- (a) demand aspects (b) nutritive elements
(c) supply aspects (d) cost aspect

(Ans : (b) nutritive elements)

13. Super bazaars are working in almost all the major _____ of India.

- (a) villages (b) rural areas
(c) cities (d) particular places

(Ans : (c) cities)

14. _____ aspects of food problem are related to the demand and supply of food grains.

- (a) Qualitative (b) Quantitative
(c) Economic (d) Demand

(Ans : (b) Quantitative)

15. _____ is the main causes of low agricultural productivity.
(a) Over crowding in agriculture (b) Sub-division and fragmentation
(c) Size of holding (d) All the above
(Ans : (b) Sub-division and fragmentation)
16. There are strong demand linkages between the _____ sectors.
(a) two (b) three (c) four (d) five
(Ans : (a) two)
17. Indebtedness of the farmers are the _____ factors of low agricultural productivity.
(a) general (b) institutional
(c) demographic (d) technological
(Ans : (d) technological)
18. India's major _____ crops are sugarcane, jute, cotton, tea, coffee etc.
(a) cash (b) food
(c) marketing (d) commercial (Ans : (a) cash)
19. _____ refer to all kinds of policy-induced changes relating to the ownership, tenancy and management of land.
(a) Land holding (b) Land reforms
(c) Labour reforms (d) Individual holding
(Ans : (b) Land reforms)
20. 48 lakh tonnes of food grains were imported in _____.
(a) 2001 (b) 1951 (c) 1985 (d) 1990
(Ans : (b) 1951)
21. Per hectare productivity of wheat increased from 663kg in 1950-51 to _____ kg in 2003-04.
(a) 1068 (b) 2710 (c) 2077 (d) 2713
(Ans : (d) 2713)
22. _____ = Total production / Area of land.
(a) Productivity of land (b) Productivity of labour
(c) Agricultural productivity (d) Productivity of capital
(Ans : (a) Productivity of land)

23. _____ are normally less than market prices and higher procurement prices.

- (a) Land (b) Agricultural
(c) Labour (d) Capital (Ans : (b) Agricultural)

24. If a country has to import food grains it will create problems of ____.

- (a) famine (b) poverty
(c) adverse balance of payments (d) deaths of starvation
(Ans : (c) adverse balance of payments)

25. In the post - green revolution period the annual rate of growth of food grains production was _____.

- (a) 5.8% (b) 2.2% (c) 3.2% (d) 10%
(Ans : (c) 3.2%)

26. The Agricultural prices commission was renamed as Agricultural costs and prices commission in the year _____.

- (a) 1985 (b) 1986 (c) 1987 (d) 1965
(Ans : (d) 1965)

27. The price at which government is willing to purchase agricultural goods when they are in excess supply is called _____.

- (a) Fair price (b) Support price
(c) Subsidy (d) Procurement price
(Ans : (b) Support price)

28. Law of inheritance is one of the causes of _____.

- (a) Rise of Zamindari system
(b) Sub-division and fragmentation of lands
(c) unequal distribution of land
(d) Poverty (Ans : (b) Sub-division and fragmentation of lands)

29. The production of food grains during the year 2000 - 01 was _____ million tonnes.

- (a) 55 (b) 196 (c) 169 (d) 691
(Ans : (b) 196)

30. 64 percent of labour force is engaged in _____.

- (a) agriculture (b) industry (c) service sector (d) foreign trade

(Ans : (a) agriculture)

II. Fill in the blanks:

1. Agriculture contributes even now a major share of _____ in India.

(Ans : National income)

2. Agricultural provides raw materials to _____. *(Ans : industries)*

3. Agricultural sector is a net earner of _____. *(Ans : foreign exchange)*

4. India is primarily an _____ country. *(Ans : agricultural)*

5. _____ growth has direct impact on poverty by eradication.

(Ans : Agricultural)

6. The _____ system in India has been depressing an distinctive ridden.

(Ans : land tenure)

7. Industrial development of our country depend upon _____ only.

(Ans : agriculture)

8. The Green Revolution was introduced in the year _____. *(Ans : 1965)*

9. _____ trade is mostly in agricultural products. *(Ans : Internal)*

10. The rapid rate of population growth affects the _____ of the country adversely.

(Ans : economic progress)

11. Modern warehousing is _____.

(Ans : inadequate)

12. The ratio of different crops cultivated at a particular time is called _____.

(Ans : cropping pattern)

13. Agricultural marketing is related to _____ products only.

(Ans : agricultural)

14. Higher level of _____ leads to greater economic development.

(Ans : marketable surplus)

15. India is the second _____ country in the world.

(Ans : population)

16. Government adopted the system of procurement of _____.

(Ans : food grains)

17. Each fair price shop is envisaged to serve a population of about _____.
(Ans : 2000)
18. In India, food problem is a _____ problem. (Ans : chronic)
19. The pre-green revolution period is _____. (Ans : 1949-65)
20. Co-operatives are of _____ tier structure. (Ans : three)
21. _____ is the ratio of agricultural inputs and output.
(Ans : Agricultural productivity)
22. _____ refers to buying and selling of food stocks by government.
(Ans : Buffer stock operations)
23. _____ prices are higher than issue prices. (Ans : Retail)
24. National income and per capita income of India are _____.
(Ans : very low)
25. The Agricultural price policy Revolution of 1993 emphasised the government to take a positive stand on _____ subsidy. (Ans : Farm)
26. The food corporation of India was started in the year _____.
(Ans : 1965)
27. Recent estimates show that nearly 40,000 tonnes of rice are being destroyed every year by _____. (Ans : rats)
28. _____ banks provide long term credit to farmers against mortgage of land.
(Ans : Land development)
29. The Zamindari system of land tenure was introduced during the _____ rule.
(Ans : British)
30. Irrigation process is divided into _____ types. (Ans : 3-types)
31. The rural people even now use _____ as a natural manure and fuel.
(Ans : Cow dung)
32. The _____ ratio in agriculture is small. (Ans : Capital - Out put)
33. If the price of _____ is increased that would lead to poor agricultural production.
(Ans : Fertilizers)
34. The _____ and _____ land holdings are often un economic.
(Ans : sub-divided and fragmented)

35. Crops are generally classified into food crops and _____ crops.

(Ans : cash crops)

36. The _____ price is also known as supply price. *(Ans : Fair)*

37. Agriculture is the main source of _____ in India.

(Ans : livelihood)

38. _____ scheme is essential for farmers. *(Ans : Crop insurance)*

39. Internal trade is mostly in _____ Products. *(Ans : Agricultural)*

III. Match the following:

(a)

- | | |
|---------------------------|---|
| 1. Simon kuznets | - (a) Food policy of government of India |
| 2. Agricultural inputs | - (b) Inadequate irrigation facilities |
| 3. Buffer stock scheme | - (c) Showing season |
| 4. Minimum support prices | - (d) Fertilizers, high yielding seeds and irrigation |
| 5. Technological factors | - (e) Four types of contribution of agriculture |

(Ans :1 (e), 2 (d), 3 (a), 4 (c), 5 (b))

(b)

- | | |
|------------------------------|------------------------------------|
| 1. Shortage of food grains | - (a) Poverty |
| 2. Artificial shortage | - (b) Chronic problem |
| 3. Inadequate calories | - (c) Greater economic development |
| 4. Food shortage | - (d) anti-social elements |
| 5. Higher marketable surplus | - (e) Import of food grains |

(Ans :1 (e), 2 (d), 3 (a), 4 (b) 5 (c))

(c)

1. NABART - (a) raw materials
2. Product contribution - (b) ICAR
3. Indian council for agricultural research - (c) Public Distribution system
4. FCI - (d) 1982
5. PDI - (e) Food Corporation of India

(Ans: 1. (d); 2. (a); 3. (b); 4. (e); 5. (c))

IV. Answer for each of the following questions in a word or two:

1. What is the main source of livelihood in India? *(Ans : Agriculture)*
2. How many persons were provided with employment by agriculture in 1995? *(Ans : 97 million)*

3. Which is the main cause for the low agricultural productivity?
(Ans : Overcrowding in agriculture)

4. Write any two causes of food problem in India?
(Ans : Rapid growth of population and low agricultural productivity)

5. Write two institution to promote agriculture production and productivity of food grains?
(Ans : National seeds corporation and food corporation of India)

6. What are the six key essential commodities?
(Ans : Wheat, rice, sugar, edible oil, kerosene and soft coke)

7. What we call, dividing total production by number of workers employed?
(Ans : Productivity of labour)

8. Which country is producing highest rice in Kg per hectare? *(Ans : Egypt)*

9. What does rural bazaar out buy?

(Ans : Urban market)

10. Is marketing system defective in India?

(Ans : Yes)

11. What does the proportion of area under different crops at a point of time mean?
(Ans : Cropping pattern)
12. What scheme helps in diversifying cropping pattern of a country?
(Ans : Crop Insurance)
13. What is the size of land owned and cultivated by a farmer mean?
(Ans : Agricultural holding)
14. What is the base of most of the economic activities of a country?
(Ans : Agricultural marketing)
15. Which is the second most populated country in the world?
(Ans : India)
16. What is land productivity?
(Ans : Land productivity refers to the yield per hectare of land)
17. What are the two methods of measuring agricultural productivity?
(Ans : Land and Labour productivity)
18. What do you mean by HYV? *(Ans : High Yielding Varieties of Seeds)*
19. What are the three types of irrigation in India?
(Ans : Well, Tank and Canal irrigation)
20. When did the Agricultural price polling Resolution announced?
(Ans : May-1993)

9. _____ is defined as transfer of ownership from public to private sector.

(Ans : Privatization)

10. _____ plays an important role in the economic development.

