

ECONOMICS

(Indian Economic Development)



Important Questions

Multiple Choice questions-

Q1. Which of the following is a commercial source of energy?

- (a) Coal
- (b) Agricultural waste
- (c) Animal dung
- (d) Firewood

Q2. The power generated from water is called

- (a) Thermal Power
- (b) Hydroelectric Power
- (c) Atomic Power
- (d) Tidal Power

Q3. From which of the following sources of generation we get the largest amount of power?

- (a) Thermal Power
- (b) Hydroelectric Power
- (c) Atomic Power
- (d) Tidal Power

Q4. Which of the following statements is not correct with regards to infrastructure?

- (a) Infrastructure contributes to economic development.
- (b) Infrastructure provides support services.
- (c) All infrastructural facilities have a direct impact on the production of goods and services.
- (d) Inadequate infrastructure can have multiple adverse effects on health.

Q5. Which of the following facilities is included in social infrastructure?

- (a) Roads and highways
- (b) Housing
- (c) Internet
- (d) Electricity

Q6. What is morbidity?

- (a) Proneness to fall ill

- (b) High infant mortality rate
- (c) High maternal mortality rate
- (d) Low life expectancy

Q7. What percent of rural households use bio-fuels for cooking?

- (a) 50 percent
- (b) 75 percent
- (c) 80 percent
- (d) 90 percent

Q8. Which of the following sector was the largest consumer of commercial energy in 1953-54?

- (a) Households
- (b) Transport
- (c) Industries
- (d) Agriculture

Q9. Which of the following is not a function of primary health care?

- (a) Spreading education concerning prevailing health problems
- (b) Promoting food supply and proper nutrition
- (c) Conducting research
- (d) Providing essential drugs

Q10. Which of the following systems is not included in the Indian System of Medicines?

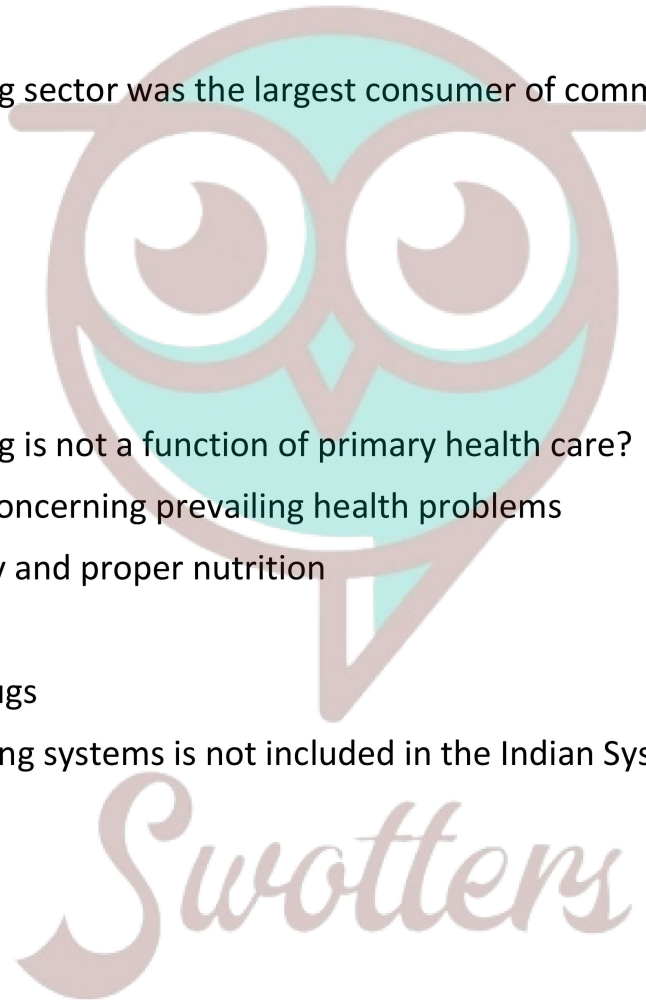
- (a) Allopathy
- (b) Homeopathy
- (c) Naturopathy
- (d) Ayurveda

Q11. From the following which is not a commercial source of energy

- (a) Petroleum
- (b) Coal
- (c) Electricity
- (d) Dried dung

Q12. Indian system of medicine:

- (a) Unani



- (b) Yoga
- (c) Siddha
- (d) All of these

Q13. Electricity generated from radioactive elements is called:

- (a) Thermal electricity
- (b) Atomic energy
- (c) Hydel electricity
- (d) Tidal energy

Q14. The state known as 'God's own country'

- (a) Karnataka
- (b) Gujarat
- (c) Kerala
- (d) Goa

Q15. Energy generated by sun is known as:

- (a) Natural gas
- (b) Solar energy
- (c) Wind energy
- (d) Electricity

Very Short:

Question 1. What is social infrastructure?

