

**CBSE Test Paper-01**  
**Chapter 11 Rural Development**

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1. SHG's **(1)**
  - a. None
  - b. Self Higher Group
  - c. Social Help Group
  - d. Self Help Group
2. Name the state where Kudumshree was started. **(1)**
  - a. Kerala
  - b. Uttar Pradesh
  - c. Assam
  - d. Tamil Nadu
3. Which is the apex institute at national level which provide re-finance facilities to institutions engaged in providing rural credit **(1)**
  - a. NBAARD
  - b. DABARD
  - c. NABADR
  - d. NABARD
4. An academy called \_\_\_\_\_ for rural prosperity has been established **(1)**
  - a. Janta Tata National Virtual Academy
  - b. Jamshedji Tatron National Real Academy
  - c. Jamshedji Tata Net Virtual Academy
  - d. Jamshedji Tata National Virtual Academy
5. Mention any two non-farm activities which should be developed in rural areas. **(1)**
6. Why is rural development important in India? **(1)**
7. Why does a farmer need risk management and insurance? **(1)**

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8. What is contribution of marine and inland sources to total fish production? **(1)**
  9. Explain three non-farm areas of employment for rural population. **(3)**
  10. Why is it important to develop proper storage facilities in rural areas? **(3)**
  11. Why is agricultural diversification essential for sustainable livelihoods? **(4)**
  12. Explain the importance of self help groups (SHGS) in rural areas. **(4)**
  13. What do you understand by the term 'distress sale'? **(4)**
  14. How are credit and marketing significant for the progress of agriculture? **(6)**
  15. Discuss some of the institutional weaknesses in Indian agriculture. **(6)**

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**Answers**

1. d. Self Help Group

**Explanation:** Self help group started in 1992

2. a. Kerala

**Explanation:** Kudumbashree is a women-oriented community -based poverty reduction programme being implemented in Kerala

3. d. NABARD

**Explanation:** National Bank for Agriculture and Rural Development bank has been entrusted with "matters concerning policy, planning and operations in the field of credit for agricultural and other economic activities in rural areas in India

4. d. Jamshedji Tata National Virtual Academy

**Explanation:** This academy is to impart operational training to nearly 10 lakh rural people to run 'info- kiosks'.

5. There are many traditional household-based industries in rural areas which can be developed as non-farm activities. The two non-farm activities which should be developed in rural areas are

- i. Handicrafts
- ii. Pottery

6. Rural development is important because around two-thirds of India's population lives in rural areas. India's development is not possible without the development of the rural sector.

7. Agriculture is a risky occupation especially in India where irrigation facilities are there only in 43% of land area under agriculture. Crops have risk due to natural causes like flood, rain, drought etc. In such circumstances, we need to provide farmers with risk management and insurance.

8. Fish production from inland sources contributes about 64% and marine sources contribute the remaining 36% to total fish production. Hence, India is the third-largest producer of fish and the second-largest producer of inland fish in the world.

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9. Census reports reveal that around 42 million people work for the **non-farming activities** in rural India. This census constitutes nearly about 47% of the total nonfarm employment of rural areas. Manufacturing, social or personal service and most importantly retail trade are the three major own account establishments of **non-farming activities**. The percentage of the three however varied to a large extent.
- i. So while the category of retail and manufacturing constituted about 43.12%, example pickle industry, farm-based manufacturing and handicraft etc.
  - ii. the social and personal service shopkeeper etc. constituted only about 7.67% of the total employment in the own account establishments in the rural areas.
  - iii. Employment in the non-farming sectors like mining, quarrying, electricity, gas and water supply, or other activities like financial intermediation was found to be near to negative. However, trade, transport, manufacturing, business services or construction- such non-farming activity percentage was seen to be much higher.
10. Farmers are forced to sell their crops at very low prices to traders because of the fear of it getting damaged from fire, rodents or pests due to lack of proper storage. It is essential to develop proper storage facilities in rural areas so that farmers are not compelled to sell their produce immediately after the harvesting of crops and can wait for a better price for their produce in the market. This enhances the bargaining power of the farmers. The government and cooperative societies have taken some important steps towards the provision of such facilities. As a result, many godowns and warehouses have been built at the village and mandi-town level.
11. The agricultural diversification implies diversification of crop production and shifting of agricultural workforce to other allied activities such as livestock, poultry, fisheries, etc and non-agricultural sector. Diversification is essential because there is greater risk in depending exclusively on farming for a livelihood and to provide productive sustainable livelihood options to rural people. Most of the agricultural employment activities are concentrated in the Kharif season while during the Rabi season it becomes difficult to find gainful employment in areas lacking in irrigation facilities. Therefore, expansion into other sectors is essential to provide supplementary gainful employment and in realising higher levels of income for rural people to overcome poverty and other problems. A substantial portion of Indian farming is dependent on the vagaries of monsoon, making it a risky affair to rely upon solely. Accordingly, the need for diversification is required to enable the farmers to earn from other

