

# PLANNING, ECONOMIC DEVELOPMENT & FIVE YEAR PLANS BASED INDIAN ECONOMY MCQ PRACTICE QUESTIONS AND ANSWERS PDF WITH EXPLANATION

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**Q1.** Indian economy has witnessed highest growth rate in GDP in the year

- a) 2005 – 06
  - b) 2004 – 05
  - c) 2003 – 04
  - d) 2006 – 07
- 

**Q2.** Which plan was suspended one year before the time schedule?

- a) Third Plan (966-7)
  - b) First Plan (95-56)
  - c) Fifth Plan (974-79)
  - d) Sixth Plan (980-85)
- 

**Q3.** Inclusive growth would necessitate :

- a) Revival of agriculture
  - b) Increase availability of social services such as education and health.
  - c) Development of infrastructural facilities
  - d) All the above.
- 

**Q4.** Consider the following statements regarding Indian Planning.

- The Second Five Year Plan emphasised on the establishment of heavy industries.
- The Third Five Year Plan introduced the concept of import substitution as a strategy for industrialisation.

Which of the statement(s) given above is/are **correct**?

- a) Neither 1 nor 2
- b) Only 1
- c) Both 1 and 2
- d) Only 2

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**Q5.** Consider the following statements regarding Indian planning:

- The Discount and Finance House of India was set up in 1990.
- The Discount and Finance House of India is a subsidiary of RBI.
- DFHI deals with financing long-term loans.

Which of the statements given above is/are **correct**?

- a) 2 only
- b) 1 and 2
- c) 1 only
- d) 1, 2 and 3

**Q6.** Which one of the following is **not** among the aims of the Second Five Year Plan (1956 - 57 to 1960 - 61)?

- a) Large expansion of employment opportunities
- b) Achieve self - sufficiency in food grains and increase agricultural production to meet the requirements of industry and exports
- c) Rapid industrialization with particular emphasis on the development of basic and heavy industries
- d) Reduction of inequalities in income and wealth and a more even distribution of economic power

**Q7.** Match List-I with List-II and select the **correct** answer from the codes given below –

List I	List II
A. Sarva Shiksha Abhiyan	1. 1987
B. Saakshar Bharat Mission	2. 1988
C. Operation Blackboard	3. 2001
D. National Literacy Mission	4. 2009

- a) 4 3 2 1  
b) 1 2 3 4  
c) 3 4 1 2  
d) 1 2 4 3

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**Q8.** Which of the following is/are **not** features of the Digital India programme initiated by the Government recently:

- Broadband connectivity at village level
- improved access to services through IT-enabled platforms
- increased indigenous production of IT hardware and software for exports and improved domestic availability
- supply of computers free of cost to rural youths above 21 years in selected districts

- a) 1 and 4 only  
b) 4 only  
c) 2 only  
d) 3 only

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**Q9.** Chronic unemployment is measured using:

- a) CWS data  
b) US data  
c) Both (a) and (b)  
d) None of the two

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**Q10.** National Horticulture Mission was launched in which of the following Five Year Plans?

- a) None of the above
  - b) Eleventh Five Year Plan
  - c) Ninth Five Year Plan
  - d) Tenth Five Year Plan
- 

**Q11.** According to the 14th Finance Commission, the percentage share of States in the net proceeds of the shareable Central tax revenue should be

- a) 40%
  - b) 35%
  - c) 42%
  - d) 32%
- 

**Q12.** Niti Aayog comes into effect from

- a) 1 January 2015
  - b) 1 April 2014
  - c) 1 April 2015
  - d) 1 January 2014
- 

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**Q13.** To reduce cyclical unemployment the government might:

- a) increase the balance of payments deficit
  - b) increase the budget surplus
  - c) reduce government expenditure
  - d) increase the budget deficit
-

**Q14.** Which one of the following missions given below is the main submission of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM)?

- a) Development of Women and Children in Urban Areas (DWCUA)
- b) Basic Services to the Urban Poor (BSUP)
- c) Integrated Housing and Slum Development Programmes (IHSDP)
- d) Both (b) and (c)

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**Q15.** Mahalanobis Committee was appointed on to deal with

- a) National income
- b) Standard of living
- c) Poverty eradication
- d) Industrial sickness

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**Answers to the above questions :**

**Q1. Answer: (d)**

In the year 2006 – 07, the Indian economy has witnessed highest growth rate in GDP. The economy grew by 7.7 %.

**Q2. Answer: (c)**

**Q3. Answer: (d)**

Inclusive growth is a concept that involves the equitable allocation of resources during the process of economic growth with benefits incurred by every section of society.

Inclusive growth necessitates the development of infrastructural facilities, the revival of agriculture and also increases the availability of social services such as education and health.

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**Q4. Answer: (c)**

**Q5. Answer: (a)**

The Discount and Finance House of India was set up in 1988 by the Reserve Bank of India to help develop the money market in India.

DFHI deals with treasury bills of different maturities and rediscount short-term commercial bills.

**Q6. Answer: (b)**

The third five year plan (1961-1966) had objective to increase wheat production and other agricultural products.

**Q7. Answer: (c)**

- Sarva Shiksha Abhiyan, 2001;
- Saakshar Bharat Mission, 2009;
- Operation Blackboard, 1987 and
- National Literacy Mission, 1988.

**Q8. Answer: (b)**

Digital India is an initiative of the Government of India to integrate the government departments and the people of India. It aims at ensuring the government services are made available to citizens electronically by reducing paperwork. The initiative also includes a plan to connect rural areas with high-speed internet networks.

Digital India has three core components. These include the creation of digital infrastructure, delivering services digitally and digital literacy. It aims to supply computers free of cost to rural youths above 21 years in selected districts.

**Q9. Answer: (c)**

**Q10. Answer: (d)**

The NHM's key objective is to develop horticulture to the maximum potential and to augment the production of all horticultural products (fruits, vegetables, flowers, plantation crops, spices, medicinal aromatic plants).

**Q11. Answer: (c)**

**Q12. Answer: (a)**

Union Government of India had announced formation of NITI Aayog on 1 January 2015.

**Q13. Answer: (d)**

Low interest rates might encourage more spending and reduce cyclical unemployment.

**Q14. Answer: (d)**

JNNURM is a huge mission that relates primarily to development in the context of urban conglomerates focusing on Indian cities.

JNNURM aims at creating 'economically productive, efficient, equitable and responsive Cities' by a strategy of upgrading the social and economic infrastructure in cities, provision of Basic Services to Urban Poor (BSUP) and wide-ranging urban sector reforms to strengthen municipal governance in accordance with the 74th Constitutional Amendment Act, 1992.

**Q15. Answer: (a)**

Mahalanobis committee is known as "Distribution of Income and Levels of Living" and it was set up in 1960 to find an answer to the question that who was benefitted by the first and second five year plans, as there was no substantial increase in the per capita income of the people.

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