Question 2. Give examples of social infrastructure.

Question 3. What constitutes economic infrastructure?

Question 4. What type of fuels do rural women use to meet their energy requirements?

Question 5. What percentage of rural population has access to improved sanitation?

Question 6. What are the commercial sources of energy? Give examples.

Question 7. What is the share of nuclear sources in the world's total energy generation?

Question 8. Is CFL better than ordinary bulbs? Why?

Question 9. Name the two leading private sector companies that distribute electricity in Delhi.

Question 10. Which organisation monitors the power tariff structure in Delhi?

Short Questions:

Question 1. Explain the significance of social infrastructure.

Question 2. Why is it important to have strong infrastructure?

Question 3. Compare and contrast India with China and Pakistan on the basis of infrastructural development.

Question 4. How is the national income of a country related to the level of infrastructural development? Explain.

Question 5. Represent the relative share of different sources of energy generation in India with the help of a pie diagram?

Question 6. Which sources of energy are encouraged by India's energy policy? Why?

Question 7. What problems are faced by State Electricity Boards?

Question 8. Highlight the points that reflect development in the health services after independence in India.

Question 9. Mention some premier institutions that provide specialised health care in India.

Question 10. Give an account of the contribution of community and non-profit organisations to health care in India.

Long Questions:

Question 1. Why is it important to conserve energy?

Question 2. Solar energy, wind power and power produced from tides are going to be future sources of energy. What are their comparative merits and demerits?

Question 3. Discuss the state of health infrastructure in rural areas of India.

Question 4. Explain the three-tier system of health infrastructure and health care in India.

Case Study Based Question-

1. Read the following hypothetical text and answer the given questions: -

Over years India's soft infrastructure grew much faster than the hard infrastructure. For example, India's rising trade has been reflected in growing container port traffic, which increased from less than a million in 1991 to about 5 million in 2005 with an annual growth rate of about 266% since 1991. In contrast, hardware components, like railway, roadways and airways witnessed little expansion in last one and half decades. In general, performances of these sectors (hardware) are never the less poor, when counted their densities in terms of country's surface area of population. Densities in terms of access or spread of rail and road length clearly indicate that road sector has been successful, compared to railways, in spreading the network as well as providing and assess in the economy. in order to unleash India's full potential development of hardware component of India's physical infrastructure perhaps deserves utmost

attention This also indirectly indicates high investment potentials in roadways, railways, power and the associated components in India.

Questions:

1. Infrastructure contributes to growth and development on account of which of the Following:
 - (a) it promotes productivity
 - (b) it generates linkages in production
 - (c) it reduces the size of the market
 - (d) both A and B
 2. The infrastructure referred to in the above paragraph is _____ . (social /economic infrastructure).
 3. Social infrastructure includes:
 - (a) roads
 - (b) health infrastructure
 - (c) railways
 - (d) airways
 4. Economic infrastructure leads to growth in human development. (True or False).
2. Read the following hypothetical text and answer the given questions: -

Infrastructure is one of the most important backbone of any economy. Development of infrastructure leads to proper growth of the economy, social infrastructure like health and education helps indirectly in growth of the economy. Social infrastructure, like health and education helps indirectly in growth of GDP and Physical Infrastructure helps directly. They both help in solving the problem of unemployment. Thus, the government needs to focus on improving the social infrastructure of the economy at large. Expenditure in Health and education leads to the development of the Human capital and enables the better supply of work force which is both healthy and skilled. With regard to physical infrastructure like roads and railways help to foster the growth of Industries, all small scale, medium scale and large scale industries. As the population of India is large, so in order to remove the disguised unemployment, government has set up committees aimed at helping the development of small scale industries and villages as they are more labour intensive unlike the large scale industries. One such committees was Karve Committee constituted in 1955 which witnessed the potential of utilizing small scale industries for promoting rural development.

