

INDIAN SCHOOL NIZWA  
ECONOMICS -WORKSHEET  
CH 2 : INDIAN ECONOMY 1950 - 1990

DATE: \_\_\_\_\_

NAME: \_\_\_\_\_

CLASS :XI

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1. Why did India opt for planning?

**Answer:** At the time of independence, Indian economy was in very poor shape. The private capital was at a low level. Basic industries were very few in numbers. The whole economy was dependent on a few sectors. Agriculture was done through primitive methods and needed a lot of improvement to feed a growing population. The first Prime Minister and other thinkers of the time thought it suitable to opt for a planned economy.

2. Why should plans have goals?

**Answer:** For any plan to succeed you need to have some goals. Without a goal, one does not know where to reach. It is similar to setting a destination before beginning a journey. Without a preset destination, you will reach nowhere at the end of a journey.

3. What are High Yielding Variety (HYV) seeds?

**Answer:** High Yielding Variety (HYV) seeds are new variety of seeds which are produced after cross breeding or genetic engineering. As the name suggests; HYV seeds give higher yields per acreage than the conventional seeds.

4. What is marketable surplus?

**Answer:** If a farmer produces so much of farm produce that a surplus amount can be saved after his own consumption, this surplus amount can be sold in the market. This surplus amount is called market surplus.

5. Explain the need and type of land reforms implemented in the agriculture sector.

**Answer:** Two types of reforms were introduced in the agriculture sector. The first reform was related to the ownership of land. The actual tillers; who were not the owners of the land were given the ownership of land. It was assumed that ownership would give them motivation to invest in improvement of land and it would help in better farm productivity.

The second reform was related to the land ceiling. This put a ceiling on maximum land holding which a farmer could have. This reform helped in equitable distribution of land. Previously, a few farmers held the ownership of biggest chunks of land; while most of the farmers were marginal farmers or landless farmers.

6. What is Green Revolution? Why was it implemented and how did it benefit the farmers? Explain in brief.

**Answer:** Green Revolution refers to the large increase in food grain production due to use of High Yielding Variety (HYV) seeds; especially for wheat and rice.

7. Explain 'growth with equity' as a planning objective.

**Answer:** Equity was one of the major goals of planning. Growth, modernization and self-reliance (the other goals of planning) could not be enough if the fruits of these developments did not reach a large section of the society. If the issue of equity is not taken care of, then the rich would become richer and the poor would become poorer. Prosperity would be concentrated in only a few hands and a vast section of the society would be devoid of the quality of life which a prosperous economy can give. Thus, equity should be a major objective of planned economy.

8. Does modernisation as a planning objective create contradiction in the light of employment generation? Explain.

**Answer:** It is a wrong notion that modernization as a planning objective creates contradiction in the light of employment generation. Modernization not only involves adoption of new technology but also changes in social norms. Many early thinkers thought that new machines can reduce employment opportunities because one machine can do the work of hundreds of people in less time. But we should not forget that a new machine can help in opening up new employment opportunities which could not have been even thought of. Following example illustrates this in a relevant way.

When our former Prime Minister, Rajiv Gandhi talked about computerization to modernize various sectors; there were huge protest. People thought that since a computer can do the work of thousands of people in a fraction of time, it would result in mass unemployment. But current scenario tells a different story. Thanks to the advent of computer and IT, many new employment opportunities have opened up about which people could not even imagine in the past.

9. Why was it necessary for a developing country like India to follow self-reliance as a planning objective?

**Answer:** For a developing country, it is very important that local business grows to a size that develops the ability to compete with companies from other nations. Moreover, at the time of independence; it was feared that overdependence on other countries may lead to interference in domestic policies. Self-reliance was desirable at least in those products and services which catered to the basic needs such as food and clothing.

10. What is sectoral composition of an economy? Is it necessary that the service sector should contribute maximum to GDP of an economy? Comment.

**Answer:** An economy can be divided into three main sectors, viz. primary, secondary and tertiary sectors. Agriculture and related activities come under primary sector, industries come under secondary sector and services come under tertiary sector. Relative share in GDP and in employment opportunities of different sectors shows the sectoral composition of an economy. Traditionally, it has been seen that an economy remains over-dependent on agriculture during initial stages of development. It gradually progresses to being dependent on the industries. In case of developed economies, dependency on services sector is the highest. This is not a rule but experience from most of the developed economies suggests that a higher contribution by services sector is an indication towards a developed economy.

11. Unemployment has risen despite the fact that opportunities of employment have risen during the five year plans. Give reasons for your answer.

Ans. It is true that unemployment has risen despite a rise in the opportunities of employment during the five year plans. This is because the rate at which the work force has risen has been more than the rate at which the additional work force was absorbed in jobs. The rise in workforce is primarily related to a substantial rise in population of the country, particularly after 1951.