(Ans : Industrialization)

III. Match the Following :

- | | |
|---------------------------|---------------------------------|
| 11. Disinvestment process | - (a) Traditional industries |
| 12. Cottage industries | - (b) Privatization |
| 13. Delicensing | - (c) Labour intensive |
| 14. Small scale units | - (d) Intermediate good |
| 15. Cement | - (e) Industrial policy of 1991 |

(Ans : 11. (b); 12. (a); 13. (e); 14. (c); 15. (d))

IV. Answer the following in a word or two :

16. Give an example of a country that follows mixed economic system.

(Ans : India)

17. Give an example for large scale industry.

(Ans : Steel Industry)

18. Is sugar industry an agro-based industry?

(Ans : Yes)

19. Expand LPG.

(Ans : Liberalization, Privatization, Globalization)

20. What was the main aim of Second Five Year Plan?(Ans : Industrialization)

Other Important Questions

I. Choose the correct answer:

1. One of the main reasons for the backwardness of many poor countries is _____.

- | | |
|----------------------------------|------------------------|
| (a) absence of industrialisation | (b) absence of capital |
| (c) lack of savings | (d) lack of technology |

(Ans : (a) absence of industrialisation)

2. A larger share of national income of advanced countries come from _____.

- | | |
|-------------------------|-----------------------|
| (a) trade sector | (b) industrial sector |
| (c) agricultural sector | (d) foreign trade |

(Ans : (b) industrial sector)

3. Most modern and rich countries have well developed through their early _____ revolution.

- (a) Green (b) Red (c) French (d) Industrial

(Ans : (d) Industrial)

4. Higher standard of living increases _____.

- (a) national income (b) per capita income
(c) investment (d) all the above

(Ans : (d) all the above)

5. The modern development strategies attach more emphasis to rapid _____ to achieve faster growth and progress.

- (a) agriculture (b) service
(c) industrialization (d) infrastructural

(Ans : (c) industrialization)

6. Major challenges of development strategy are _____.

- (a) surplus production
(b) deficient production
(c) Surplus labour and unemployment
(d) poor harvest

(Ans : (c) surplus labour and unemployment)

7. Industrially advanced countries are able to _____.

- (a) import more (b) export more
(c) plan more (d) borrow more

(Ans : (b) export more)

8. 'Growth with social justice' has been the main objective of planning since.

- (a) 1991 (b) 1981 (c) 1961 (d) 1951

(Ans : (d) 1951)

9. _____ sector will play a major role in building the industrial base of the economy.

- (a) Private (b) Public
(c) Service (d) Agriculture

(Ans : (b) Public)

10. The pattern on industrial growth depends on the relatives roles of _____.

- (a) public
- (b) private
- (c) public and private
- (d) industry

(Ans : (c) public and private)

11. The growth of capital goods industries decreased from 9.4% in 1980s to _____ during 1990s.

- (a) 5.4%
- (b) 4.4%
- (c) 3.4%
- (d) 1.5%

(Ans : (a) 5.4%)

12. The main objective of planning since 1951 has been achieving _____.

- (a) economic equality
- (b) high technology
- (c) highest foreign trade
- (d) growth with justice

(Ans : (d) growth with justice)

13. Public sector restructuring refers mainly to _____.

- (a) reinvestment
- (b) disinvestment
- (c) buying of shares
- (d) sale of shares

(Ans : (b) disinvestment)

14. Deforestation and aquaculture have also caused severe damages to _____.

- (a) climate
- (b) cultivation
- (c) environment
- (d) agriculture

(Ans : (c) environment)

15. The Textile industry accounts for _____ % of the total industrial output.

- (a) 10
- (b) 20
- (c) 30
- (d) 25

(Ans : (b) 20)

16. India produces only _____ % of the world cement production.

- (a) 5
- (b) 8
- (c) 4
- (d) 6

(Ans : (d) 6)

17. _____ is defined as transfer of ownership from public sector to private sector.

- (a) Liberalization
- (b) Globalization
- (c) Privatization
- (d) Industrialization

(Ans : (c) Privatization)

18. _____ financial requirements can be met from internal sources like public deposits, share capital and commercial bank loans.

- (a) Short term (b) Long term
(c) Medium term (d) Very long term

(Ans : (b) Long term)

19. IFCI is functioning at _____ level.

- (a) National (b) International
(c) State (d) Local

(Ans : (a) National)

20. TIIC is functioning at _____ level.

- (a) national (b) international
(c) state (d) local

(Ans : (c) state)

21. SSI can be classified into _____.

- (a) two (b) three (c) four (d) five

(Ans : (a) two)

22. _____ industries normally do not use power.

- (a) Small scale (b) Large scale
(c) Cottage (d) Crop

(Ans : (c) Cottage)

23. The more formal definition of SSI having fixed assets less than _____ lakh in 1991.

- (a) 50 (b) 75 (c) 100 (d) 150

(Ans : (b) 75)

24. The ceiling of SSI under tenth plan is Rs _____ crores.

- (a) 30 (b) 25 (c) 15 (d) 50

(Ans : (d) 50)

25. There are _____ million small scale industrial units in India.

- (a) 2.6 (b) 3.2 (c) 3.4 (d) 5.4

(Ans : (c) 3.4)

26. The Steel Authority of India was set up to _____.

- (a) eliminate the licensing system
- (b) introduce the rationing of distribution of iron ore
- (c) reduce the cost of production
- (d) maximise the utilisation of installed capacity

(Ans : (d) maximise the utilisation of installed capacity)

27. 75% of the jute cultivable areas were partitioned to _____.

- (a) Burma
- (b) Nepal
- (c) China
- (d) Bangladesh

(Ans : (d) Bangladesh)

28. Private initiated industrialisation took place in _____.

- (a) England, USA and France
- (b) India, Japan and Germany
- (c) Russia and China
- (d) Australia and Italy

(Ans : (a) England, USA and France)

29. The Eighth Five Year Plan was introduced in _____.

- (a) 1985-90
- (b) 1992-97
- (c) 1990-95
- (d) 1997-2002

(Ans : (b) 1992-97)

30. The demand for primary goods such as tea, coffee etc. will be _____.

- (a) elastic
- (b) perfectly elastic
- (c) inelastic
- (d) perfectly inelastic

(Ans : (c) inelastic)

II. Fill in the blanks:

1. Industrialization increases the _____ of the people.

(Ans : Per capita income)

2. The _____ made a small beginning in the industrial development.

(Ans : Second world war)

3. Industrial sector will also promote _____.

(Ans : technological progress)

4. _____ sector play very important role in rapid growth and development. *(Ans : Industrial)*
5. Surplus labour and _____ are the major challenges of development strategy. *(Ans : unemployment)*
6. Steel industry is called the _____ industry. *(Ans : Mother)*
7. India produced 6% of world _____ production. *(Ans : Cement)*
8. Cement industry has an installed capacity of _____ million metric tons. *(Ans : 140.53)*
9. Sugar industry is an important _____ industry. *(Ans : agro based)*
10. _____ is the main objective of planning. *(Ans : Growth with social Justice)*
11. _____ has emerged as the largest sugar producing country in the world. *(Ans : India)*
12. The tenth five year plan announced a policy package on the basis of _____ group. *(Ans : S.P.Gupta's)*
13. The macro economic policy reforms were launched in _____. *(Ans : 1991)*
14. The SAIL was established during the _____. *(Ans : mid - seventies)*
15. Rapid development with in a limited span of time is possible through the development of _____ industries. *(Ans : capital goods)*
16. The new industrial policy was introduced in _____. *(Ans : July 1991)*
17. _____ hazards have been a matter of very serious concern of humanity. *(Ans : Environmental)*
18. _____ boards have been setup at different levels of government to address the environmental issues. *(Ans : Pollution control)*
19. Financial institutions in developing countries are also referred to as _____ banks. *(Ans : development)*
20. Liberalism means order of _____. *(Ans : market)*
21. The first industrial policy of the government of India was announced in _____. *(Ans : 1948)*

22. Excise Duty for all jute products has been _____ from the financial year 1997 - 98. *(Ans : Exempted)*
23. The sugar development fund was set up in the year _____. *(Ans : 1982)*
24. Cement is an _____ commodity. *(Ans : Intermediate)*
25. Most of the developing countries are _____ abundant. *(Ans : labour)*
26. The Small Scale Units are mostly _____ intensive. *(Ans : labour)*
27. _____ is a process through which privatisation could take place. *(Ans : Disinvestment)*
28. The _____ was declared in the year 1948. *(Ans : First Industrial Policy)*
29. Steel Industry is the _____ industry. *(Ans : key)*

III. Match the following:**(a)**

- | | |
|--------------------|--------------------------------------|
| 1. Public sector | - (a) Textile industry |
| 2. Consumer goods | - (b) Agro based industry |
| 3. Key industry | - (c) Cycle, television, cars etc |
| 4. Sugar industry | - (d) Heavy and strategic industries |
| 5. Oldest industry | - (e) Steel industry |

*(Ans : 1 (d), 2 (c), 3 (e), 4 (b), 5 (a))***(b)**

- | | |
|--|------------|
| 1. First Industrial Policy | - (a) 1949 |
| 2. Industries Act | - (b) 1956 |
| 3. New Industrial policy | - (c) 1951 |
| 4. End of first five year plan | - (d) 1991 |
| 5. Tamilnadu Industrial Investment corporation | - (e) 1948 |

(Ans : 1 (e), 2 (c), 3 (d), 4 (b), 5 (a))

(c)

1. LPG - (a) Life Insurance Corporation of India
2. Steel Authority of India - (b) UTI
3. Small Scale Industry - (c) SSI
4. LIC - (d) Liberalisation, Privatisation and Globalisation
5. Unit Trust of India - (e) SAIL

(Ans: 1. (d); 2. (e); 3. (c); 4. (a); 5. (b))

IV. Answer for each of the following questions in a word or two:

1. What is the reason for the backwardness of many poor countries?
(Ans : Lack of industrialization)
2. Which five year plan declared long term objectives?
(Ans : First five year plan)
3. Write two facilities that are needed for the overall development of the country and people.
(Ans : Primary education, public health)
4. What is emphasized by the modern development strategies?
(Ans : Rapid industrialisation)
5. Which resolution urged the adoption of socialistic pattern of society?
(Ans : Industrial policy resolution of 1956)
6. What is meant by co-existence of public and private sector?
(Ans : Mixed economy)
7. What is the objectives of industrialization?
(Ans : Self reliance)
8. Give two examples for capital goods?
(Ans : Machineries, machine tools)
9. Give two examples for consumer goods?
(Ans : Food articles, soft drinks)
10. Expand SAIL.
(Ans : The Steel Authority of India Limited)
11. How many times production of textiles increased since independence?
(Ans : 10 times)

-
12. Expand TUFs. *(Ans : Technology upgradation Fund Scheme)*
13. Which capital meet long term requirement? *(Ans : Fixed capital)*
14. Which capital meet short term requirement? *(Ans : Working capital)*
15. When was the karve committee appointed by the planning commission?
(Ans : 1955)
16. Expand IIBI. *(Ans : Industrial Investment Bank of India)*
17. When was the New Industrial Policy declared? *(Ans : July 1991)*
18. Expand form of NSIC. *(Ans : National Small Industries Corporation)*
19. Give example for basic goods. *(Ans : Cement, Chemical, Fertilizers)*
20. Give 3 examples for consumer goods.
(Ans : cycle, television and refrigerator)

