

AGRICULTURE SECTOR, SUBSIDY AND FOOD PROCESSING BASED INDIAN ECONOMY MCQ PRACTICE QUESTIONS AND ANSWERS PDF WITH EXPLANATION

For All Competitive SSC, Bank, IBPS, UPSC, Railway, IT & Other Govt. Exams

Created By [Careericons](#) Team

Q1. Which of the following statements are true regarding the Model Agricultural Land Leasing Act 2016?

- i. The model act allows consolidation of farmland
- ii. The duration of the lease and the consideration amount is regulated by the government
- iii. The model act does not allow the leasing of land for animal husbandry purposes

Select the **correct** answer using the code given below:

- a) (ii) only
 - b) (i) only
 - c) (i) & (iii) only
 - d) All of the above
-

Q2. Which of the following statements are true regarding “Open Market Sale Scheme”:

- a) It is done by Securities and Exchange Board of India (SEBI) to sell shares
 - b) It is done by Reserve Bank of India to sell Govt. securities
 - c) It is done by Food Corporation of India to sell food grains
 - d) It is done by companies listed on stock exchange to issue shares
-

Q3. Consider the following statements :

- In India, more than 85% agriculture workers are mainly casual labourers.
- Agriculture labourers in India are mainly dominated by the backward classes.

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

- a) 2 only
- b) 1 only
- c) Both 1 and 2

d) Netiher 1 nor 2

Q4. Which of the following statement is **correct**?

- I. ISOPOM provides flexibility to states in implementation based on a regionally differentiated approach for promoting crop diversification and providing a focus to the programme.
- II. This scheme is under implementation in the country for the increasing area, production and yield of these crops from 2009-10
- III. The pulses component was merged with NFSM w.e.f. April 2013.

Which is **correct**?

- a) Only II
- b) I & II
- c) Only I
- d) All the above

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Q5. Which one among the following Agricultural Sectors is covered under the Market Intervention Scheme (MIS) of the Indian Government?

- a) Irrigation
- b) Forestry
- c) Horticulture
- d) Animal Husbandry

Q6. The Rastriya Krishi Vikas Yojana of Government of India envisages the development in the following fields in India:

- Production of Pulses and Oilseeds
- Production of Fodder
- Development of Rainfed areas of India
- Cultivation of Saffron
- Development of Vegetable clusters

Choose the **correct** option:

- a) 1, 3 & 4
 - b) 1, 2 & 3
 - c) 1, 3, 4 & 5
 - d) 1, 2, 3, 4 & 5
-

Q7. What is Cooperative collective farming?

- I. Where the society holds the land and leases it to individual members.
- II. Where land is irrevocably surrendered to the collective.
- III. Where the farmers pool their land and reap the economies of scale, although the ownership continues to remain with the individual farmer.

- a) Only III
 - b) I & II
 - c) Only II
 - d) None of the above
-

Q8. The National Mission for Saffron has been launched as a sub-scheme of which among the following programmes?

- a) National Horticulture Mission
 - b) National Food Security Mission
 - c) Rashtriya Krishi Vikas Yojana
 - d) National Cash Crop Programme
-

Q9. Which of the following does **not form part of current account of Balance of Payments?**

- a) Income receipts and payments
 - b) Export and import of goods
 - c) Export and import of services
 - d) Capital receipts and payments
-

Q10. Which statements regarding wheat production is/ are **incorrect**?

- Maximum area under wheat is in Uttar Pradesh
- Maximum production is in Uttar Pradesh
- Highest productivity is in Haryana

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

Q11. Which is **not** a source of Agriculture finance in India?

- a) Commercial Banks
b) Co-operative societies
c) Regional Rural Banks
d) None of these
-

Q12. Which one of the following is **not** included in the Agriculture and Allied Services of Indian Economy?

- a) Forestry
b) Fishing
c) Logging
d) Food Processing
-

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Q13. What are the factors that have a definite impact on investment in agriculture?

- I. Size of holdings
- II. The pattern of ownership
- III. The method of inheritance and security of tenure

- a) All the above
 - b) Only I
 - c) I & II
 - d) None of the above
-

Q14. During which of the following years, average growth/rate (at constant prices) of agriculture and allied sectors negative?

- a) 2003-04
 - b) 2005-06
 - c) 2002-03
 - d) 2006-07
-

Q15. Which of the following is the chief characteristic of mixed farming?

- a) Cultivation of two or more crops in the same field
 - b) Cultivation of both cash crops and food crops
 - c) Rearing of animals and cultivation of crops together
 - d) None of the above
-

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Answers to the above questions :

Q1. Answer: (b)

As a lot of states in the post-independence period restricted leasing of agricultural land, it has started hurting agricultural productivity.