Questions:

1. Social infrastructure helps in production and distribution:
 - (a) In direct form

- (b) In indirect form
 - (c) In no way
 - (d) In Both (a) and (b)
2. _____ (Health expenditure/Food for All/Skill Development Programme) directly increases the supply of healthy labour force.
3. Which type of unemployment is more in india:
- (a) Open unemployment
 - (b) Disguised Unemployment
 - (c) Seasonal unemployment
 - (d) Educated unemployment
4. In 1955, Karve Committee was constituted for aiming the _____.
- (a) Development of Small Scale industries
 - (b) Development of Large Scale industries
 - (c) Feasibility of LPG
 - (d) Development of infrastructure

Assertion Reason Type Question-

1. In these questions, a statement of assertion followed by a statement of reason is given. Choose the correct answer out of the following choices.
- a. Both Assertion and Reason are true and Reason (R) is the correct explanation of Assertion (A)
 - b. Both Assertion and Reason are true and Reason (R) is not the correct explanation of Assertion (A)
 - c. Assertion (A) is True but Reason (R) is False
 - d. Assertion (A) is False but Reason (R) is True

Assertion: There exist a positive correlation between economic growth and demand for energy.

Reason: Growth is an index of increasing productive activity, which requires a large quantity of energy.

2. In these questions, a statement of assertion followed by a statement of reason is given. Choose the correct answer out of the following choices.
- a. Both Assertion and Reason are true and Reason (R) is the correct explanation of Assertion (A)
 - b. Both Assertion and Reason are true and Reason (R) is not the correct

explanation of Assertion (A)

c. Assertion (A) is True but Reason (R) is False

d. Assertion (A) is False but Reason (R) is True

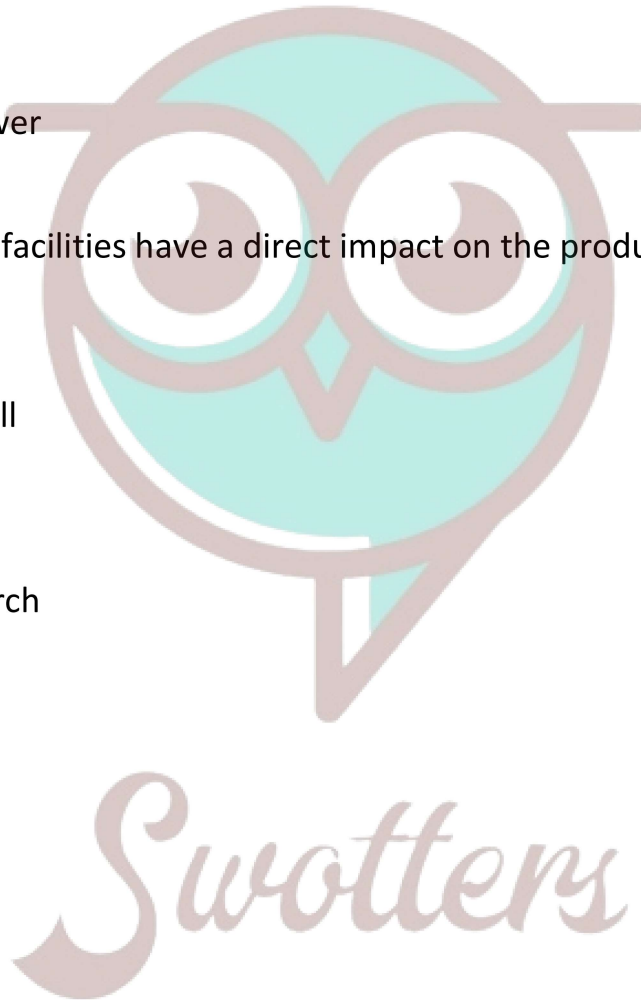
Assertion: It is imperative to develop the status of both social and economic infrastructure.