CHAPTER - 8**Banking****EXERCISE****I. Choose the Correct Answer :**

1. The first bank in India was established in _____.
(a) 1770 (b) 1806 (c) 1801 (d) 1782
(Ans : (a) 1770)
2. Minimum reserve system relates _____.
(a) Method of note issue
(b) Commercial banks keep certain portion of their deposits with the RBI.
(c) Commercial banks should keep certain portions of their deposits in cash
(d) Customers are compelled to keep certain minimum balance with their deposits
(Ans : (a) Method of note issue)
3. Separate the bank whose motive is not profit-making _____.
(a) Andhra bank (b) Canara bank (c) IOB (d) RBI
(Ans : (d) RBI)
4. The 14 commercial banks were nationalized in the year _____.
(a) 1969 (b) 1951 (c) 1949 (d) 1980
(Ans : (a) 1969)
5. The primary functions of the commercial bank is _____.
(a) making loans and advances (b) discounting bills of exchange
(c) accepting deposits
(d) participating in the inter-bank borrowing *(Ans : (c) accepting deposits)*

II. Fill in the blanks :

6. EXIM Bank provides credit for _____ trade. *(Ans : Export and Import)*
7. RBI controls credit supply by changing bank rate or _____.
(Ans : CRR)

8. NABARD provides _____ finance to medium and long term basis.
(Ans : Agriculture)
9. The RBI was set up in April _____. (Ans : 1935)
10. The amount of cash kept by commercial banks to meet the day to day transaction is known as _____. (Ans : Liquid Cash)

III. Match the Following :

11. Monopoly of note issue - (a) Commercial banks
12. C R R - (b) Official minimum rate
13. Bank rate - (c) Facility offered to businessmen
14. Overdraft - (d) 3-15 percent of total deposits
15. Nationalisation - (e) Reserve bank of India

(Ans : 11. (e); 12. (d); 13. (b); 14. (c); 15. (a))

IV. Answer the following in a word or two :

16. Name the first bank that was nationalized in India.
(Ans : Imperial Bank)
17. Who operates the current account deposits? (Ans : Business Community)
18. Which organization established EXIM bank? (Ans : RBI)
19. Which organization is called the lender of the last resort? (Ans : RBI)
20. Can the commercial bank print and circulate currency notes?
(Ans : No)

Other Important Questions

I. Choose the correct answer:

1. The word 'bank' seems to have originated from the _____ word 'banck'.

- (a) Germanic (b) Latin (c) French (d) Greek

(Ans : (a) Germanic)

2. The bankers of Lombardy developed the money lending business in _____.

- (a) France (b) England (c) America (d) Italy

(Ans : (b) England)

3. The modern banking system actually developed only in the _____ century.

- (a) 16th (b) 17th (c) 18th (d) 19th

(Ans : (d) 19th)

4. The first public banking institution was _____.

- (a) Bank of Geneva (b) Bank of Amsterdam
(c) Bank of venice (d) The Bank of Barcelona

(Ans : (c) Bank of venice)

5. The Bank of Barcelona was established in _____.

- (a) 1405 (b) 1406 (c) 1401 (d) 1469

(Ans : (c) 1401)

6. The first modern bank in India was established in _____.

- (a) 1609 (b) 1806 (c) 1766 (d) 1990

(Ans : (b) 1806)

7. The development of Joint stock commercial banking started functioning in _____.

- (a) 1833 (b) 1933 (c) 1886 (d) 1893

(Ans : (a) 1833)

8. Before Industrial Revolution, the size of the business units was _____.

- (a) very big (b) very small (c) large (d) medium

(Ans : (b) very small)

9. Who lend his surplus money to the needy persons on deriving some interest payment?

- (a) Brokers
- (b) commission agents
- (c) money lender
- (d) Merchant

(Ans : (c) money lender)

10. A sound _____ system mobilizes small savings of the community and makes them available for investment in productive enterprises.

- (a) banking
- (b) educational
- (c) corporate
- (d) monetary

(Ans : (a) banking)

11. _____ are very important sources of finance and credit for industry and trade.

- (a) Brokers
- (b) Banks
- (c) commission agents
- (d) Merchant

(Ans : (b) Banks)

12. _____ help in proper allocation of funds among different regions of the economy..

- (a) Central Banks
- (b) Commercial Banks
- (c) Reserve Bank
- (d) Co-operative Banks

(Ans : (b) Commercial Banks)

13. Issuing a letter of credit to customer is _____.

- (a) an agency function
- (b) general utility service
- (c) specific function
- (d) customise function

(Ans : (b) general utility service)

14. The Government of India took over _____ commercial banks in 1969.

- (a) 16
- (b) 15
- (c) 14
- (d) 10

(Ans : (c) 14)

15. The central bank regulates the _____.

- (a) credit and currency
- (b) inflation
- (c) deflation
- (d) demand

(Ans : (a) credit and currency)

16. The rate of interest of every bank is known as _____.
(a) commission (b) rebate
(c) bank rate (d) charge (Ans : (c) bank rate)
17. With draw money more than deposit is called _____.
(a) cash credit (b) overdraft
(c) discounting bill (d) all the above
(Ans : (b)over draft)
18. _____ is increasingly acting as financial agent for its clients.
(a) Central bank (b) Commercial bank
(c) Co-operative bank (d) Foreign bank
(Ans : (b) Commercial bank)
19. The Reserve Bank of India was set up in _____.
(a) 1935 (b) 1949 (c) 1969 (d) 1964
(Ans : (a)1935)
20. Bank of England was established in _____.
(a) 1954 (b) 1964 (c) 1985 (d) 1990
(Ans : (b) 1964)
21. The issue of paper money is the most important function of a _____.
(a) Commercial Bank (b) Central Bank
(c) ICICI Bank (d) State Bank
(Ans : (b) Central Bank)
22. _____ is the financial and monetary guardian of the nation.
(a) State Bank (b) Central Bank
(c) Indian Bank (d) Foreign Bank
(Ans : (b) Central Bank)
23. Direct buying and selling of securities bills, bonds of government is called _____.
(a) Open market operations (b) Bank rate
(c) Cash reserve rate (d) Moral suasion
(Ans : (a) Open market operations)

24. _____ refers to 'directives' of the central bank to enforce the commercial banks to follow a particular policy.

- (a) Margin requirements (b) Moral suasion
(c) Direct action (d) Rationing of credit

(Ans : (c) Direct action)

25. _____ banks were nationalized in April 1980.

- (a) 10 (b) 8 (c) 6 (d) 4

(Ans : (c) 6)

26. The State Bank was nationalized in _____.

- (a) 1955 (b) 1935 (c) 1969 (d) 1959

(Ans : (a) 1955)

27. Separate the bank whose motive is not profit making _____.

- (a) Andhra Bank (b) Canara Bank
(c) Indian Overseas Bank (d) Central Bank

(Ans : (d) Central Bank)

28. Minimum Reserve System relates _____.

- (a) Method of note issue
(b) Commercial banks certain portion of their deposits at RBI
(c) Commercial banks certain portion of their deposits in cash
(d) Customers are computed to keep certain minimum balance with their deposits

(Ans : (a) Method of note issue)

29. Reserve Bank of India was nationalized in _____.

- (a) 1939 (b) 1949 (c) 1959 (d) 1969

(Ans : (b) 1949)

30. Separate the bank whose motive is profit making _____.

- (a) Reserve Bank of India (b) LIC
(c) Commercial Bank (d) None of these

(Ans : (c) Commercial Bank)

II. Fill in the blanks:

1. The name 'bank' is usually used in the sense of _____ bank.
(Ans : commercial)
2. _____ banker, who was primarily a trader accepted customer's money and kept it under safe custody. (Ans : Merchant)
3. The modern banks have now become the _____ of our commercial and industrial activities. (Ans : life blood)
4. Deficiency of capital formation is the result of _____.
(Ans : low savings)
5. Bank stimulate _____ and _____. (Ans : savings, investment)
6. _____ facilities the optimum utilization of the financial resources of the community. (Ans : Sound Banking)
7. Banks help create _____ essential for economic development.
(Ans : infrastructure)
8. In the earlier days commercial banks were organised as joint stock company to earn _____. (Ans : profit)
9. Deposits in the _____ account earn interest at nominal rates.
(Ans : savings)
10. Fixed deposits cannot be withdrawn before _____. (Ans : maturity)
11. Respectable and reliable customers enjoy facilities of _____.
(Ans : over draft)
12. A central bank is a bank of _____. (Ans : bankers)
13. Central bank is not a _____ making institution. (Ans : profit)
14. It is easier for the central bank to act as a _____.
(Ans : clearing house)
15. The quantitative credit control methods are also called _____.
(Ans : general credit control methods)
16. The qualitative credit control methods are also called _____.
(Ans : selective credit control)

17. All the commercial banks are required to keep a certain percentage of _____ with the central bank. *(Ans : cash reserve)*
18. The currency issue department of the central bank has the responsibility to issue notes and coins to the _____ banks. *(Ans : commercial)*
19. The central is the authority to issue currency for circulation, which is a _____ money. *(Ans : legal tender)*
20. _____ bank is a subordinate to the central bank. *(Ans : Commercial bank)*
21. _____ is the financial advisor to the government. *(Ans : Central bank)*
22. Fixed deposits are other wise known as _____. *(Ans : time deposits)*
23. _____ provides the fundamental of the art of central banking. *(Ans : Bank of England)*
24. The Bank of France was founded in _____. *(Ans : 1800)*
25. Central Bank of U.S.A is called _____. *(Ans : Federal Reserve Bank)*
26. The 'Bank of Venice' in Italy was established in _____ to finance the monarch in his wars. *(Ans : 1157)*
27. Reserve Bank of India should keep Rs. ____ worth of gold and _____ worth of foreign exchange as a banking reserve for printing currencies. *(Ans : Rs. 115 + Rs. 85 crores)*
28. Reserve Bank of India controls credit supply by changing bank rate or _____. *(Ans : Cash Reserve Ratio)*
29. _____ provides agricultural finance on medium and long term basis. *(Ans : NABARD)*
30. The _____ was set up in April 1935. *(Ans : RBI)*
31. Fixed deposits ranges from _____ months to _____ years or even more. *(Ans : 6 month and 10 years)*
32. In India Central Bank is known as _____. *(Ans : Reserve Bank of India)*
33. The _____ are issued by Ministry of Finance. *(Ans : coins)*
34. Demand deposits are kept under _____ accounts. *(Ans : current accounts)*

35. The main function of a RBI are _____ for all over the world.

(Ans : common)

36. The USA established a central banking system in the form of _____ in 1914.

(Ans : Federal Reserve Bank)

37. Bank rate otherwise known as _____ rate.

(Ans : Discount Rate)

38. The _____ commercial banks were nationalized in the year 1969.

(Ans : 14)

39. _____ is the primary functions of commercial bank.

