

# 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.** Consider the following statements :

- Agriculture and Allied sectors contribute less than 20% of Gross Domestic Product of India.
- Around 60% of net sown agricultural area of India is depended on rainfall.

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
- 

**Q2.** Which of the following statements are true regarding the Model Agriculture Produce and Livestock Marketing Act 2017?

- i. It allows private wholesale mandi trade
- ii. It allows contract farming
- iii. The law proposes a cap on market/mandi fee

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

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

**Q3.** In India, which of the following have the highest share in the disbursement of credit to agriculture and allied activities?

- a) Co-operative Banks
- b) Commercial Banks
- c) Regional Rural Banks

d) Microfinance Institutions

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**Q4.** Which statement is **correct** regarding the **Ryotwari system**?

- I. The system was introduced in North India in terms of which the village community was jointly and severally responsible for the payment of rent.
- II. Zamindars acted as intermediaries between the cultivators and the government.
- III. Revenue was 'settled' by the government with zamindars, either permanently or temporarily.

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

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**Q5.** Which of the following scheme is **not** part of PM-AASHA

- a) Price Deficiency Payment Scheme
- b) Price Support Scheme
- c) Price Stabilization Scheme
- d) Pilot of Private Procurement and Stockist Scheme

**Q6.** Which one of the following five year plans has the highest GDP growth rate in Agriculture sector in India ?

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

**Q7.** Which among the following has been discontinued after the Cabinet decision in small saving schemes?

- a) Kisan Vikas Patras (KVP)
  - b) National Saving Certificates (NSC)
  - c) Monthly Income Scheme (MIS)
  - d) Recurrent Deposit Schemes
- 

**Q8.** Consider the following statements:

- The Union Government fixes the statutory minimum price of sugarcane for each sugar season.
- Sugar and sugarcane are essential commodities under the Essential Commodities Act.

Which of these statements is/are **correct**?

- a) 1 and 2 both
  - b) 1 only
  - c) 2 only
  - d) None
- 

**Q9.** 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) Both 1 and 2
  - b) 1 only
  - c) 2 only
  - d) Neither 1 nor 2
- 

**Q10.** First Agricultural University in India was established in

- a) Kanpur
- b) Kumarganj, Faizabad

- c) Jabalpur
- d) Pant Nagar

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**Q11.** Consider the following statements:

- i. Horticulture production is more than food grain production in India in the last few years
- ii. Agriculture credit target for the year 2020-21 has been set at Rs. 15 lakh crores in the budget

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

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

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**Q12.** Which of the following statement is **correct** according to **Zamindari System** ?

- I. The Zamindari System prevailed in Bengal, Bihar, Orissa.
  - II. It was introduced by the East India Company and under it, a class of revenue collectors, called zamindars, was created.
  - III. Revenue was 'settled' by the government with zamindars, either permanently or temporarily.
  - IV. Revenue was 'settled' by the.
- a) I & III
  - b) I, II & IV
  - c) I & II
  - d) I, II & III

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**Q13.** Consider the following statements :

- India is the 6th largest producer of coffee.
- India's share in Global Area under coffee is about 2%.
- India contributes about 4% to world coffee production as well as in the International trade.

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

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

**Q14.** Which of the statement is **correct** regarding White revolution?

- I. It occurred in India in 1970.
- II. Prof. Verghese Kuerin was the father of White Revolution in India.
- III. It works through a network of co-operative societies which are owned and managed by the milk producers.

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

**Q15.** Consider the following statements:

- Guaranteed maximum prices have been a component of the agriculture strategy that brought about the green revolution.
- The strategy of the Green Revolution aimed at increasing the yield of crops using fertilizer, pesticides and high yielding varieties in agriculture.

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

- a) 1 and 2 both
  - b) 1 only
  - c) 2 only
  - d) None
- 

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**Answers to the above questions :**

**Q1. Answer: (c)**

Agriculture and Allied sectors contribute less than 20% around 17% of Gross Domestic product of India. Around 60% of net sown agricultural area of India is depended on rainfall.

**Q2. Answer: (d)**

As the Agriculture Produce Marketing Committee Acts (APMC) enacted by States did not allow wholesale trade through private mandis and exploited the farmers and consumers both, Central Govt. in April 2017 got a Model Agriculture Produce and Livestock Marketing (APLM) Act 2017 drafted and circulated to States to implement.

Following are the important features:

- Allow private wholesale mandis (rather than just govt mandis in wholesale trade) Allow godowns, warehouses and cold storages to act as markets (this means that earlier they were not allowed to purchase from farmers in bulk and now they can act as private wholesale mandis and can procure in bulk from farmers)
- The model act has also proposed to cap mandi fees (2% for fruits and vegetables and 1% for food grains, this is charged by the mandi operators for the maintenance of mandi)
- Farmers can now directly sell to big retailers (through contract farming)

**Q3. Answer: (b)**

In India, commercial banks have the highest share in the disbursement of credit to agriculture and allied activities.

The commercial banks disburse around 60% credit followed by cooperative banks around 30% and RRB and others.

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#### **Q4. Answer: (d)**

Ryotwari System was prevalent in parts of Madras, Bombay province and Assam.

Under this system, the cultivator paid the revenues directly to the state without an intermediary.

#### **Q5. Answer: (c)**

PM-AASHA scheme is aimed at ensuring remunerative prices to the farmers for their produce as announced in the Union Budget for 2019.

The new Umbrella Scheme includes the mechanism of ensuring remunerative prices to the farmers and is comprised of three sub-schemes:

1. Price Support Scheme
2. Price Stabilization Scheme
3. The pilot of Private Procurement and Stockist Scheme

#### **Q6. Answer: (b)**

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).

#### **Q7. Answer: (a)**

**Q8. Answer: (a)**

The Union Government fixes the statutory minimum price of sugarcane for each sugar season. Sugar and sugarcane are essential commodities under the Essential Commodities Act.

So both statements are correct.

**Q9. 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.

**Q10. Answer: (d)**

G. B. Pant University of Agriculture and Technology (GBPUA&T, Pant Nagar, Uttara Khand) is the first agricultural university in India.

It was inaugurated by Jawahar Lal Nehru on 17 November 1960.

**Q11. Answer: (a)**

Horticulture production surpassed food grain (wheat, rice, pulses and coarse grains) production since 2012-13. In 2018-19, horticulture production was 311 MT and food grain production was 284 MT.

The (budget) target of farm/agriculture credit for the year 2020-21 is Rs. 15 lakh crores as compared to Rs. 13 lakh crores in 2019-20.

**Q12. Answer: (d)**

The Zamindari System prevailed in Bengal, Bihar, Orissa and North Madras. It was introduced by the East India Company and under it, a class of revenue collectors, called zamindars, was created.



These zamindars acted as intermediaries between the cultivators and the government. Revenue was 'settled' by the government with zamindars, either permanently or temporarily.

**Q13. Answer: (d)**

India is the 6th largest producer of coffee in the world having a share of around 2% in terms of global area. India contributes about 4% to world coffee production as well as in the International trade.

**Q14. Answer: (d)**

**Q15. Answer: (c)**

Guaranteed maximum prices have not been a component of the agriculture strategy that brought about the green revolution.

The strategy aimed at increasing the yield of crops using fertilizer, pesticides and high yielding varieties in agriculture.

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