

CBSE Test Paper-05
Chapter 06 Economy on the Eve of Independence

1. At the time of India independence mass illiteracy was **(1)**
 - a. 0.65
 - b. 0.88
 - c. 83.0 percent
 - d. 0.73
2. During major part of British period **(1)**
 - a. Imports were more than exports
 - b. Exports were equal to imports
 - c. None of these
 - d. Exports were more than imports
3. Jute industries were dominated by **(1)**
 - a. Both
 - b. Foreigners
 - c. None
 - d. Indian
4. Census is conducted after every **(1)**
 - a. 5 year
 - b. 10 years
 - c. 50 year
 - d. 100 year
5. What are the three sectors of occupational structure? **(1)**
6. What is meant by 'commercialisation of agriculture'? **(1)**
7. What was the main focus of the economic policies pursued by the colonial government in India? **(1)**

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8. Name some modern industries which were in operation in our country at the time of Independence. **(1)**
 9. What should have been the foremost priority of India at the time of independence? **(3)**
 10. Underscore some of India's most crucial economic challenges at the time of Independence. **(3)**
 11. Briefly discuss the industrial development pattern on the eve of Independence. **(4)**
 12. Discuss the impact of decline of Indian textile industry on Indian economy. **(4)**
 13. Highlight the salient features of India's pre-independence occupational structure. **(4)**
 14. Explain the objectives of Britain for developing the railways in India. **(6)**
 15. Briefly discuss the main features of International trade during the British rule. **(6)**

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Answers

1. c. 83.0 percent

Explanation: The population census of 1941 (which was last census under British Rule) estimated the literacy rate at 17 %. This means that 83 of the total population was illiterate.

2. d. Exports were more than imports

Explanation: During major part of British period exports was more than imports. The resulted in favourable balance of trade.

3. b. Foreigners

Explanation: The jute mills dominated by the foreigners were mainly concentrated in Bengal.

4. b. 10 years

Explanation: First synchronous census in India was held in 1881. Since then, censuses have been undertaken uninterruptedly once every ten year.

5. The three sectors of occupational structure are primary sector, secondary sector and tertiary sector.
6. A shift from cultivation for self consumption to cultivation for sale in the market is called as Commercialisation of agriculture.
7. The main focus of the economic policies pursued by the colonial government in India was the protection and promotion of economic interests of their home country than with the development of the Indian economy.
8. Some modern industries which were in operation in our country at the time of Independence are Cotton textile, jute textile, sugar industries, cement industries and paper industries.
9. India's first priority should have been development of human capital. India was lacking in everything i.e., infrastructure, political stability, industrial sector,

agriculture. But we had a huge population. By investing in our population, we could become a knowledge economy. Japan is a live example in it. Therefore, human capital formation should have been first and foremost priority of Indian economy. Education and health sector should have been taken as basic need.

10. Most crucial economic challenges at the time of Independence were:

- i. Accelerating the pace of industrialisation and through its modernisation, diversification and capacity building.
- ii. Development of infrastructure facilities.
- iii. Eradication of poverty and unemployment.
- iv. Improving public health facilities.
- v. Developing agriculture based industries.
- vi. Becoming self-reliant.

11. The industrial development pattern on the eve of Independence was characterised by the following elements:

- i. The industrial growth was lopsided, in the sense that consumer goods industry was not adequately supported by the capital goods industry.
- ii. No priority was given for the development of basic and heavy industries. Tata Iron and Steel Corporation (TISCO) established in 1907, was the only basic industry in India.
- iii. The public sector enterprises such as railways, power, post and telegraph were confined to areas which would enlarge the size of market for British products in India.
- iv. The pattern of development in the industrial sector was lopsided and was dominated by the presence of small industries (31%) and large industries (43%), but very few medium industries.

12. The destruction of Indian handicrafts industry had far reaching effects.

- i. It led to unemployment on a large scale. In 1834, Lord William Bentinck reported, "The misery hardly finds a parallel in the history of commerce. The bones of cotton weavers are bleaching the plain of India."
- ii. Another consequence of the decline of handicraft was back to the land movement.

The British destroyed the institution of Indian handicrafts but did not care to provide an alternate source of employment.

- iii. The percentage of population dependent on agriculture increased. It was 55% in the middle of nineteenth century and increased to 72% in 1931. It led to an increase in land rent charged from the tenants.

13. The following are the salient features of India's pre-independence occupational structure:

- i. **Predominance of Agriculture:** Under the colonial rule, India was basically an agrarian economy, with nearly 70-75% of its workforce engaged directly or indirectly in agriculture. Due to massive poverty and widespread illiteracy during the colonial rule, a large proportion of the population was engaged in farming and related activities to earn their living.
- ii. **Unequal Distribution among Sectors:** There was an unequal distribution of occupational structure amongst the primary (agriculture), secondary (manufacturing) and tertiary (service) sectors.
- iii. **Lack of Opportunities in Industry:** Only a small proportion of population was employed in the manufacturing sector. Only 10% of the total workforce was engaged in manufacturing and industrial sector.
- iv. **Regional Imbalance:** There was regional variation in the occupational structure of India. On the one hand, the Madras Presidency, Bombay and Bengal experienced a fall in the agricultural workforce and increase in occupational share of manufacturing and services. But on the other hand Orissa, Rajasthan and Punjab registered an increase in the dependence of the workforce on agriculture sector.

14. **Railways were developed by the British East India Company and then by the colonial British Government to achieve the following objectives:**

- i. **To Promote the Commercial Interest of Britishers:** Industrialisation in Britain compelled the Britishers to look out for new markets for their finished goods and also identify the countries from where an interrupted supply of raw material could be ensured for their factories.
- ii. **For Military Motives:** The Britishers established railways because they felt that it

would help in faster movement of troops and supplies at the time of internal revolution or for defence against external aggression.

- iii. **Capital Investment:** Railways was quite successful in Britain and was earning substantial profits. Because of this, the British capitalists wanted to establish railways in India also, so that they would be able to earn profits on their investment.
- iv. **Political Interest:** The Britishers believed that the introduction of railways in India would provide political stability to the country.

To achieve these twin objectives, the Britishers introduced the railways in the country. Railways connected the raw material producing areas to the port cities and also ensured that the goods imported from Britain were transported to every nook and corner of the country for sale.

15. The main features of international trade during the British rule are as follows:

- i. **Exporter of Primary Products and Importer of Finished Goods:** Under the colonial rule, India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, jute, etc and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery. As a result, there occurred exploitation of the resources of India that exported raw materials and imported the same as finished goods.
- ii. **Britain's Monopoly Control:** More than half of India's foreign trade was restricted to Britain. The opening of Suez Canal in 1869 further intensified British control over India's foreign trade. Surplus Trade only benefited Britishers. Due to the huge exports of primary goods, our balance of trade showed a surplus. But the surplus so generated was not used as an investment for future growth, but was spent by the Britishers to fight wars to expand their territory. Accordingly, there was a huge drain of Indian wealth.
- iii. **Export surplus:** The export surplus did not bring in any flow of gold or silver to India. Instead, they were pocketed by the colonial government.
- iv. **Lack of sound trade and tariff policies:** During the colonial rule, the trade and tariff policies followed by the government and the restrictive policies of commodity production adversely affected the composition and volume of Indian foreign trade.