(Ans : Accepting deposits)

III. Match the following:

(a)

- | | |
|---------------------------------------|--|
| 1. Cash credit | - (a) Clearing |
| 2. Transfer of funds | - (b) Profit making aim |
| 3. Commercial Bank | - (c) Central Bank |
| 4. Financial advisor
of government | - (d) Qualitative credit control methods |
| 5. Moral suasion | - (e) Collateral security |

(Ans : 1 (e), 2 (a), 3 (b), 4 (c), 5 (d))

(b)

- | | |
|--|---|
| 1. Mother of central Banks | - (a) International monetary conference |
| 2. Brussels | - (b) Open market operation |
| 3. Clearing house | - (c) Moral suasion |
| 4. Buying and selling
of securities | - (d) Bank of England |
| 5. Request by central Bank | - (e) Central Bank |

(Ans : 1 (d), 2 (a), 3 (e), 4 (b), 5 (c))

(c)

- | | |
|------------------------------|-----------------------|
| 1. Nationalized 6 more banks | - (a) Direct Action |
| 2. Directions | - (b) Time Deposits |
| 3. Lender of the last resort | - (c) 1980 |
| 4. Fixed Deposits | - (d) Long term funds |

5. Commercial Bank - (e) 1806
6. Bank of Bengal - (f) RBI

(Ans: 1. (c); 2. (a); 3. (f); 4. (b); 5. (d); 6. (e))

IV. Answer for each of the following questions in a word or two:

1. On what guarantee are goods supplied by traders?
(Ans : Bank guarantee)
2. What for a commercial bank is operating?
(Ans : Profit)
3. What is the meaning of 'banck'?
(Ans : Joint stock fund or heap)
4. When the bank of Genoa was established?
(Ans : 1407)
5. What are the early stages of banks?
(Ans : Merchant banker, money lender and gold smith)
6. Who accepted the valuables like gold and diamond of the customers and kept it under his safe custody?
(Ans : Gold smith)
7. Which banks act between buyers and the sellers?
(Ans : Commercial banks)
8. What are the types of deposits accepted by commercial banks?
(Ans : Saving, Demond, Fixed deposits)
9. Which is the apex institution in the monetary system?
(Ans : Central Bank or RBI)
10. Which is known as mother of central banks?
(Ans : Bank of England)
11. How does commercial banks accept deposit of the people?
(Ans : Mobilising the savings)
12. Who publishes statistical data relating to money supply, price etc?
(Ans : Central Bank)
13. What are the two methods of regulation of consumer credit?
(Ans : Minimum down payment and maximum period of repayment.)
14. Who is the monetary and financial guardian of the nation?
(Ans : Central Bank)
15. Who defined central bank as a bank which controls credit?
(Ans : H.A. shaw)

16. Which bank maintains the foreign exchange reserves of the country?
(Ans : *Central Bank*)
17. Who is the financial advisor of the government?
(Ans : *Central Bank*)
18. Who is the financial advisor of the general public?
(Ans : *Commercial Bank*)
19. Which is the first public banking institution?
(Ans : *The Bank of Venice*)
20. Which is the first modern bank established in India?
(Ans : *Bank of Bengal*)
21. When was the 'Bank of Bengal' established?
(Ans : *1806*)
22. Which deposits are kept under current accounts?(Ans : *Demand Deposits*)
23. When was the 'Bank of France' established?
(Ans : *1800*)
24. How many commercial banks were nationalized in the year 1969?
(Ans : *14 Banks*)

CHAPTER - 9**Foreign Trade****EXERCISE****I. Choose the Correct Answer :****1. Globalization means _____.**

- (a) Integration of the economy with world economy.
- (b) Increasing degree of openness in respect of international trade.
- (c) Process of transformation of the world in to a single economic unit.
- (d) All the above

(Ans : (d) All the above)

2. Technology transfer has been taking place on a large scale through _____.

- (a) licensing agreements and joint ventures
- (b) choice of ownership structure
- (c) simplification of procedures
- (d) none

(Ans : (a) licensing agreements and joint ventures)

3. The main inconvenience of barter system was _____.

- (a) transactions were many and complex
- (b) lack of double coincidence of wants
- (c) The intermediate commodity need not be familiar
- (d) prevalence of domestic system

(Ans : (b) lack of double coincidence of want)

4. The decision to start IMF was taken at _____.

- (a) Round-table conference
- (b) Geneva conference
- (c) Bretton woods conference
- (d) none

(Ans : (c) Bretton woods conference)

5. IBRD was set up in _____.

- (a) 1983
- (b) 1844
- (c) 1948
- (d) 1944

(Ans : (d) 1944)

II. Fill in the blanks :

6. The goal of global economy is _____. (*Ans : Market Maximization*)

7. The SAPs find their origin in the growth of _____.

(*Ans : neo - liberalism*)

8. _____ is one of the most fundamental inventions of man.

(*Ans : Money*)

9. _____ has worked as an "engine of growth" in the past.

(*Ans : Foreign Trade*)

10. The highest authority of the IMF is the _____.

(*Ans : Board of Governors*)

III. Match the Following :

11. OPEC Countries - (a) Washington

12. IMF - (b) Iran, Iraq, Kuwait

13. Uruguay Round - (c) Geneva

14. 182 members of IBRD - (d) 1993

15. GATT - (e) Year 2000

(*Ans : 11. (b); 12. (a); 13. (d); 14. (e); 15. (c)*)

IV. Answer the following in a word or two :

16. Name four exports of India.

(*Ans : Coffee, Tea, Jute, Iron, Ore, Spices, Cotton, Fish etc.*)

17. Name the record of a country's monetary transactions.

(*Ans : Balance of payment*)

18. When was SAP started?

(*Ans : 1983*)

19. Which is the catalyst for multinational investment?

(*Ans : MIGA*)

20. What is SAF?

(*Ans : Structural Adjustment Facility*)

Other Important Questions

I. Choose the correct answer:**1. Liberalisation means _____.**

- (a) continental trade
- (b) integration of each economy with world economy
- (c) receiving foreign aid
- (d) relaxing the restrictions on domestic and foreign trade

(Ans : (d) relaxing the restrictions on domestic an foreign trade)

2. The main objective of the new economic policy was to achieve ____.

- (a) higher level of economic growth
- (b) higher capital - output ratio
- (c) higher productivity in agriculture
- (d) more foreign relations

(Ans : (a) higher level of economic growth)

3. The Foreign Investment policy has been classified into _____ categories.

- (a) two (b) three (c) five (d) four

(Ans : (d) four)

4. Paper money was introduced as a substitute for _____.

- (a) metallic money (b) barter system
- (c) commodity money (d) fiscal money

(Ans : (a) metallic money)

5. The type of trade with which most people are familiar are called ____.

- (a) national trade (b) foreign trade
- (c) internal trade (d) regional trade

(Ans : (c) internal trade)

6. The exchange of goods between different regions in a country is referred to as _____.

- (a) foreign trade (b) internal trade
- (c) national trade (d) regional trade

(Ans : (b) internal trade)

7. The new export and import policy was announced in the year_____.

- (a) 1980 (b) 1990 (c) 1991 (d) 1986

(Ans : (c) 1991)

8. The Monopolies and the Restrictive Trade practices Act was passed in _____.

- (a) 1969 (b) 1979 (c) 1989 (d) 1999

(Ans : (a) 1969)

9. _____ play a very important role in the new economic policy.

- (a) Liberalisation (b) Privatisation
(c) Foreign investment (d) Globalisation

(Ans : (c) Foreign investment)

10. _____ is one of the key determinant of economic development.

- (a) Trade (b) Bank
(c) Investment (d) Savings

(Ans : (a) Trade)

11. The paper money was introduced as a substitute for _____ money.

- (a) metallic (b) Sea shells
(c) gold (d) all the above

(Ans : (d) all the above)

12. _____ trade refers to the trade or exchange of goods and services between two or more countries.

- (a) Internal (b) International
(c) Domestic (d) None

(Ans : (b) International)

13. _____ is intertwined with another element of globalization.

- (a) Trade (b) Foreign capital
(c) Investment (d) Savings

(Ans : (a) Trade)

14. IMF grants loans for financing _____ transaction only.

- (a) capital
- (b) asset
- (c) current
- (d) liabilities

(Ans : (c) current)

15. The decision to start IMF was taken at _____.

- (a) Guinea conference
- (b) Bretton woods conference
- (c) Uruguay conference
- (d) New York Summit

(Ans : (b) Bretton woods conference)

16. There are _____ member countries in WTO.

- (a) 150
- (b) 125
- (c) 300
- (d) 500

(Ans : (a) 150)

17. The International Development Association was setup as _____.

- (a) an affiliate by the world bank
- (b) a subsidiary of the world bank
- (c) agency of the world bank
- (d) the apex body of the world bank

(Ans : (b) a subsidiary of the world bank)

18. The fifth ministerial conference of WTO was held at _____.

- (a) Doha
- (b) Hongkong
- (c) India
- (d) Mexico

(Ans : (a) Doha)

19. _____ items means the imports and exports of services and other foreign transfer transactions.

- (a) Imports
- (b) Exports
- (c) Visible
- (d) Invisible

(Ans : (d) Invisible)

20. _____ records all the visible and invisible items.

- (a) Imports
- (b) Exports
- (c) Balance of payments
- (d) Trade

(Ans : (c) Balance of payments)

21. _____ includes export of sugar, engineering goods, chemicals, iron and steel, leather products, gems and jewellery etc.

- (a) Traditional items (b) Non-traditional items
(c) Consumer goods (d) Perishable goods

(Ans : (b) Non-traditional items)

22. _____ includes the import of food grains, electrical goods, medicines, paper etc.

