

**CBSE Test Paper-02**  
**Chapter 06 Indian Economy on the Eve of Independence**

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1. Jute industries were located in **(1)**
  - a. Gujarat
  - b. Maharashtra
  - c. Bengal
  - d. Rajasthan
2. What was the growth rate of per capita income during British rule? **(1)**
  - a. 4 per cent
  - b. 2 per cent
  - c. 0.5 per cent
  - d. 3 per cent
3. Poor variety of seeds and low productive seeds were mainly the reason for **(1)**
  - a. Slow growth of all the above three sectors
  - b. Slow growth of Tertiary sector
  - c. Slow growth of Industrial sector
  - d. Slow growth of Agriculture sector
4. Major contribution to the GDP of the country on the eve of independence was from **(1)**
  - a. modern industries
  - b. agriculture
  - c. None of these
  - d. trade
5. Give the name of one economist who estimated India's per capita income during colonial period. **(1)**
6. What percentage of India's working population was engaged in secondary sector during British rule? **(1)**

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7. What was the main cause of stagnation in the agricultural sector during colonial rule? **(1)**
  8. What do you mean by life expectancy? **(1)**
  9. How did the construction of railways affect the structure of the Indian economy? **(3)**
  10. How was the zamindari system of land settlement responsible for the stagnation of Indian agriculture? **(3)**
  11. Could British follow an industrial policy beneficial for Britain as well as India? Explain. **(4)**
  12. What were the objectives of the British Rule in bringing about infrastructural change in the Economy of India? **(4)**
  13. Discuss about occupational structure of Indian economy at the time of independence. **(4)**
  14. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration. **(6)**
  15. Were there any positive contributions made by the British in India? Discuss. **(6)**

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**Answers**

1. c. Bengal

**Explanation:** Jute Textile Industry is one of the major Industries in the Eastern India, particularly in Bengal.

2. c. 0.5 per cent

**Explanation:** The economy during that period was completely dominated by primary sector whereas secondary and tertiary sectors were negligible.

3. d. Slow growth of Agriculture sector

**Explanation:** High quality seed is essential for establishing high growth of agriculture.

4. b. agriculture

**Explanation:** A Major contribution to the GDP of the country on the eve of independence was from Agriculture. India was primarily an agrarian economy back then, with subsistence agriculture being a major chunk this sector. There were a few industrial pockets at the large cities like (then) Bombay, Calcutta, Madras. Most of these pockets too were extensions of agriculture, like textile mills, grain trading, etc.

5. During colonial period Prof. V.K.R.V. Rao and Dada Bhai Nauroji estimated India's per capita income.

6. During British rule 10% of India's working population was engaged in secondary sector.

7. Land settlement that was introduced by the colonial Government was the main cause of stagnation in the agricultural sector during colonial rule.

8. The average number of years that a person can expect to live is called Life expectancy.

9. Railways were introduced by the British in 1850 in India, however, it began its

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operation in 1853. It affected the structure of the Indian economy in many ways:

- i. It fostered commercialisation on Indian agriculture which adversely affected the self-sufficiency of the village economies in India.
- ii. It enabled people to undertake long distance travel and thereby break geographical and cultural barriers. They are very useful for carrying heavy goods at long distances as compared to other means of transport.

