

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. To address the problem of sustainable and holistic development of rainfed areas, including appropriate farming and livelihood system approaches, the government of India has set up the

- a) National Watershed Development Project for Rainfed Areas
 - b) National Mission on Rainfed Areas
 - c) National Rainfed Area Authority
 - d) Command Area Development and Water Management Authority
-

Q2. Consider the following statements about the **National Cooperative Marketing Federation of India Limited (NAFED)**.

- NAFED promotes inter-state trade as well as the 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) Both 1 and 2
 - b) 1 only
 - c) 2 only
 - d) Neither 1 nor 2
-

Q3. Which statement is **correct** regarding NAIS?

- It is a central sector, government-sponsored crop insurance scheme, in operation since 1999.
- It provides financial support to the farmers in the failure of any of the crops.
- The AICIL is the implementing agency of this scheme.

- a) Only III
- b) I & II

- c) Only II
d) All the above
-

Q4. Green Revolution has led to:

- Spurt in production of all food grains.
- Greater regional inequalities
- reduction in inter-personal inequalities.
- Increase in production of wheat.

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

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Q5. Green Revolution in India has been most successful in case of

- a) Wheat and Potatoes
b) Mustard and Oilseeds
c) Wheat and Rice
d) Tea and Coffee

Q6. Which of the following statements with regard to **Indian Agriculture** is/are true?

- Although rice is the most important cereal being cultivated in India in terms of total production, wheat is fast catching up.
- The green revolution did not make an impact on the production of pulses.

- a) 1 and 2
b) 2 only

c) 1 only

d) Neither 1 nor 2

Q7. Match the following:

List I	List II
(Five Year Plan)	(Emphasis)
A. First	1. Food security and women empowerment
B. Second	2. Heavy industries
C. Fifth	3. Agriculture and community development
D. Ninth	4. Removal of poverty

Codes: A B C D

a) 3 2 4 1

b) 1 2 4 3

c) 1 4 2 3

d) 3 4 2 1

Q8. Which of the following statements are true regarding the recently released “**Agriculture Export Policy 2018**”:

- i. Double agricultural exports by 2022
- ii. Double India’s share in world Agri exports
- iii. This policy will play a major role in doubling farmers income

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

a) (ii) & (iii) only

b) (i) only

c) (i) & (ii) only

d) All of the above

Q9. The term Green Revolution has been used to indicate higher production through

a) Planting more trees

- b) Creation of grasslands
 - c) Creation of gardens in urban areas
 - d) Enhanced agricultural productivity per hectare
-

Q10. Agriculture sector directly employs one of the following percentages of labour force in India

- a) 30%
 - b) 40%
 - c) 20%
 - d) 52%
-

Q11. Arrange the following in decreasing order in terms of share in disbursement of credit to agriculture :

- a) Regional rural banks – commercial banks – cooperative banks
 - b) Commercial bank – cooperative banks – regional rural banks
 - c) Cooperative banks – commercial banks – regional rural banks
 - d) Commercial banks – regional rural banks – cooperative banks
-

Q12. The government has powers under the Essential Commodities Act, 1955 (EC Act) to declare a commodity as an essential commodity to ensure its availability to people at fair price. The Commodities covered under the Act include:

- Paper
- Hank Yarn
- Fertilizers
- Petroleum and Petroleum Products
- Cotton and Jute seeds

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

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Q13. With reference to the agriculture sector of India, consider the following statements

- Rural Infrastructure Development Fund disperses loans to the states to complete the minor irrigation projects.
- Rural Infrastructure Development Fund is managed by the public sector Commercial Banks.

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

Q14. Which of the following statements are true regarding the Model Contract Farming Act 2018?

- i. It proposes the establishment of State level Contract Farming Authority
- ii. FPOs are allowed to sign contract farming agreements with bulk buyers

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

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

Q15. Consider the following statements about Indian Agriculture:

- The area under foodgrains has declined in the last two decades.
- The average farm size in the country is very small and declining over the years.