Central Government got a model act drafted on land leasing by an expert panel under the NITI Aayog in April 2016 and has forwarded it to States to implement it.

Important features of the model Act:

1. The model law enables tenant farmers and sharecroppers to avail bank credit, crop insurance and disaster relief benefits.

2. The model law will allow consolidation of farmland so that small plots of land that are economically unviable can be leased out (using tractors and farm equipment is not economically viable for small plots of 2-3 acres). Large operational holdings will reduce the cost of cultivation and increase the profitability of farming.
3. The duration of the lease and the consideration amount will be decided mutually by the owner and the tenant.
4. There will be no ceiling on the amount of land that can be leased out or consolidated as the state wants market forces to determine the size of operational holdings.
5. Under the new law, land can also be leased out for allied activities like livestock or animal husbandry for a maximum period of five years.
6. The Model Act proposes a quicker litigation process in case of disputes, by suggesting recourse through criminal proceedings and special tribunal. The dispute settlement will be taken up at the level of the Gram Sabha, Panchayat and Tehsildar and are kept outside the jurisdiction of courts.

Q2. Answer: (c)

Food Corporation of India sells surplus stocks of wheat and rice under Open Market Sale Scheme (Domestic) at pre-determined prices through e-auction in the open market from time to time to enhance the supply of food grains during the lean season and thereby moderate the open market prices specially in the deficit regions.

Q3. Answer: (c)

Agriculture labourers in India are mainly dominated by the backward classes and more than 85% agriculture workers are mainly casual labourers.

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Q4. Answer: (c)

ISOPOM provides flexibility to states in implementation based on a regionally differentiated approach for promoting crop diversification and providing a focus to the programme.

This scheme is under implementation in the country for the increasing area, production and yield of these crops from 2004- 05.

The pulses component was merged with NFSM w.e.f. April 2010.

Q5. Answer: (c)

Government implements a Market Intervention Scheme (MIS) at the request of a State/UT Government for the procurement of agricultural and horticultural commodities not covered under the Price Support Scheme.

The MIS is implemented in order to protect the growers of these commodities from making distress sales in the event of the bumper crop when the prices tend to fall below the economic level/cost of production.

Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on a 50:50 basis (75:25 in the case of the North-Eastern States).

However, the amount of loss to be shared between the Central Government and the concerned State Government is restricted to 25% of the value of procurement. Profit, if any, earned by the procuring agencies are retained by them.

Q6. Answer: (d)

Provision of Rs. 9217 crore has been made for this scheme in the Budget of 2012-13. It includes 9 sub-components.

These are:

1. a special initiative for pulses and oilseeds development in selected pulses and oilseed growing villages in rain-fed areas,
2. the scheme to bridge the yield gap in agriculture in eastern India,
3. an initiative on vegetable clusters,
4. the accelerated fodder development programme,
5. the rain-fed area development programme,
6. promotion of oil palm,
7. Nutri- cereals,
8. national mission for protein supplements and
9. saffron mission.

Q7. Answer: (c)

Cooperative collective farming, where land is irrevocably surrendered to the collective

Q8. Answer: (c)

Three new sub-schemes have been introduced under RKVY from 2010-11.

National Mission for Saffron-Economic Revival of J&K Saffron Sector has been provided with special grants.

Q9. Answer: (d)

Capital receipts and payments do not form part of current account of Balance of Payment.

Q10. Answer: (d)

Q11. Answer: (d)

Co-operative societies, Commercial Banks and Regional Rural Banks are sources of agriculture finance in India.

They provide finance under various schemes run by central government and state governments to purchase seeds, implements, fertilizer, pesticides etc.

Q12. Answer: (d)

Agriculture and allied sectors are considered to be the mainstay of the Indian economy.

They are the important source of raw material and demand for many industrial products, particularly fertilizers, pesticides, agricultural implements and a variety of consumer goods. They contribute nearly 22 per cent of the Gross Domestic Product (GDP) of India.

About 65-70 per cent of the population is dependent on agriculture for their livelihood.

The 'Agriculture and allied' industry is further divided into several segments, namely:

1. horticulture and its allied sectors (including fruits and vegetables, flowers, plantation crops, spices, aromatic and medicinal plants);
2. fisheries sector;
3. animal husbandry and livestock;
4. and sericulture.

India's varied agro-climatic conditions are highly favourable for the growth of the large number of horticultural crops, which occupy around 10 per cent of the gross cropped area of the country producing 160.75 million tonnes.

However, food processing does not fall under this category.

Q13. Answer: (a)

Factors like the size of holdings, the pattern of ownership, the method of inheritance and security of tenure have a definite impact on investment in agriculture.

Q14. Answer: (c)

Q15. Answer: (c)

Rearing of animals and cultivation of crops together is the chief characteristic of mixed farming.

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