

**CBSE Test Paper-03**  
**Chapter 11 Rural Development**

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1. Agricultural marketing is a process that involves functions of **(1)**
  - i. All of the given
  - ii. processing
  - iii. storage
  - iv. distribution
2. Where is M. S. Swaminathan Research Foundation located? **(1)**
  - a. Maharashtra
  - b. Uttar Pradesh
  - c. Chennai
  - d. Assam
3. Farmers cannot retain the produce for a long time they have to sell it immediately. Which defect of agriculture is shown in this system **(1)**
  - a. Lack of information
  - b. Distress sale
  - c. Unregulated market
  - d. False weight
4. Livestock sector alone provides alternate livelihood options to over \_\_\_\_\_ million small and marginal farmers including landless labourers. **(1)**
  - a. 80
  - b. 50
  - c. 70
  - d. 60
5. What do you mean by agricultural marketing? **(1)**
6. Cooperative marketing is a measure to ensure a fair price to farmers. Why? **(1)**

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7. Write the major aim of designing multi -agency system of rural banking? **(1)**
  8. 'India has a comparative advantage in organic farming'. Comment. **(1)**
  9. Why do farmers borrow? **(3)**
  10. If farmers who borrowed from cooperative banks could not pay back loan due to crop failure and other reasons, their loans should be waived off else they might commit suicide. Do you agree? Explain. **(3)**
  11. What kind of institutional and technology alternatives would you suggest for reducing the crisis in Indian agriculture? **(4)**
  12. Enlist some problems faced by farmers during the initial years of organic farming. **(4)**
  13. Do you think various measures taken by the government to improve agricultural marketing are sufficient? Discuss. **(4)**
  14. What do you mean by rural development? What are the key issues of rural development? **(6)**
  15. State some measures to be taken relating to finance, so that the objective of rural development is achieved. **(6)**

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**Answers**

1. a. All of the given

**Explanation:** Agricultural marketing is inferred to cover the services involved in moving an agricultural product from the farm to the consumer. It is also the planning, organizing, directing and handling of agricultural produce in such a way as to satisfy the farmer, producer and the consumer.

2. c. Chennai

**Explanation:** It is a non profit NGO trust based in Chennai. It develops and promotes strategies for economic growth that directly targets the increased employment of poor women in rural areas.

3. b. Distress sale

**Explanation:** Most of the Indian farmers are very poor and thus have no capacity to wait for a better price of his produce in the absence of proper credit facilities. Farmers often have to go for even distress sale of their output to the village moneylenders-cum-traders at a very poor price.

4. c. 70

**Explanation:** Livestock sector alone provides livelihood options to over 70 million small and marginal farmers. A significant number of women also find employment in the livestock sector.

5. Agricultural marketing is a process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country.
6. Due to Cooperative marketing, the farmers save themselves from the middlemen, and their collective bargaining power is more. Hence, Cooperative marketing is a measure to ensure a fair price to farmers.
7. To dispense adequate credit for diverse need at cheaper rates is the major aim of designing multi-agency system.

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8. India has comparative advantage in organic farming because

- Organic farming involves a labour intensive process.
- There is an abundance of labour places in India. Thus due to more labour requirement in organic farming, it is an attractive proposition for India.

9. Borrowings of a farmer can be for the following purposes

- Productive Borrowings** These borrowings include loans to buy seeds, fertilisers, cattle, agricultural implements, additional land and to make permanent improvements on land such as digging and deepening of wells, fencing of land etc.
- Unproductive Borrowings** These borrowings include loans for social purposes such as marriage, festive occasions, for litigation, or to meet expenditure on illness, birth and death, etc.

10. No, we do not agree because:

- It has been noticed that 60% of defaulters are willful defaulters.
- First each case should be seen individually. In cases where crop failure or genuine conditions prevail, we can reduce the rate of interest and extend the time for repayment, reduce the EMI amount instead of waiving off loans.
- The amount of loan being waived off is coming from the pockets of honest tax payers. Transferring the burden of wilful defaulters' loans on honest taxpayers is neither advisable nor justified.

11. Due to poor returns to cultivation, agriculture is becoming a non viable occupation. Technological interventions such as the green revolution proved neutral to land size in terms of output, but were not neutral in terms of resources, making it a costly imperative for marginal and small farmers. Many financial products were also introduced to address uncertainties, but they ended up adding to risks. The immediate solution is reducing costs. The technology is knowledge centric rather than product centric. To revive farming and farmer, it is necessary to introduce alternative technology and institutional structures. We need a technology that builds on local resources and further strengthens the existing social capital. It is possible through structures that empower the farmers at the grassroots and organize them into federations. Self help groups can prove helpful in solving the problem of rural credit

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along with technologies that reduce costs and risks. And the successful experiments indicate that this is possible.

12. The problems faced by farmers during the initial years of organic farming are:
- i. Organic farming requires inputs like organic manure, bio-fertilisers and organic pesticides. Though they are cheaper yet farmers find it difficult to get them.
  - ii. Existing infrastructure is inadequate for taking up organic farming on a large scale.
  - iii. The yield from organic farming is much less than that of modern agricultural farming. Therefore, small and marginal farmers may find it difficult to sustain production.
  - iv. The price of organic food is high, so it is difficult to sell them. Also, there are problems with marketing the products as there is little awareness about the benefits of organic farming.
  - v. Organic products generally have more blemishes and shorter shelf life.
  - vi. Choice in production of off-season crops is quite limited in organic farming.
13. Government has adopted various measures for improving agricultural marketing such as regulation of markets, provision of physical infrastructure like cold storage, roads and railways, co-operative marketing and policy measures like Minimum support price (MSP), Public distribution system(PDS) and buffer stock etc. But even after these measures taken by the government, agricultural markets are still predominated by moneylenders, rural political elites, big merchants and rich farmers. The current infrastructure facilities are inadequate to meet the growing demand and need to be improved further. There are many obstacles in the agricultural marketing system which needs to be addressed by the government in order to strengthen the agricultural marketing system:
- i. Enforcement of standard weights.
  - ii. Fixation of charges, fees etc.
  - iii. Preventing unlawful deductions and controlling wrong practices by middlemen.
- Cooperatives are also suffering from problems like inadequate coverage of farmers as members, lack of an appropriate link between marketing and processing co-operatives and inefficient financial management.

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14. Rural development is a comprehensive term. It essentially focuses on action for the development of areas that are lagging behind in the overall development of the village economy. Some key issues that need urgent attention for Rural Development in India are:
- i. Public health and sanitation
  - ii. Literacy
  - iii. Female empowerment
  - iv. Enforcement of law and order
  - v. Land reforms
  - vi. Infrastructure development like irrigation, electricity etc.
  - vii. Availability of credit
  - viii. Eradication of poverty
15. To achieve the objective of rural development, following measures related to finance can be taken:
- i. The supply of finance should be fully institutionalised and dependence on private sources for credit should be eliminated. Credit facilities should be extended to Indian farmers by the commercial banks on easy terms.
  - ii. The general interest rate should be low. The banks should charge different rates for different uses. Cooperative credit societies in rural areas should be strengthened and their working should be made more efficient.
  - iii. The basis of credit should not be the mortgage of any security. Production or productivity of land should be the basis for the approval of loans.
  - iv. The conditions of repayment of loans should be different so as to suit different circumstances. An effective mechanism for the recovery of agricultural loans should be evolved at the earliest.
  - v. It should be ensured that finance is used for production. Loans can also be given in the form of goods like seeds, fertilisers, etc.
  - vi. There should be adequately trained and devoted personnel to manage financial institutions. The persons should have full knowledge of agriculture and interest of farmers.