Reason: It enhances overall productivity and expands the dimensions of economic development

Answers key

MCQ answers:

1. (a) Coal
2. (b) Hydroelectric Power
3. (a) Thermal Power
4. (c) All infrastructural facilities have a direct impact on the production of goods and services.
5. (b) Housing
6. (a) Proneness to fall ill
7. (d) 90 percent
8. (b) Transport
9. (c) Conducting research
10. (a) Allopathy
11. (d) Dried dung
12. (d) All of these
13. (b) Atomic energy
14. (c) Kerala
15. (b) Solar energy



Very Short Answers:

1. Answer: Social infrastructure consists of facilities and systems that are necessary to ensure safe, healthy and productive life to the people in the community.
2. Answer: Social infrastructure includes:
 - (i) Education
 - (ii) Health
 - (iii) Housing

3. Answer: Economic infrastructure consists of energy, transportation and communication.
4. Answer: Rural women use bio-fuels such as crop residues, dung and fuel wood to meet their energy requirement.
5. Answer: Only 20 percent of rural population has access to improved sanitation.
6. Answer: Commercial sources of energy are those sources which are exchanged for money. Coal and petroleum are commercial sources of energy.
7. Answer: The share of nuclear sources in the world's total energy, generation is 13 percent.
8. Answer: CFLs are better than 100-watt bulbs as the former consumes 80 percent less power as compared to the latter.
9. The two leading private sector companies that distribute electricity in Delhi are:
 - (i) Reliance Energy Limited
 - (ii) Tata – Power Limited (NDPL)
10. Delhi Electricity Regulatory Commission (DERC) monitors the tariff structure and other regulatory issues in Delhi.

Short Answers:

1. Answer: The significance of social infrastructure lies in the following:
 - (i) It helps in the healthy and robust growth of the young generation so that they become an efficient manpower tomorrow.
 - (ii) Social infrastructure helps in the growth of literacy, which in turn helps in the growth of the society.
 - (iii) Social infrastructure helps in the skill formation, which is an important parameter in the context of economic growth.
 - (iv) It helps in improving and providing a quality life to the people.
 - (v) Social infrastructure helps in the formation of human capital, which complements the physical capital to form an efficient system of growth and development
2. **Answer:** Infrastructure is the support system of the economy. All the sectors of the economy – agriculture industry, trade and commerce – greatly depend on the social and economic infrastructure for rapid and vast economic development. It is a network of public services, physical and social facilities that increases the efficiency of factors of production and improves the quality of people's life. Thus, infrastructure plays a vital role in the economic development of a country.
3. **Answer:** The table below compares India's position with its neighbouring countries on the basis of infrastructural development:

Country	China	India	Pakistan
Investment in Infrastructure as a percentage of GDP – 2014	46	34	15
Access to Improved Water Source (%) – 2015	96	94	91
Access to Improved Sanitation (%) – 2015	77	40	64
Users of Mobile Phones per hundred person – 2015	93	79	70
Power Generation (billion kwh) – 2016	6015	1423	105

Source: World Development Indicators, 2017, data pertaining to 2014

In case of investment in infrastructure, as a percentage of GDP, China is far ahead of India and Pakistan. While China invests 46 per cent of its GDP in infrastructure, India and Pakistan invest only 34 and 15 per cent of their GDP respectively.

Access to drinking water is more or less the same for all the three nations, Power production is much better in China as compared to Pakistan and India. Modernisation process is faster in China compared to India and Pakistan. There 93 persons out of one hundred use mobile phones in China, In India 79 and in Pakistan only 70 out of one hundred persons were mobile users.

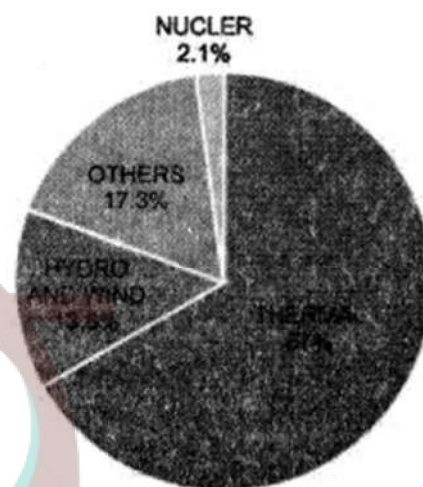
Thus, when we compare the development experience in terms of infrastructural development of these countries, we found that China is much ahead of India and Pakistan.

4. Answer: The composition of infrastructure requirements changes significantly with the increase in country's national income. Basic infrastructure facilities such as irrigation, transport and power are more important for low-income countries.

However, as economies grow and they are able to satisfy their basic consumption demand, the share of agriculture in the economy shrinks and more service related infrastructure become important. Thus, the share of power and telecommunication infrastructure is greater in high-income countries.