10. The stagnation in the agricultural sector was caused mainly because of the various systems of land-settlement that were introduced by the colonial government. The zamindars were recognised as the permanent owners of land and were required to pay a fixed sum of money to the government on a specified day in lieu of this right. If they defaulted on making payment, then this right was taken away from them. Due to this, the zamindars charged huge rent from the tillers and even forced them to pay in case of crop failures. Particularly under the Zamindari system, the profit accruing out of the agriculture sector went to Zamindars instead of the cultivators. The Zamindars did nothing to improve the condition of agriculture. Their main interest was only of collect rent regardless of the economic conditions of the cultivators. After paying a huge amount of produce as rent, the farmers were in no position to buy fertilisers and pesticides to increase the productivity of the land. This caused immense misery and social tension. Under Zamindari system, intermediaries (Zamindari) benefited at the cost of both actual cultivator and the state.
11. Certainly, there could be an industrial policy which would have mutually benefitted two nations:
- i. Britain could first fulfill domestic needs and then export the surplus to their industries abroad.
  - ii. Instead of ruining handicraft industry of India, it could take it over in its control and get income which it should have spent partly for Britain's growth and partly for India.
  - iii. It should have spent on human capital formation in India and took advantage of it in the form of increased output, better technology and more revenue.
12. It is true that under the British rule, there was significant infrastructural development

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in the country. But the actual motive of the British behind the infrastructure development was only to serve their own colonial interests. British rule brought about development in the areas of transport and communication. The roads served the purpose of mobilising the army within India and facilitating transportation of raw materials from different parts of the country to ports, and ports were developed for easy and fast exports to and Imports from Britain. Similarly, railways were introduced and developed for commercialization of agriculture and for the transportation of finished goods of British industries to the interiors of India. Railways assisted British industries to widen the market for their finished products. Hence, the aim of infrastructural development was not the growth and development of the Indian Economy but to serve the economic and political interests of Britain.

13. The occupational structure, which refers to the distribution of population working in different sectors, showed no variation throughout British rule. The following are the salient features of India's pre-independence occupational structure
  - i. The 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 subsistence. But the agricultural sector suffered from low productivity and, thereby, its growth was highly constrained despite employing a significant proportion of the population.
  - ii. Lack of Opportunities in Industry:- Only a small proportion of population was employed in manufacturing sector. Nearly 10% of the total workforce was engaged in manufacturing and industrial sector. This was due to the stiff competition that the Indian industries faced from the machine made cheap goods from Britain, Further, the lack of investment initiatives and the unfavourable tariff structure constrained industrial sector. Thus, the Indian industrial sector failed to provide significant employment opportunities.
14. The focus of the industrial policies pursued by the colonial government in India was to make our country a mere supplier of Britain's own flourishing industrial base. The policies were concerned mainly with the advancement of the British economic and political power. The industrial policy pursued by the British colonial administration

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had the following shortfalls:

- i. **Neglect of Indian Handicraft Industries:-** The British followed a discriminatory tariff policy under which they imposed heavy tariffs on India's export of handicraft products while allowed free export of India's raw material to Britain and free import of finished products from Britain to India. This made Indian exports costlier and its international demand fell drastically leading to the collapse of handicrafts industries. Also, Indian handicrafts faced a stiff competition from machine-made textiles of Britain.
  - ii. **Lack of Investment in Modern Indian Industries:-** The modern industries in India demanded investments in capital goods and technology that were beyond the means of Indian investors. British Government was least interested in investing in Indian industries as they never wanted India to become self reliant. Thus due to the lack of sufficient investment, the growth of Indian industries, was severely constrained.
15. Yes, there were various positive contributions that were made by the British in India through these contributions were not made with the objective of welfare for Indians but for the British interests. Some of the positive contributions made by the British are as under:-
- i. **Introduction of Railways:-** The introduction of railways by the British was a breakthrough in the development process of the Indian Economy. It opened up the cultural and geographical barriers and facilitated commercialization of Indian agriculture.
  - ii. **Introduction of Commercialization of Agriculture:** The introduction of commercial agriculture is an important breakthrough in the history of Indian agriculture. Prior to the advent of the British, Indian agriculture was of subsistence nature. But with the commercialization of agriculture the agricultural production was named out as per the market requirements leading to higher agricultural incomes.
  - iii. **Introduction of Free Trade:-** British forced India to follow free trade pattern during the colonial rule. This is the key concept of globalisation today. The free trade provided a domestic industry with a platform to compete with the British industries. The introduction of free trade led to an increase in the volume of India's exports.