- (a) capital goods (b) consumer goods
(c) Perishable goods (d) imperishable goods

(Ans : (b) consumer goods)

23. At the time of formation of the fund each member has to pay _____ of its quota in gold.

- (a) 5% (b) 10% (c) 25% (d) 50%

(Ans : (c) 25%)

24. _____ includes metals machines and equipments etc.

- (a) Capital goods (b) Consumer goods
(c) Perishable goods (d) Investment goods

(Ans : (a) Capital goods)

25. _____ refers to size of international transactions.

- (a) Volume of trade (b) Direction of trade
(c) Composition of trade (d) Internal trade

(Ans : (a) Volume of trade)

26. Foreign trade means _____.

- (a) Trade among different states
(b) Trade among two states
(c) Trade between nations of the world
(d) Trade with one nation

(Ans : (c) Trade between nations of the world)

27. Barter system means _____.

- (a) Exchange of goods for goods (b) Exchange of money for money
(c) Exchange of goods for money (d) Exchange of money for goods

(Ans : (a) Exchange of goods for goods)

28. Law of comparative cost advantage has been formulated by _____.

- (a) David Ricardo (b) Haberler (c) Adam Smith (d) J.S. Mill

(Ans : (a) David Ricardo)

29. Balance of trade means _____.

- (a) Import and export of visible item only
(b) Import and export of invisible item only
(c) Import and export of both visible and invisible item
(d) Import of visible items only

(Ans : (a) (a) David Ricardo)

30. International trade is regulated at present by _____.

- (a) GATT (b) IMF (c) WTO (d) IBRD

(Ans : (c) WTO)

31. "Money is what money does" this definition of money was given by _____.

- (a) Haberler (b) Crowther
(c) Walker (d) David Ricardo

(Ans : (b) Crowther)

II. Fill in the blanks:

1. The new trade policy was introduced in the year _____. *(Ans : 1991)*

2. The main objective of NEP has been to achieve a higher level of _____.
(Ans : economic growth)

3. _____ plays a most vital role in the NEP. *(Ans : Foreign investment)*

4. _____ is an important ingredient of the development mix.
(Ans : Technology)

5. The IFC is affiliated to world bank as a separate _____.
(Ans : legal entity)

6. The Special Action Programme was started in the year _____.
(Ans : 1983)
7. The principles and agreements of _____ were adopted for the WTO.
(Ans : GATT)
8. The New Economic policy can be regarded as a minor _____.
(Ans : revolution)
9. Major policy measures have been launched as a part of the _____ programmes.
(Ans : LPG)
10. _____ means one type of goods exchange for another good.
(Ans : Barter)
11. The voting power of each Governor is related to the financial contribution of its _____.
(Ans : Government)
12. The medium of exchange was known as _____. (Ans : money)
13. If trade is done on large scale it is called _____.
(Ans : wholesale trade)
14. The theory of comparative advantages is explained by _____.
(Ans : David Ricardo)
15. The world Bank was set up in _____. (Ans : 1944)
16. GATT was established in _____. (Ans : 1948)
17. The number of members in IMF at present _____. (Ans : 182)
18. MIGA means _____.
(Ans : Multinational Investment Guarantee Agency)
19. Trends in foreign trade can be studied by referring to _____.
(Ans : Volume, components and direction of trade)
20. Liberalisation in industrial policy is witnessed in India from _____.
(Ans : 1980s)
21. All members of IMF are members of _____. (Ans : IBRD)
22. The _____ came into existence in 1947. (Ans : IMF)
23. The 'flag follows trade' was the fear about _____ trade among nations.
(Ans : Foreign trade)

24. Major exports of India were _____ based. *(Ans : Agriculture)*

25. _____ is different from balance of payment. *(Ans : Balance of trade)*

26. The _____ policy was implemented in 1992 - 97.

(Ans : New Export Import)

27. The WTO is different from _____. *(Ans : GATT)*

28. The theory of comparative advantages just explains such advantages of _____.

(Ans : Free Trade)

29. _____ has worked as an 'engine of growth' in the past.

(Ans : Foreign Trade)

30. The supply of food grains and petroleum products, we depend on _____ countries.

(Ans : OPEC (Oil Producing and Exporting Countries))

III. Match the following:

(a)

- | | |
|---------|--------------------------|
| 1. GATT | - (a) 1956 |
| 2. WTO | - (b) World bank |
| 3. ICF | - (c) 1960 |
| 4. IBRD | - (d) Multilateral trade |
| 5. IDA | - (e) 1995 |

(Ans : 1 (d), 2 (e), 3 (a), 4 (b), 5 (c))

(b)

- | | |
|-------------------------------|-----------------------|
| 1. Long term investment loans | - (a) Food production |
| 2. International Finance corp | - (b) 1993 |
| 3. Self reliance | - (c) Foreign trade |
| 4. Uruguay round | - (d) IBR |
| 5. Engine of growth | - (e) 1983 |

(Ans : 1 (d), 2 (e), 3 (a), 4 (b), 5 (c))

(c)

1. SAP - (a) SAF
2. Structural Adjustment Facility - (b) IDA
3. 1960 - (c) 1983
4. World Trade Organisation - (d) 117 member nations
5. IMF - (e) WTO
6. GATT - (f) A medium of exchange, a measure of value
7. Functions of money - (g) Head quarters in Washington, U.S.A.

(Ans: 1. (c); 2. (a); 3. (b); 4. (e); 5. (g); 6. (d); 7. (f))

IV. Answer for each of the following questions in a word or two:

1. What is the first route through which foreign direct investment flows in India?
(Ans : Reserve Bank of India)
2. What is the important ingredient of the development mix?
(Ans : Technology)
3. What does volume of trade refer to? *(Ans : International transactions)*
4. Why did a welcome trend appear in the exports during 1986-87?
(Ans : Liberal import policy)
5. What are the two parts of exports of India?
(Ans : Traditional items and non-traditional items)
6. Where was the GATT setup in 1948?
(Ans : Geneva)
7. Expand BSFF.
(Ans : Buffer stock Financing Facility)
8. Expand IBRD.
(Ans : International Bank for Reconstruction and Development)

9. What is the other name of IBRD?

(Ans : World Bank)

10. Who is eligible for membership in IBRD? *(Ans : Members of IMF)*

11. Give an expand form of IBRD.

*(Ans : The International Bank for
Reconstruction and Development (IBRD))*

12. When was the 'New Export Import Policy' established?

(Ans : In the year 1992-97)

13. Who is the highest authority of IMF?

(Ans : The Board of Governors)

14. When did IFC was setup?

(Ans : 1956)

15. Give an expand form of IFC.

(Ans : International Finance Corporation)

CHAPTER - 10**Human Resource Development****EXERCISE****I. Choose the Correct Answer :**

1. Human capital can be increased by investing in _____.

- (a) education (b) health (c) migration (d) all

(Ans : (d) all)

2. The birth of economics of education was announced by _____.

- (a) Marshall (b) Karl Marx (c) Schultz (d) Keynes

(Ans : (c) Schultz)

3. Education is _____.

- (a) consumption good (b) investment good
(c) none (d) both

(Ans : (d) both)

4. The number of pupils in India outnumber the total population of _____.

- (a) England (b) France
(c) Canada and Norway (d) All the countries put together

(Ans : (d) All the countries put together)

5. A large percentage of persons who enjoy higher education belong to the _____.

- (a) higher income groups (b) middle income groups
(c) lower income groups (d) all groups

(Ans : (a) higher income groups)

II. Fill in the blanks :

6. The stock of human capital indicates the _____ of HRD in a country.

(Ans : Level)

7. Of all the factors that increase human capital, _____ is considered very important.

(Ans : Education)

8. There is close relationship between HRD and _____ development.
(Ans : *Economic*)
9. The greatest failure of the Indian education system relates to the goal of universalisation of _____ education.
(Ans : *Primary*)
10. _____ labour is one of the important reasons for not achieving the goal of universalisation of primary education.
(Ans : *Child*)

III. Match the Following :

- | | |
|-----------------------------|--|
| 11. Kerala | - (a) reducing gender disparities |
| 12. Tamil Nadu | - (b) domination in technical education |
| 13. DPEP | - (c) Special school health programme |
| 14. Self-financing colleges | - (d) Educationally most progressive state |
| 15. Vazhvoli Thittam | - (e) Access to schools |

(Ans : 11. (d); 12. (e); 13. (a); 14. (b); 15. (c))

Other Important Questions

I. Choose the correct answer:

1. Since 1960s economists realised that investment in _____ is an important investment in physical capital.
(a) human capital (b) shares and securities
(c) savings (d) business
(Ans : (a) human capital)
2. The branch of knowledge that is called economics of education was announced by _____.
(a) Alfred Marshall (b) Schultz
(c) Adam Smith (d) F.H. Harbison
(Ans : (b) Schultz)

3. Harbison and Myers constructed the _____.

- (a) poverty index
- (b) man power approach
- (c) simple composite index of HRD
- (d) Shares and securities

(Ans : (c) Simple composite index of HRD)

4. The rate of _____ formation indicates its rate of improvement.

- (a) money capital
- (b) physical capital
- (c) monetary capital
- (d) human capital

(Ans : (d) human capital)

5. Now-a-days investment in _____ capital is very important.

- (a) money
- (b) physical
- (c) monetary
- (d) human *(Ans : (d) human)*

6. Now-a-days, economists treat human resources mostly as _____.

- (a) savings
- (b) investment
- (c) consumption
- (d) distribution

(Ans : (b) investment)

7. Based on composite index of HRD, countries are classified into _____.

- (a) two
- (b) three
- (c) four
- (d) five

(Ans : (c) four)

8. Theories of human resource development refers to _____ planning.

- (a) educational
- (b) financial
- (c) material
- (d) natural resource

(Ans : (a) educational)

9. The benefits of education system reach only the _____.

- (a) upper class
- (b) lower class
- (c) middle class
- (d) upper and middle class

(Ans : (d) upper and middle class)

10. One of the basic problems of educational sector is _____.

- (a) under-investment (b) over investment
(c) under savings (d) over savings

(Ans : (a) under-investment)

11. In recent years the drop out rate has _____.

- (a) increased (b) declined
(c) moderate (d) decreased *(Ans : (b) declined)*

12. The number of arts and science colleges in Tamil Nadu during 2004-05.

- (a) 125 (b) 225 (c) 600 (d) 444

(Ans : (d) 444)

13. Human Development Index is a wholistic measure of _____.

- (a) skills (b) employment
(c) living (d) training *(Ans : (c) living)*

14. Human poverty Index was introduced by HDI in the year _____.

- (a) 1995 (b) 1986 (c) 2001 (d) 1997

(Ans : (d) 1997)

15. _____ approach to educational planning does not say anything about the method of financing education.