5. Answer :

Source	Power Generation Capacity (%)
Thermal	67
Hydro and Wind	13.6
Nuclear	2.10
Others	17.30
Total	100



6. Answer: India's energy policy encourages hydel and wind energy as India has great potential in the use of a renewable source of energy. The use of renewable energy sources can ensure additional supply of power. Moreover, these sources do not rely on fossil fuel and hence, avoid carbon emissions. Greater reliance on renewable energy resources offers enormous economic, social and environmental benefits.

7. Answer: The following problems are faced by State Electricity Boards:

- (i) SEBs suffer transmission and distribution losses, thereby making the economics of power generation completely unbalanced.
- (ii) The pattern of investments being made in power generation is inappropriate. It leads to sharp increase in the cost per unit of electricity.
- (iii) The high cost of power imposed on the industry, which is the backbone of the SEBs, is hindering the grid in gaining control and hence, worsening the crisis of the SEBs.

8. Answer: The following points reflect development in the health services after independence in India:

- (i) Decline in Death rates: Death rate has come down from as high as 27.4 per thousand in 1951 to 6.3 per thousand in 2015.
- (ii) Reductions in Infant Mortality: Infant mortality rate has significantly reduced from 140 per thousand in 1951 to 32 per thousands in 2015.
- (iii) Rise in Life Expectancy: Expectancy of life has risen from 50 years in 1951 to 68.3 years in 2015.

9. Answer : Some premier institutions that provide specialised health care in India are:

- All India Institute of Medical Science (AIIMS), New Delhi
- Post Graduate Institute, Chandigarh
- Jawaharlal Institute of Postgraduate Medical Education and Research, Pondicherry
- National institute of Mental Health and Neuro Sciences, Bangalore
- All India Institute of Hygiene and Public Health, Kolkata.

10. **Answer:** Community participation functions with the idea that the people can be trained and involved in primary healthcare system. Trade unions have built health care services to give low-cost health care to their members as well as to the people from nearby villages.

For instance, Shahid Hospital was built in 1983 and is sustained by the workers of Chhattisgarh Mines Shramik Sangh in Durg, Madhya Pradesh. SEW A in Ahmedabad and ACCORD in Nilgiris are examples of some non-profit organisations that contribute to health care in India.

Long Answers:

1. **Answer:** It is important to conserve energy due to the following reasons:

(i) Resources are limited. India has only 1 percent of world's energy resources but it accounts for 16 percent of world population.

(ii) Resources take long time for formation. Coal and petroleum are the most widely used sources of energy. They take thousands of years for formation.

(iii) Resources are non-renewable. Non-renewable resources are those which get exhausted with extraction and use. Non-renewable energy sources constitute 80 percent of the fuel use. If we continue to use such resources at present rate, these will be soon depleted.

(iv) Use of resources involves high cost. About 75 percent of our crude oil needs depend on imports, which cost about ₹ 1,50,000 crore a year. The cost is passed on to the consumers by means of higher prices of goods and services.

(v) Environment needs protection. Sources which rely on fossil fuel emit huge amounts of carbon dioxide in the atmosphere. Energy production accounts to large proportion of air pollution and more than 83 percent of greenhouse gas emissions. According to a wise saying – “The earth, water and the air are not a gift to us from our parents but a loan from our children. Hence, we need to make energy conservation a habit.”

2. Answer: Merits of Solar Energy:-

(i) It is available free of cost.

(ii) It is a renewable source of energy.

(iii) It does not cause pollution.

- (iv) Solar energy can be used in remote areas where it is too expensive to extend the electricity power grid.
- (v) Everyday items such as calculators and other low power consuming devices can be powered by solar energy effectively.

Demerits of Solar Energy :-

- (i) Solar energy can be harnessed only during daytime.
- (ii) It cannot be obtained during rainy days.
- (iii) Solar collectors, panels and cells are relatively expensive.
- (iv) Large areas of land are required to capture the sun's energy.

Merits of Wind Power :-

- (i) Wind power is an inexhaustible source of energy and is virtually a limitless resource.
- (ii) Energy is generated without polluting environment.
- (iii) It has tremendous potential to generate energy on large scale.
- (iv) Wind power can be used directly as mechanical energy.