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alternative non-farm occupations. Also, agriculture being overcrowded cannot further generate employment opportunities. Therefore, the prospects of the non-farm sectors should be opened up in rural areas to provide job opportunities. This lessens the excess burden on agriculture by reducing disguised unemployment. Hence, there is a need to focus on allied activities, non-farm employment and other emerging alternatives of livelihood for providing sustainable livelihoods in rural areas.

12. In order to change the face of socio-economic scenario, micro-enterprises and SHGs are playing significant role in the self-employment by raising the level of income and standard of living rural people. In this framework, one of the most vital aspects of rural self-employment is the formation of SHGs which is a valuable investment in human capital through training and capacity-building measures. From dairy to mechanised farming, weaving, poultry, food processing units, mushroom cultivation; Rural India has been busy setting up micro-enterprises by forming SHGs. The group members use collective wisdom and peer pressure to ensure appropriate use of fund and its timely repayment. These are informal groups in nature where members come together towards collective action for common cause. The common need is meeting their emergent economic needs without depending on external help. SHG movement is supposed to build economic self-reliance of rural poor, overcome misuse and create confidence predominantly among women who are mostly unseen in the social structure.
13. A distressed sale occurs when a sale must be made under unfavorable conditions for the seller. Lack of agricultural marketing infrastructure often forces the farmers to sell their produce at low prices for fear of spoilage or to pay off an imminent debt. This is termed as distress sale. Farmers tend to suffer highly on account of these sales because they not only get a low price for their products but are also cheated by the use of false weights and are charged a high commission. The government is likely to soon launch some measures that aim to end distress sales by farmers of tomato, onion and potato (TOP) crops.
14. **Importance of Credit:** In agriculture there is a long gap between crop sowing and realisation of income, farmers are in strong need for credit. Farmers need money to meet initial investment on seeds, fertilisers, implements and other family expenses especially when they are seasonally unemployed. Therefore, credit is one of the factors which contribute in rural development. If institutional sources are not be

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available, farmers will borrow from informal sources which will increase cost of borrowing and thereby cost of production. Therefore growth of rural economy depends primarily on infusion of capital from time to time to realise higher productivity in agricultural and non agricultural sectors.

**Importance of Marketing:** Marketing is important for any production process. What if goods are produced but due to lack of marketing facilities they do not reach to the consumer especially agriculture produce which will perish after some time? It will be total waste of output. Therefore, we need marketing facilities in the form of regulated markets, proper transportation and communication facilities, market information, storage, insurance etc. Even today 10% of goods produced in farms are wasted due to lack of storage. So orderly and transparent marketing is very important for rural development.

15. Some of the institutional weaknesses in Indian agriculture are as follows:
- i. We need to involve the small and marginal farmers and the landless labour in deriving benefits of increased agricultural exports through integrated co-operatives like the mother dairy, and other service co-operatives; contract farming, etc.
  - ii. Present system of credit does not ensure timely availability of credit. In many states, land reform remains woefully unfinished and tenancy regimes need urgent reform.
  - iii. Indian agricultural credit system is suffering from the problems of subsidised interest rates, poor recovery of loans, high intermediation costs of cooperatives and commercial banks and debt write-offs.
  - iv. We also need to make efforts to develop new technologies for the farming sector and making it available for small farmers so that they may diversify their production towards high value commercial and export commodities.
  - v. We need to create institutions like trading houses, market intelligence services and creation of network of information on national and international prices.
  - vi. We also need infrastructure for processing, marketing and grading of produce, investment in information etc.