

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

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Q1. In India, mergers and acquisition of firms are regulated by

- a) Security and Exchange Board of India
 - b) National Manufacturing Competitiveness Council
 - c) Competition Commission of India
 - d) Department of Industrial Policy and Promotion
-

Q2. Consider the following statements:

- i. India is the largest exporter of rice in the world
- ii. India is the largest producer of milk in the world

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

- a) Both (i) & (ii)
 - b) (i) only
 - c) (ii) only
 - d) Neither (i) nor (ii)
-

Q3. Consider the following statements regarding Minimum Support Price (MSP):

- i. MSP is calculated 50% over actual paid out costs
- ii. Government announces MSP for commercial crops also

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

- a) Both (i) & (ii)
 - b) (i) only
 - c) (ii) only
 - d) Neither (i) nor (ii)
-

Q4. What is the contribution of livestock in agricultural sector?

- a) 15%
- b) 25%
- c) 5%
- d) 10%

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Q5. Which bank is limited to the needs of agriculture and rural finance?

- a) IFC
- b) SBI
- c) NABARD
- d) RBI

Q6. In which year National Seed Policy was announced?

- a) 2002
- b) 2000
- c) 2003
- d) 2004

Q7. Which one of the following is **not** the aim of the Rainbow Revolution of Indian Economy formulated in the National Agricultural Policy, 2000?

- a) Greater private sector participation in agriculture
- b) Target to achieve 4% growth rate in agriculture
- c) National Agriculture Insurance Scheme for all farmers
- d) Import of High Yielding Varieties of crops from other countries

Q8. Which among the below are the products in which India is 1st in the world?

- I. Milk
- II. Pulses
- III. Spices
- IV. Jute

- a) II, III & IV
 - b) I, II & III
 - c) I, II & IV
 - d) All the above
-

Q9. Consider the following statements :

- India is meeting 85% of the urea fertilizer through indigenous production.
- India produces a surplus amount of fertilizers containing phosphorous and potassium.

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

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

Q10. Which one of the following five year plans has the highest growth rate in Agriculture sector in India ?

- a) Seventh Five Year Plan
 - b) Sixth Five Year Plan
 - c) Eighth Five Year Plan
 - d) Ninth Five Year Plan
-

Q11. Who announced the launch of Rashtriya Krishi Vikas Yojana?

- a) Dr. Manmohan Singh
- b) Atal Bihari Vajpayee

c) Narendra Modi

d) I.K.Gujral

Q12. Which of the following are responsible for the decrease of per capita holding of cultivated land in India?

- Low per capita income.
- Rapid rate of increase of population.
- Practice of dividing land equally among the heirs.
- Use of traditional techniques of ploughing.

Select the **correct** answer using the codes given below

a) 2 and 3

b) 1 and 4

c) 1 and 2

d) 2,3 and 4

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Q13. When the Kisan Credit Card schemes for the farmers started in India?

a) 1998–1999

b) 1995–1996

c) 2005–2006

d) 2007–2008

Q14. Consider the following statements about the National Cooperative Marketing Federation of India Limited (NAFED).

- NAFED promotes the inter-state trade as well as export of certain agricultural commodities to many foreign countries.
- NAFED is responsible for the movement of the essential commodities from surplus areas to scarcity areas

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

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

Q15. Among the following states, which one has the most suitable climatic conditions for the cultivation of a large variety of Orchids with the minimum cost of production and can develop an export oriented in this field?

- a) Uttar Pradesh
- b) Andhra Pradesh
- c) Madhya Pradesh
- d) Arunachal Pradesh

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Answers to the above questions :

Q1. Answer: (c)

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and Merger and acquisition), which causes or is likely to cause an appreciable adverse effect on competition within India.

Competition Commission of India was established on 14 October 2003 and became fully functional in May 2009.

It is a body of the Government of India responsible for enforcing the Competition Act, 2002 throughout India and to prevent activities that have an adverse effect on competition in India

Q2. Answer: (a)

Q3. Answer: (c)

Commission for Agricultural Cost and Prices (CACP) takes into account several factors to recommend MSP to the Ministry of Agriculture and Farmers Welfare. Some of these factors are the cost of production and margin (profit) to farmers, Demand and supply, Price trends in the market both domestic and international, Intercrop price parity etc.

Among several criteria for recommending the MSP, the most important one is the cost of production of farmers and the margin/profit on it.