- (a) Human resource (b) Man power
(c) Education (d) life skills

(Ans : (b) Man power)

16. According to 2001 census, the overall literacy rate for Tamil Nadu was _____%.

- (a) 73.47 (b) 62.50 (c) 95 (d) 100

(Ans : (a) 73.47)

17. The national policy on education _____ of the government of India gave first priority to universal primary education.

- (a) 1885 (b) 1986 (c) 2001 (d) 1992

(Ans : (b) 1986)

18. More than _____% of the students study in self financing colleges.

- (a) 60 (b) 67 (c) 87 (d) 90

(Ans : (c) 87)

19. _____ expenditures contribute to economic growth by reducing mortality and morbidity.

- (a) Educational (b) Wealth
(c) Health (d) Quality *(Ans : (c) Health)*

20. HDI is only a means and _____ development is the end.

- (a) human (b) educational
(c) social (d) economic

(Ans : (a) human)

21. Human Resource Development is defined as _____.

- (a) Energies, skills and talents of people
(b) Process of developing the competencies in people.
(c) Investment in human beings
(d) Useful abilities of human beings

(Ans : (a) Energies, skills and talents of people)

22. Human Resources can be developed only by _____.

- (a) Formal education
(b) Both formal and non-formal education
(c) Non formal education
(d) Higher education *(Ans : (b) Both formal and non-formal education)*

23. Early childhood education refers to the preparation of students in _____.

- (a) age group 0-14 years for primary education
(b) age group 0-6 years for primary education
(c) age group 0-5 years for primary education
(d) age group 0-1 years for primary education

(Ans : (a) age group 0-14 years for primary education)

24. 'Operation Black Board' is included in _____.

- (a) National Policy on Education (1956)
- (b) National Policy on Education (1968)
- (c) National Policy on Education (1992)
- (d) National Literacy Mission

(Ans : (c) National Policy on Education (1992))

25. Formation of Eco - Clubs in schools are the outcome of _____.

- (a) Earth summit held in Rio in 1992
- (b) National Policy on education in 1986
- (c) Environment awareness of the people
- (d) National Environment awareness campaign launched in 1986

(Ans : (d) National Environment awareness campaign launched in 1986)

26. Higher education consists of _____.

- (a) Professional education consisting of engineering and medical education only.
- (b) Both general professional education
- (c) General education only
- (d) Vocationalisation of secondary education

(Ans : (b) Both general professional education)

27. National Literacy Mission (NLM) has been introduced to achieve _____.

- (a) total literacy in age group 15 by 2005
- (b) threshold literacy rate of 75 percent by 2005
- (c) total literacy in the country
- (d) eradication of female illiteracy

(Ans : (b) threshold literacy rate of 75 percent by 2005)

II. Fill in the blanks:

1. The planning commission of India brought out the _____ Report in 2001. *(Ans : National Human Development)*
2. The first Human Development Report was published in _____. *(Ans : 1990)*
3. _____ improves the quality and quantity of labour. *(Ans : Health)*
4. _____ college do not promote the goal of equal opportunities for all. *(Ans : self-financed)*
5. The universal primary Education goal aimed at achievement of _____ covering only classes I and V. *(Ans : education for all)*
6. _____ includes the area of training and development, career development and organisation development. *(Ans : HRD)*
7. _____ approach for education can be studied by making use of the social rate of return analysis. *(Ans : Social demand)*
8. Now _____ % of GNP is invested in education. *(Ans : 3.5%)*
9. The Indian education system is marked by _____. *(Ans : inequalities)*
10. One of the basic problem of educational sector is under _____. *(Ans : investment)*
11. _____ is an educationally progressive state in India. *(Ans : Tamil Nadu)*
12. One of the important reasons for not achieving the goal of universalisation of primary education was _____. *(Ans : child labour)*
13. Today education and health are largely in the _____. *(Ans : Public sector)*
14. Arivoli Iyakkam covers the age group of _____. *(Ans : 15-35)*
15. _____ is a leading state in the implementation of vocational courses. *(Ans : Tamil Nadu)*
16. The services rendered through child welfare centres are known as _____. *(Ans : anganwadis)*

17. The Government proposed to implement special school health programme is called _____.

(Ans : vazhvoli thittam)

18. _____ development index is a holistic measure of living levels.

(Ans : Human)

19. Human development indices for all the countries were published by UNDP in _____.

(Ans : 1990)

20. National literacy mission is introduced to link a total literacy campaign and _____.

(Ans : Post literacy programme)

21. The University Education Commission (1948-49) was headed by _____.

(Ans : Dr. S. Radhakirshnan)

22. The development means _____ of implicitly potentialities present in human beings.

(Ans : Actualisation)

23. Higher education can be divided into and professional education _____.

(Ans : General)

24. Compulsory Primary Education covers _____ age group of children.

(Ans : 6-14)

25. Education and _____ promotes human resource development in a country.

(Ans : Training)

26. The educational policy of 1986 gave more emphasis on _____.

(Ans : Human development)

27. _____ promotes the level of literacy in a country. *(Ans : Education)*

28. _____ education is mainly related to adult education.

(Ans : Non-formal)

29. Health people are _____ of a country.

(Ans : Asset)

30. Vocationalisation of secondary education means to introduce _____ courses at the higher secondary level. *(Ans : vocational)*

31. _____ education prepares the children for formal education. *(Ans : Early Childhood)*

32. _____ and _____ are investment in human beings to produce human capital. *(Ans : Education, Training)*

III. Match the following:

(a)

- | | |
|------------------------------|---------------------------------|
| 1. Human resource management | - (a) Human capital theory |
| 2. Harbison and Myers | - (b) Improving the job |
| 3. Schultz | - (c) Educational planning |
| 4. Social demand approach | - (d) Human resource indicators |
| 5. Man power approach | - (e) Rate of return analysis |

(Ans :1 (b), 2 (d), 3 (a), 4 (e), 5 (c))

(b)

- | | |
|-----------------------------------|-------------------------------|
| 1. Stock of human capital | - (a) 1999 |
| 2. Survey of Human Capital Theory | - (b) 1997 |
| 3. Introduction of HPI | - (c) Indicator of HRD |
| 4. TLC | - (d) Schultz |
| 5. Special Health Programme | - (e) Total literacy campaign |

(Ans :1 (c), 2 (d), 3 (b), 4 (e), 5 (a))

(c)

- | | |
|-------------------------|---|
| 1. Human Poverty Index | - (a) Anganwadis |
| 2. Vozhvoli Thittom | - (b) Goal of Universal Primary Education |
| 3. Child Welfare Centre | - (c) HPI |
| 4. DPED | - (d) Special Health Programme |
| 5. 1990 | - (e) Human Development Report |

(Ans: 1. (c); 2. (d); 3. (a); 4. (b); 5. (e))

IV. Answer for each of the following questions in a word or two:

1. Who gave the Human Resource indicators? (*Ans : Harbison and Myers*)

2. What is marked by the Indian Education System?

(*Ans : Inequalities*)

3. Who is a wholistic measure of living levels?

(*Ans : Human Development India*)

4. What is meant by development? (*Ans : Broad human development*)

5. What will contribute to poverty reduction?

(*Ans : Economic growth*)

6. Which is considered as the very important human capital?

(*Ans : Education*)

7. What are the categories of educational planning?

(*Ans : Man power, Social demand and Rate of return approach.*)

8. What have become an elusive triangle of Indian education system?

(*Ans : Quantity, Quality and Equity*)

9. What are the top three states in literacy?

(*Ans : Kerala, Maharashtra, and Tamil Nadu*)

10. What is the aim of district primary education?

(*Ans : Achieving the goal of universal primary education*)

11. Write any two anganwadis programme.

(*Ans : Supplementary nutrition, non formal pre school education.*)

12. Expand PPP.

(*Ans : Purchasing power parity*)

13. Who announced the birth of Human Capital Theory? (*Ans : Schultz*)

14. Who expressed opinions on the value of education?

(*Ans : Adam smith and Marshall*)

15. Who constructed a simple composite index of HRD?

(*Ans : Harbison and Myers*)

16. Which is the close indicator of HRD?

(*Ans : Indicator of Economic Development*)

17. Give an expand form of NPE. (*Ans : National Policy on Education NPE*)

CHAPTER - 11**Statistical Analysis and Measures of Central Tendency****EXERCISE****I. Choose the Correct Answer :**

1. Statistics is a branch of _____.

- (a) Commerce (b) Economics (c) Mathematics (d) Accountancy

(Ans : (c) Mathematics)

2. The Latin word status represents _____.

- (a) Logic (b) Science (c) Economics (d) Statistics

(Ans : (d) Statistics)

3. The data obtained from published or unpublished by some agency are called _____.

- (a) Primary data (b) Secondary data
(c) Statistics (d) Information

(Ans : (b) Secondary data)

4. The process of arranging the data into classes and subclasses according to the common characteristics _____.

- (a) Tabulation (b) Classification
(c) Distribution (d) Arrangement

(Ans : (b) Classification)

5. The most preferred diagram to represent the components of a variable _____.

- (a) Line diagram (b) Bar diagram
(c) Pie diagram (d) Pictogram

(Ans : (c) Pie diagram)

II. Fill in the blanks :

6. The data collected for the first time is called _____.

(Ans : primary data)

7. _____ refers to the number of times each variable gets repeated.

(Ans : Frequency)

8. The difference between the upper and lower limit of a class is known as _____.
(Ans : class interval)
9. _____ is a systematic arrangement of statistical data in columns and rows.
(Ans : Table)
10. _____ is the common item of a series.
(Ans : Mode)

III. Match the Following :

11. Median - (a) $XW = \frac{\Sigma WX}{\Sigma Ws}$
12. Mode - (b) Central Value
13. Primary - (c) 3 Median - 2 Mean
14. Average - (d) Observation
15. Weighted Arithmetic Mean - (e) size of $= \frac{(N+1)^{th}}{2}$ item

(Ans : 11. (a); 12. (b); 13. (c); 14. (d); 15. (e))

Other Important Questions

I. Choose the correct answer:

1. Quantitative data deal with_____.

- (a) historical data (b) numerical values
(c) non-numerical values (d) raw data

(Ans : (c) non-numerical values)

2. "Statistics may be defined as a science of collection, presentation, analysis and interpretation of numerical data" is said to be_____.

