

**CBSE Test Paper-04**  
**Chapter 06 Indian Economy on the Eve of Independence**

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1. Which of the following is an indicator of economic development in an economy? **(1)**
  - a. Increase in per capita Income
  - b. Increase in national Income
  - c. Increase in population
  - d. All of the above
2. 10 % \_\_\_\_ while 18% workforce were engaged in \_\_\_\_ sector **(1)**
  - a. Primary, Service
  - b. Manufacturing, Primary
  - c. Service, Manufacturing
  - d. Manufacturing, Service
3. Industrial sector creates infrastructure which helps in growth of **(1)**
  - a. All of these
  - b. Tertiary
  - c. Primary
  - d. Secondary
4. Which of the following sentences gives best description of the Indian economy during the British rule? **(1)**
  - a. India was an agrarian economy with rapidly growing population in mass poverty and illiteracy.
  - b. India was a poor economy.
  - c. India was an agrarian economy.
  - d. India was a stagnant economy.
5. Which type of cotton textile had its origin in Bengal? **(1)**
6. What was the infant mortality rate of India during British Rule? **(1)**

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7. What do you mean by Subsistence farming? **(1)**
  8. Define primary sector. **(1)**
  9. How did the downfall of the kings of India lead to the downfall of handicraft industries? **(3)**
  10. If railways were constructed for selfish motives but as side effects did something good for India, can it be called a contribution by the British? **(3)**
  11. What was the focus of the economic policies pursued by the colonial government in India? What were the impacts of these policies? **(4)**
  12. What was the impact of development and construction of railways by the British rulers on Indian economy? **(4)**
  13. What objectives did the British intend to achieve through their policies of infrastructure development in India? **(4)**
  14. Give a quantitative appraisal of India's demographic profile during the colonial period. **(6)**
  15. Give the negative effects of the British rule in India. **(6)**

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**Answers**

1. a. Increase in per capita Income

**Explanation:** Increase in per capita Income implies income disparities which are used to study economic development

2. d. Manufacturing, Service

**Explanation:** The three-sector is an economic theory which divides economies into three sectors of activity, manufacturing (secondary 10%), and services (tertiary 18%).

3. a. All of these

**Explanation:** Industrial infrastructure - electricity, roads, airports, water systems and telecommunications are the foundations of modern economies and its helps in growth of all sectors of economy.

4. a. India was an agrarian economy with rapidly growing population in mass poverty and illiteracy.

**Explanation:** This sentence includes most of the indicators of underdevelopment i.e illiteracy, absence of family planning , low per capita income and dominant primary sector.

5. The type of cotton textile which had its origin in Bengal is Muslin.

6. The infant moratlity rate during the British rule in India was 218 per thousand live births.

7. Subsistence farming is a form of farming in which the crops raised are intended to provide for the basic needs of the family with little surplus for marketing. In this type of farming, crops are grown solely for their family. If there are any surpluses, it is sold.

8. The primary sector includes all those activities the end purpose of which consists in exploiting natural resources.

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9. Indian handicrafts were enjoying protection from nawabs, kings and emperors. With the British rule, Nawab, kings etc. disappeared. With their disappearance, there was no one to protect these handicrafts. The kings of India were great patrons of the handicraft industry. They extended state help to expert craftsmen and were also willing to spend huge amounts of money to buy exquisite pieces of handicrafts. Their downfall robbed the handicraft industry of their great supporters and led to its downfall.
  10. No, something can be called a contribution when there are intentional efforts for contributing something for the welfare of the other. If we do something for other person's harm but coincidentally, it does something good for the other person, it is wrong to call such a thing as contribution.
  11. The focus of the economic policies pursued by the colonial government was the protection and promotion of economic interests of her home country. These policies intended to transfer India into supplier of raw materials and consumer of finished industrial products from India  
Impacts of policies: The impacts of these policies were as under:
    - i. India became supplier of raw materials and consumer of finished goods produced in Britain.
    - ii. The agriculture sector continued to experience stagnation and deterioration during British rule.
    - iii. The vast majority of people in India led a miserable life.
    - iv. Many of the cottage and small scale industries declined under the British rule.
    - v. More than half of India's foreign trade was restricted to Britain.
    - vi. The country's growth in aggregate real output during the first half of the 20<sup>th</sup> century was less.
    - vii. There was hardly any capital goods industry to promote further industrialisation in India.
    - viii. The contribution of the new industrial sector to the Gross Domestic Product remained very small.
    - ix. The industrial sector cried for modernisation and diversification.
    - x. There were rampant poverty and unemployment.