Demerits of Wind Power :-

- (i) Wind power requires expensive storage during peak production time.
- (ii) It requires large open areas for setting up wind farms.
- (iii) It is an unreliable source as winds are uncertain and unpredictable.
- (iv) The problem of noise pollution is usually associated with wind mills.

Merits Tidal Power :-

- (i) Tidal energy is completely renewable.
- (ii) It is a relatively reliable source of energy.
- (iii) A tidal barrage has a very long life of around 100 years.
- (iv) It is free from pollution.
- (v) Its costs are extremely low.

Demerits of Tidal Power :-

- (i) It requires massive investment to construct a tidal barrage or dam.
- (ii) It has adverse effect on marine life.
- (iii) It is difficult to transmit electricity generated from tides.

3. Answer: The following points highlight the state of health infrastructure in rural areas of India:

- (i) People living in rural areas do not have sufficient medical infrastructure as
- only one-fifth of the country's hospitals and only about half the number of dispensaries are located in rural areas; and
 - out of 6.3 lakh beds in the entire country, only 30 percent are available in rural areas.
- (ii) There are only 0.36 hospitals for every one lakh people in rural areas.
- (iii) The PHCs located in rural areas do not provide basic facilities such as X-ray or blood testing.
- (iv) In rural areas, the percentage of people who have no access to proper care has increased over the last few years.
- (v) Rural population has no access to any specialised medical care such as paediatrics, gynaecology, anaesthesia and obstetrics.

4. Answer: The three-tier system of health infrastructure and health care in India is as below:

- (i) **Primary Health Care:** It includes education related to existing health problems and methods to identify, prevent and control them. It also constitutes promotion of food supply and proper nutrition; adequate water supply and sanitation; maternal and child health care; etc. In order to provide primary health care, Primary Health Centres (PHC), Community Health Centres (CHC) and sub-centres have been set up in villages and small towns.
- (ii) **Secondary Health Care:** When PHCs are unable to manage the condition of a patient, they are referred to secondary hospitals. Secondary health care institutions include hospitals which have better facilities for surgery, X-ray and Electro Cardio Gram (ECG). They are mostly located in district headquarters and big towns.
- (iii) **Tertiary Health Care:** Hospitals under the tertiary sector have advanced level equipment and medicines. They undertake all the complicated health problems, which could not be managed by primary or secondary hospitals. This sector also includes many premier institutes, which provide specialised health care not along with imparting quality medical education and conducting research.

Case Study Answer-

1. Answer:

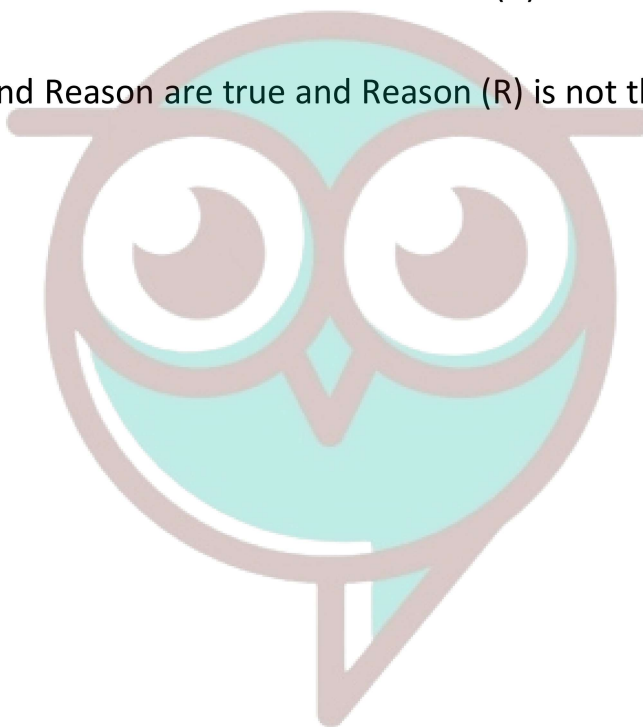
1. d) both A and B
2. economic infrastructure
3. b) health infrastructure
4. false

2. Answer:

1. b) In indirect form
2. Health expenditure
3. b) Disguised Unemployment
4. a) Development of Small Scale industries

Assertion Reason Answer-

1. a) Both Assertion and Reason are true and Reason (R) is the correct explanation of Assertion (A)
2. b) Both Assertion and Reason are true and Reason (R) is not the correct explanation of Assertion (A)



Swotters