The cost of production of agricultural produce is calculated in three ways: A2, A2+FL and C2.

A2 costs basically cover all paid-out expenses, both in cash and in-kind, incurred by farmers on seeds, fertilizers, chemicals, hired labour, fuel, irrigation, etc.

A2+FL cover actual paid-out costs plus an imputed value of unpaid family labour.

C2 costs are more comprehensive, accounting for the rentals and interest forgone on owned land and fixed capital assets respectively, on top of A2+FL.

Finance Minister, while presenting the budget 2018-19 announced that, the Government will be offering MSP of 50 per cent over the cost of production (A2 + FL).

MSP is announced for 25 crops including sugarcane. The mandated crops are 14 for Kharif season viz. paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut-inshell, soyabean, sunflower, sesamum, nigerseed and cotton; 6 rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed/mustard and safflower and two other commercial crops viz. jute and copra.

In addition, the MSPs of toria and de-husked coconut are fixed on the basis of the MSPs of rapeseed/mustard and copra respectively.

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Q4. Answer: (b)

Livestock contributes 25 per cent of gross value added in the agriculture sector and provides self-employment to about 21 million people.

Growth of livestock output averaged 4.8 per cent per annum during the Eleventh Plan recovering from an average of 3.6 per cent in the Ninth and the tenth Plans.

Q5. Answer: (c)

Committee to review the arrangements for institutional credit for agriculture and rural development (CRAFICARD) under the Chairmanship of Shri B. Sivaraman, recommended the formation of the National Bank for Agriculture and Rural Development (NABARD).

The bank came into existence on 12 July 1982. It is limited to the need for agriculture and rural finance.

Q6. Answer: (a)

National seed policy was announced in 2002. National seed policy is based on the recommendations of the M.V. Rao committee in 2002.

The Policy is meant to “strengthen the seed industry” in view of the liberalisation in the farm sector under the World Trade Organisation. The policy seeks to provide intellectual property protection to stimulate investment in the research and development of new plant varieties.

Q7. Answer: (d)

In July 2000, the Centre Government of India had announced the first-ever national agriculture policy.

The policy aimed at achieving a growth rate of over 4 per cent per annum by introducing 'rainbow revolution' in the next two decades so that the total GDP growth can be sustained at 6.5 per cent.

Import of High Yielding Varieties of crops from other countries was not included in the objective of this revolution.

Q8. Answer: (d)

Q9. Answer: (b)

In the given statements, India is meeting 85% of the urea fertilizer through indigenous production is correct.

However, we are deficient in phosphatic and potassic resources and around 90% is imported.

Q10. Answer: (c)

The growth performance of the agriculture sector has been fluctuating across the plan periods. It witnessed a growth rate of 4.8 per cent during the Eighth plan period (1992–97).

Q11. Answer: (a)

The former Prime Minister Dr Manmohan Singh announced the launch of Rashtriya Krishi Vikas Yojana at the 53rd meeting of NDC with a Central allocation of Rs. 25,000 crore to increase the share of investment in agriculture in their state plans so as to hike agriculture and allied sector's growth from the existing 2% to 4%.

7,810.87 crore was the allocation under RKVY for the year 2011-12.

Q12. Answer: (a)

Rapid rate of increase of population and practice of dividing land equally among the heirs are responsible for the decrease of per capita holding of cultivated land in India.

Q13. Answer: (a)

A Kisan Credit Card is a credit card to provide affordable credit for farmers. It was started by the Reserve Bank of India (RBI), and National Bank for Agricultural and Rural Development (NABARD) in 1998–99 to help farmers access timely and adequate credit.

Q14. Answer: (c)

National Cooperation Marketing Federation of India Limited (NAFED) promotes cooperative marketing, promotes inter-state trade as well as export of certain agricultural commodities to many foreign countries.

It is responsible for stabilizing the prices of commodities and thus responsible for the movement of the essential commodities from surplus areas to scarcity areas.

Q15. Answer: (d)

There are about 20,000 varieties of orchids in the world out of which about 1200 accounts in India. The ecological condition and climate variation in Arunachal Pradesh are so much favourable that the state holds about 60% of the Indian variety of orchids.

Till today about 605 spp. of orchids of Arunachal Pradesh have been identified and the work is in progress. The flowering of orchids depends on seasonal conditions and variations.

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