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

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Answers to the above questions :

Q1. Answer: (c)

Q2. Answer: (a)

National cooperation marketing federation of India limited NAFED promotes cooperative marketing, promotes the 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.

Q3. Answer: (d)

National Agricultural Insurance Scheme is a central sector, government-sponsored crop insurance scheme, in operation since 1999.

This scheme aims at tackling the issue of production risk faced by the agricultural sector. It provides financial support to the farmers in the failure of any of the crops.

The AICIL is the implementing agency of this scheme. NAIS has been further modified as MNAIS with the aim of further helping the farm sector.

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Q4. Answer: (d)

Q5. Answer: (c)

Q6. Answer: (a)

Q7. Answer: (a)

1. First Five Year Plan (1951-56)- Agriculture and community development
2. Second Five Year Plan (1956-61)- Heavy Industry
3. Fifth Five Year Plan (1974-79)- Removal of Poverty
4. Ninth Five Year Plan (1997-2002)- Food Security and woman empowerment.

Q8. Answer: (d)

Objectives of the Agriculture Export Policy are as under:

1. To double agricultural exports from ~USD 30+ Billion (2017-18) to ~USD 60+ Billion by 2022 and reach USD 100 Billion in the next few years thereafter, with a stable trade policy regime
2. To diversify our export basket, destinations and boost high value and value-added agricultural exports including a focus on perishables
3. To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports
4. To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phytosanitary issues.
5. To strive to double India's share in world agri exports by integrating with the global value chain at the earliest
6. Enable farmers to get the benefit of export opportunities in the overseas market

This policy will play a major role in doubling farmers income by 2022

Q9. Answer: (d)

The term Green Revolution has been used to indicate higher production through enhanced agricultural productivity per hectare.

Q10. Answer: (d)

Agriculture, dairy, horticulture and related occupations alone employ 52 percent of labour in India.

Q11. Answer: (b)

In India, the commercial banks disburse around 60% credit followed by cooperative banks around 30% and RRB and others.

Q12. Answer: (d)

There are seven broad categories of essential commodities covered by the Act. These are

- Drugs;
- Fertilizer, inorganic, organic or mixed;

- Foodstuffs, including edible oilseeds and oils;
- Hank yarn made wholly from cotton;
- Petroleum and petroleum products;
- Raw jute and jute textile;
- (i) seeds of food-crops and seeds of fruits and vegetables;
- (ii) seeds of cattle fodder; and
- (iii) jute seeds. Recently cotton seed was also included in the list.

Q13. Answer: (b)

Rural Infrastructure Development Fund (RIDF) was instituted in NABARD with an announcement in the Union Budget 1995-96 with the sole objective of giving low-cost fund support to State governments and state-owned corporations for quick completion of ongoing projects relating to medium and minor irrigation, soil conservation, watershed management and other forms of rural infrastructure.

Q14. Answer: (a)

The Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017 allowed direct sale by farmers to big retailers i.e. contract farming but left out all the provisions relating to contract farming and paved the way for drafting an exclusive model law on the subject of contract farming.)

Accordingly, Govt. drafted Model Agriculture Produce and Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018 and has asked States to implement the same. Following are important features:

Setting up of an appropriate and unbiased state-level agency called “Contract Farming (Development and Promotion) Authority” to carry out the assigned mandates under the provisions of contract farming and popularize it among the stakeholders.

No rights, title ownership or possession to be transferred or alienated or vested in the contract farming sponsor etc.

Promoting Farmer Producer Organization (FPOs) / Farmer Producer Companies (FPCs) to mobilize small and marginal farmers to benefit from scales of economy in production and post-production activities. (i.e. FPOs can sign contract farming agreements with big retail chains or bulk buyers)

Q15. Answer: (c)

The area under foodgrains has declined in the last two decades and the average farm size in the country is very small and declining over the years.

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