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12. The development and construction of railways by the British rulers affected Indian economy in the following ways:

- i. It provided cheap and rapid transport system especially for a distant level.
- ii. It created new employment opportunities.
- iii. It promoted foreign trade.
- iv. It helped in controlling famines.
- v. It broke cultural and geographical barriers and thereby promoted national unity and understanding.
- vi. It encouraged commercialisation of agriculture.

13. Under the British rule, basic infrastructure such as railways, ports, water-transport, postage and telegraph developed, but the objective behind the development of infrastructure was not to provide basic amenities to the people but to cater to their colonial interests.

The objectives of the Britishers behind the development of infrastructure were:

- i. **Mobilising the army:** Roads were built for mobilising the army within India.
- ii. **Drawing out raw materials:** The roads were built for drawing out raw materials from the countryside to the nearest railway station or the port to send these to far away from England.
- iii. **Earning profits:** For earning profits through foreign trade, railways were linked with major ports and marketing centres.
- iv. **Effective control on administration:** Important administrative and military centres were linked through railway lines for having effective control and administration over the vast Indian territory. Postage and telegraph were also introduced to enable them to control the large sub-continent.
- v. **Commercialisation of agriculture:** Railways was developed to encourage commercialisation of agriculture.

14. India's demographic conditions during the British rule depict our economy as stagnant and backward. Due to high birth rate and high death rate the population growth was stagnant before 1921, the Infant Mortality Rate was also very high of about 218 per thousand which today stands at 47.57 per thousand. The life expectancy rate was as low as 32 years while presently, it is around 66.8 years. The literacy rate

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was less than 16% with female literacy rate of just 7% which denotes social backwardness and gender bias in the economy. We can infer from the above figures that India was featured with massive poverty, low standard and quality of living and low survival rate in the country. The lack of health care facilities and lack of health awareness were the main causes behind such demographic conditions of India.

**15. The negative effects of the British rule in India are discussed below:**

**i. Colonial Exploitation through Trade Malpractices:**

The Britishers exploited India by following the given trade practices

- a. They collected raw material for British industries from India.
- b. They sold finished goods of British industries in India. No duty was charged on imports from Britain and subsidy was given for exporting raw material to Britain to encourage the above trade

**ii. Use of British Capital to Exploit Country's Resources:** The Britishers used their capital and entrepreneurial skills to exploit India's natural resources and cheap labour resources. The Britishers invested in mining and plantation industries and paid very low wages to the workers in spite of unsafe working conditions.

**iii. Economic Drain:** The Britishers drained the country economically. They took away various wealthy possessions that India possessed, e.g., the famous Kohinoor diamond. According to an estimate, approximately a trillion dollars were looted by the Britishers, in addition to the gems and jewels.

**iv. Development of Industries which Complemented the British Industries:** The Britishers invested only in those industries which complemented the growth of their industries back home. So, they invested in developing railways, post and telegraphs, rubber, tea and coffee plantations, etc. They totally neglected the development of key and basic industries like iron and steel, machine making industries, etc. Jute and cotton textile industries were also discouraged as they could have been a threat to the textile factories of Britain.

**v. Partition of the Country:** This was the most diastatic consequence of the British rule in India; the effects of which we still face in the form of cross-border terrorism. The Britishers fuelled the Hindu-Muslim dispute for their own benefit, which led to the partition of the country.