- (a) Croxton and Cowden (b) Marshall
(c) J.M. Keynes (d) Schumpeter

(Ans : (a) Croxton and Cowden)

3. The numbers and facts in the original format in which data have been collected are called_____.

- (a) qualitative data (b) quantitative data
(c) raw data (d) discrete data

(Ans : (c) raw data)

4. The latin word status means _____.
(a) political state (b) political economy
(c) political science (d) political statistics
(Ans : (a) political state)
5. _____ data cannot be measured.
(a) Qualitative (b) Quantitative
(c) Raw (d) Discrete
(Ans : (a) Qualitative)
6. Grouped data can be classified into _____.
(a) four (b) three
(c) two (d) five (Ans : (c) two)
7. Number of students in a class are examples of _____.
(a) Raw data (b) Continuous data
(c) Discrete data (d) Primary data
(Ans : (c) Discrete data)
8. Height in centimetres, weight in kilograms, income in rupees are the example for _____ data.
(a) quantitative (b) qualitative
(c) discrete (d) continuous
(Ans : (d) continuous)
9. The data collected from the secondary sources are called the _____ data.
(a) primary (b) secondary
(c) continuous (d) Raw (Ans : (b) secondary)
10. Data collected for the first time for a specific purpose is called _____ data.
(a) primary (b) secondary
(c) Raw (d) discrete (Ans : (a) primary)
11. _____ data are original in character.
(a) Primary (b) Discrete
(c) Raw (d) Continuous (Ans : (a) Primary)

12. Sorting of letters in the post office is a good example for _____.

- (a) quantitative data
- (b) qualitative data
- (c) classification of data
- (d) tabulation of data

(Ans : (c) classification of data)

13. The lowest and highest values that can be included in a class is known as _____.

- (a) class limit
- (b) class interval
- (c) class frequency
- (d) class

(Ans : (a) class limit)

14. pie diagram is used to represent the _____.

- (a) arithmetic mean
- (b) continuous variable
- (c) components of a variable
- (d) class frequency

(Ans : (c) components of a variable)

15. The difference between the largest and the smallest value is known as _____.

- (a) mean
- (b) median
- (c) mode
- (d) range

(Ans : (d) range)

16. For a distribution, arithmetic mean is 180 and median is 170 the mode is _____.

- (a) 250
- (b) 175
- (c) 150
- (d) 125

(Ans : (c) 150)

17. _____ modal means, the distribution has two modes.

- (a) Bimodal
- (b) Multi modal
- (c) Trimodal
- (d) Unimodal

(Ans : (a) Bimodal)

18. _____ is defined as the value of the variable, which occurs most frequently in a distribution.

- (a) Mean
- (b) Median
- (c) Mode
- (d) Arithmetic progression

(Ans : (c) Mode)

19. _____ of a series is equal to the total value of the various items in a series divided by the number of items.

- (a) Mean (b) Median
(c) Mode (d) Arithmetic mean

(Ans : (d) Arithmetic mean)

20. The _____ diagram is used to represent only one variable.

- (a) Bar (b) Pie
(c) Circular (d) Pictogram

(Ans : (a) Bar)

21. The measures Mean, Median and Mode _____.

- (a) Tend towards the highest scores
(b) Tend towards the centre or middle
(c) Tend towards the lowest scores
(d) Move towards the extreme scores

(Ans : (b) Tend towards the centre or middle)

22. The mean score of 5 boys in a class is equal to 40. A boy who has scored 60 marks is included in this group. Now the new mean would be _____.

- (a) 50 (b) 20 (c) 43.33 (d) 40

(Ans : (c) 43.33)

23. Median is _____.

- (a) The most frequently repeated item / score in the series
(b) The middle most item / score in the series of data
(c) The middle most item / score in the series of ordered data
(d) The difference between highest and lowest score

(Ans : (c) The middle most item / score in the series of ordered data)

24. If the mean score of a class is greater than its median score, then it means _____.

- (a) The poor scorers are more in the class
- (b) The performance of the students in neither high nor low
- (c) The performance of the students is rather low
- (d) The high scorers are more in the class

(Ans : (a) The poor scorers are more in the class)

25. The minimum and maximum scores of a series of data are 12 and 52. The median is found to be 24. If a score of 35 is included, the new median would be _____.

- (a) the same
 - (b) greater than 24
 - (c) less than 24
 - (d) 35
- (Ans : (b) greater than 24)*

26. The age of a person is a _____.

- (a) continuous variable
- (b) discrete variable
- (c) quantitative variable
- (d) personal variable

(Ans : (a) continuous variable)

II. Fill in the blanks:

1. Quantitative data are _____ in nature. *(Ans : numerical)*
2. Statistics refers to numerical description of the _____ aspects of a phenomenon. *(Ans : quantitative)*
3. Frequency distribution is called _____ data. *(Ans : grouped)*
4. The data classified on the basis of location or areas is called _____ classification of data. *(Ans : geographical)*
5. The data classified on the basis of some attributes such as sex, colour of hair is called _____ classification of data. *(Ans : qualitative)*

6. Primary data are _____ in character. *(Ans : original)*
7. Classification of data on the basis of time is known as _____ classification. *(Ans : chronological)*
8. The systematic arrangement of statistical data in column and row is called _____. *(Ans : table)*
9. A table must have a _____. *(Ans : title)*
10. _____ refers to the number of times each variable gets repeated. *(Ans : Frequency)*
11. Two or more interrelated data are represented in a _____ diagram. *(Ans : multiple bar)*
12. _____ is a common item of a series. *(Ans : Mode)*
13. _____ is the value of the middle item. *(Ans : Median)*
14. In _____ diagram percentages are converted into corresponding degree on the circle. *(Ans : pie)*
15. Head note is a brief explanation of the information given in the _____. *(Ans : table)*
16. The Number of observations corresponding to a particular class is known as the _____. *(Ans : frequency)*
17. _____ refers to the characteristics that varies in magnitude or quantity. *(Ans : Variable)*
18. _____ refers to the number of times each variable gets repeated. *(Ans : Frequently)*
19. Primary data are collected through / from _____. *(Ans : tools and techniques)*
20. Appropriate class interval for a data set which has 98 as the maximum score and 8 as the minimum score would be _____. *(Ans : ten)*
21. Histogram represents _____. *(Ans : total value of series)*

22. P_{25} is otherwise called _____. (Ans : *Q*)
23. If two numbers occur equally frequently in a distribution, that distribution is called _____ model distribution. (Ans : *bimodal*)
24. Time series graph is also called the _____ graph. (Ans : *profile*)
25. An _____ is based on all items. (Ans : *Average*)
26. _____ is the very frequently repeated item in the series. (Ans : *Mode*)
27. _____ are the values of the variable which divides the total frequencies into 10 equal parts. (Ans : *Deciles*)
28. Arithmetic Mean is generally called _____. (Ans : *Mean*)
29. _____ is nothing but bar diagrams drawn side by side. (Ans : *Histogram*)

III. Match the following:

(a)

- | | |
|--------------------------|------------------------------------|
| 1. Income | - (a) Qualitative classification |
| 2. Time | - (b) Class interval |
| 3. Sex | - (c) Chronological classification |
| 4. Location or areas | - (d) Quantitative classification |
| 5. Upper and Lower limit | - (e) Geographical classification |
- (Ans : 1 (d), 2 (c), 3 (a), 4 (e), 5 (b))

(b)

- | | |
|----------------|----------------------------|
| 1. Median | - (a) Circle |
| 2. Mode | - (b) More than two modals |
| 3. Pie diagram | - (c) Most repeated item |
| 4. Bimodal | - (d) Middle item |
| 5. Multimodal | - (e) Two modals |
- (Ans : 1 (d), 2 (c), 3 (a), 4 (e), 5 (b))

(c)

1. Status - (a) Published or Unpublished sources
2. Secondary Data - (b) Source
3. Range - (c) Simple bar diagram
4. Tabulation - (d) Diagrams
5. Only one variable - (e) Pie chart
6. Different components of the variable - (f) Political State
7. More attractive to the eye - (g) L-S

(Ans: 1. (f); 2. (a); 3. (g); 4. (b); 5. (c); 6. (e); 7. (d))

IV. Answer for each of the following questions in a word or two:

1. What are the two types of quantitative classification of data?

(Ans : Discrete and continuous frequency distribution)

2. Which is the most important part of table? (Ans : Body of table)

3. Name the diagram used to represent only one variable.

(Ans : Simple bar diagram)

4. Give the formula for weighted arithmetic mean. (Ans : $\bar{X}_w = \frac{\sum wx}{\sum w}$)

5. Calculate the mode for a grouped data.

(Ans : Mode = 3 Median - 2 Mean)

6. What is the other name of central value? (Ans : An average)

7. What is the formula of simple arithmetic mean? (Ans : $\bar{X} = \frac{\sum x}{N}$)

8. Which is median in the following series? 3,5,7,10,12,13,15

(Ans : Median=10)

9. Defined mode? (Ans : Mode is the common item of series)

10. What is variable? (Ans : Variable refers to the characteristic that varies in magnitude or quantity)

11. What is the formula for mode? (*Ans : Mode (Z) = 3 (Median) - 2 (\bar{X})*)

12. Which is the diagram that describes components of a variable?

(Ans : Pie Diagram)

13. What is the first step in calculating median?

(Ans : Arrange the data in ascending or descending order)

14. What is Primary Data?

(Ans : The data collected for the first time is called primary data)

9. Standard Deviation can be derived from _____. (Ans : Variance)

10. Quartile deviation is also known as _____.

(Ans : Semi-inter quartile range)

III. Match the Following :

11. Variance - (a) Standard Deviation

12. $\sqrt{\frac{\Sigma(X - \bar{X})^2}{n}}$ - (b) $P_p = \frac{\Sigma p_t + q_t}{\Sigma p_0 + q_0}$

13. Quartile Deviation - (c) $P_F = \sqrt{P_P P_L}$

14. Fisher's Index - (d) $\frac{Q_3 - Q_1}{2}$

15. Paasche Index - (e) $\frac{\Sigma(X - \bar{X})^2}{n}$

(Ans : 11. (e); 12. (a); 13. (d); 14. (c); 15. (b))

IV. Answer the following in a word or two :

16. What is the difference between Large and Small Value? (Ans : Range)

17. What can be derived from variance? (Ans : Standard Deviation)

18. Name the Popular Index.

[Ans: Cost of Living Index / Consumer Price Index]

19. Which is the Specialized Indicator? (Ans : Index Number)

20. Give the equation that interrelates the three types of Index Numbers.

(Ans : Price \times Quantity = Value)

Other Important Questions

I. Choose the correct answer:

1. Dispersion reflects the _____.

- (a) the central tendency (b) reliability of the average
(c) the mode (d) distribution

(Ans : (b) reliability of the average)

2. _____ is useful to contain the dispersion and to improve the data values in the future.

- (a) Knowledge of dispersion
(b) Central tendency
(c) Reliability of the average (d) Tendency of data

(Ans : (a) Knowledge of dispersion)

3. The numerical difference between the largest and the smallest value is known as _____.

- (a) mean (b) median
(c) range (d) mode

(Ans : (c) range)

4. The average distance between the mean and each point in the distribution is known as _____.

- (a) mode (b) range
(c) mean deviation (d) geometric mean

(Ans : (c) mean deviation)

5. The percentage of marks scored by surya is 100 and 30 the range is _____.

- (a) 70 (b) 65
(c) 100 (d) 125

(Ans : (a) 70)

6. Time series patterns can be described in terms of _____ basic component.

- (a) two (b) three
(c) four (d) five

(Ans : (c) four)

7. Index numbers are classified into _____ major types.

- (a) two (b) three
(c) four (d) five *(Ans : (b) three)*

8. Q_2 is otherwise known as _____.

- (a) mean (b) median
(c) mode (d) deviation
(Ans : (b) median)

9. Variance is the most stable measure of variability and its derivative is _____.

- (a) mean deviation (b) quartile deviation
(c) standard deviation (d) range
(Ans : (c) Standard deviation)

10. The points larger than the mean will have _____ sign.

- (a) positive (b) negative
(c) zero (d) none
(Ans : (a) positive)

11. _____ component may also have similar nature but it repeats itself in systematic intervals over time.

- (a) Seasonal component (b) Cyclical component
(c) Trend component (d) Regular component
(Ans : (b) Cyclical component)

12. _____ numbers are useful to study the trend of business and economic variable.

- (a) Mean (b) Median
(c) Index (d) Range
(Ans : (c) Index)

13. Standard deviation can be derived from variance simply by taking its _____.

- (a) square root (b) quotient
(c) cubic root (d) summation
(Ans : (a) square root)

14. _____ calculated the geometric mean of P_p and P_c using the average of both the current and base year as weight.

- (a) Laspeyre (b) Fisher
(c) Paasche (d) Paasche and Laspeyre

(Ans : (b) Fisher)

15. _____ formulas used to calculate paasche index number.

- (a) $P_L = \frac{\sum p_1 q_0}{\sum p_0 q_0}$ (b) $P_F = \sqrt{P_P P_L}$
(c) $P_{01} = \frac{\sum p_1}{\sum p_0} \times 100$ (d) $P_P = \frac{\sum p_1 q_1}{\sum p_0 q_1}$

(Ans : (d) $P_P = \frac{\sum p_1 q_1}{\sum p_0 q_1}$)

16. An index number is a _____ used to measure changes overtime and to interpret economic figures.

- (a) scientific tool (b) economic tool
(c) Mathematical tool (d) statistical tool

(Ans : (d) statistical tool)

17. The measure Range, takes into account _____.

- (a) the lower quartile and upper account
(b) the extreme scores
(c) each and every score in the series
(d) only the low scorers

(Ans : (b) the extreme scores)

18. Q. D. is given by _____.

- (a) $Q_3 - Q_1$ (b) Highest Score – Lowest Score
(c) Median (d) $\frac{Q_3 - Q_1}{2}$

(Ans : (d) $\frac{Q_3 - Q_1}{2}$)

19. Mean Deviation is given by _____.

- (a) $\Sigma(X - M)$ (b) $\Sigma|X - M|$ (c) $\frac{\Sigma(X - M)}{N}$ (d) $\frac{\Sigma|X - M|}{N}$
 (Ans : (d) $\frac{\Sigma|X - M|}{N}$)

20. The Standard Deviation of the wage of 60 workers is calculated to be 12. If 10 rupees is deducted from the wage of each worker, then the standard deviation will _____.

- (a) not be affected (b) reduce (c) increase (d) be unsteady
 (Ans : (a) not be affected)

21. Higher Standard Deviation indicates, that _____.

- (a) the scores are more consistent (b) the scores are scattered more
 (c) the scores are scattered less (d) the scores are homogeneous
 (Ans : (b) the scores are scattered more)

22. $Q_3 - Q_1$ _____.

- (a) Range (b) Inter Quartile Range
 (c) Quartile Deviation (d) Mean Deviation
 (Ans : (b) Inter Quartile Range)

II. Fill in the blanks:

- _____ is the widely used measure that locates relative positions.
 (Ans : Percentile)
- _____ is the most commonly used measure of position.
 (Ans : Quartile deviation)
- Quartile deviation is also known as _____.
 (Ans : semi-inter quartile range)
- _____ are values expressed as a percentage of single base figures.
 (Ans : Index numbers)
- The consumer price Index is one of the _____ indexes.
 (Ans : Popular)
- _____ for long have constructed price and quantity index numbers.
 (Ans : Economists)
- Index numbers have no _____ units.
 (Ans : distracting)

8. _____ means the tendency of data values to deviate from the mean values. *(Ans : Dispersion)*
9. _____ reflects the reliability of the average. *(Ans : Dispersion)*
10. Range = _____. *(Ans : L-S)*
11. The simplest measure of variability is the range of the _____. *(Ans : data)*
12. A time series is a sequence of _____ points at successive time. *(Ans : numerical data)*
13. Value = _____. *(Ans : Price x Quantity)*
14. Average is reliable only when the set of data is _____. *(Ans : homogenous)*
15. _____ can be measured by different methods. *(Ans : Variability)*
16. Median is the _____ that divides the distribution into two equal halves. *(Ans : second quartile)*
17. In the paasche index, the current year quantities are used as _____. *(Ans : weights)*
18. _____ summarises changes in a group of related variables. *(Ans : Index number)*
19. _____ is the arithmetic mean of the deviations of each point to the mean. *(Ans : Mean deviation)*
20. Quartile deviation = *(Ans : $\frac{Q_3 - Q_1}{2}$)*
21. Q_1 is otherwise known as _____. *(Ans : (P_{25}))*
22. Inter Quartile Range is _____. *(Ans : $Q_3 - Q_1$)*
23. Standard Deviation is given by the formula _____. *(Ans : Root Mean Square Deviation)*
24. Coefficients of Variation is given by the formula _____. *(Ans : $\left(\frac{100\sigma}{M} \right)$)*
25. Index numbers are the _____ of Economic activity. *(Ans : Barometer)*
26. Simple aggregative method is one of the method used in _____ index numbers. *(Ans : unweighted)*
27. _____ is an absolute measure. *(Ans : Average Deviation)*

28. _____ are used to forecast the future trend in economic phenomena.
(Ans : *Index Numbers*)
29. _____ are known as the 'Barometer of Economic Activity'.
(Ans : *Index Numbers*)
30. There are four well-defined period in _____ cycle. (Ans : *Business*)
31. The method of least squares requires regorous _____ procedures.
(Ans : *Mathematical*)
32. _____ is a simple measure of dispersion. (Ans : *range*)

III. Match the following:

(a)

- | | |
|--|------------------|
| 1. First year | - (a) L – S |
| 2. Deviation from
mean values | - (b) Variance |
| 3. Range | - (c) Quartile |
| 4. From quarters | - (d) Base year |
| 5. Derivative of
Standard deviation | - (e) Dispersion |

(Ans : 1 (d), 2 (e), 3 (a), 4 (c), 5 (b))

(b)

- | | |
|--------------------------------|---|
| 1. Unweighted
Index Numbers | - (a) Similar nature |
| 2. Weighted
Index Numbers | - (b) Sequence of numerical data |
| 3. Time series | - (c) Variation cannot be predicated |
| 4. Cyclical component | - (d) $P_{01} = \frac{\sum p_1}{\sum p_0} \times 100$ |
| 5. Irregular component | - (e) Paasche, Laspeyres, fisher's |

(Ans : 1 (d), 2 (e), 3 (b), 4 (a), 5 (c))

(c)

1. Quartile Deviation - (a) Laspeyre's Index
2. Mean Deviation - (b) Standard Deviation
3. σ - (c) $\frac{\sum |X - \bar{X}|}{n}$
4. Time Series - (d) Q. D.
5. Index Number - (e) Trend Component

(Ans: 1. (d); 2. (c); 3. (b); 4. (e); 5. (a))

IV. Answer for each of the following questions in a word or two:

1. What is called the arithmetic mean of the deviations of each point to the mean? (Ans : Mean deviation)

2. What is the formula to calculate quartile deviation?

$$(Ans : \frac{Q_3 - Q_1}{2})$$

3. Mention the name of one of the popular indexes.

(Ans : consumer price index)

4. What is the simplest method of constructing index numbers.

(Ans : Unweighted Index Number)

5. Give passche's Index formula.

$$(Ans : P_p = \frac{\sum p_t q_t}{\sum p_o q_t})$$

6. What is the other name of third quartile?

(Ans : $P_{2\frac{2}{3}}$)

7. What is the other name of the consumer price index?

(Ans : cost of living index)

8. Which formula is used to determine the position of the tenth percentile?

$$(Ans : \left(n \times \frac{P}{100} \right))$$

9. What are the terms used to measure index number?

(Ans : Price, Quantity and Value)

10. Which time series is an erratic fluctuation in a given variable?

(Ans : Irregular component)

11. What are the two variables in time series?

(Ans : Economic Variables and forecasting variables.)

12. What is the formula used to calculate Unweighted Index Numbers?

$$(Ans : P_{ot} = \frac{\sum P_1}{\sum P_0} \times 100)$$

13. Give the formula for Range.

$$(Ans : Range = L - S)$$

14. How many main methods are there to calculate weighted index number?

(Ans : There are 3 main methods to calculate weighted index number)

15. Give the formula for Fisher's Index Number.

$$(Ans : P_f = \sqrt{P_P P_L})$$

16. What do you mean by time series?

(Ans : Time series is simply a sequence of numbers collected at regular intervals over a period)

17. What is the another name of Quartile Deviation?

(Ans : Semi-Inter Quartile Range)

Notes