

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. The term 'under-recovery' was recently in the news, is related to which of the following?

- a) Government giving exemptions on certain types of taxes
 - b) Government spending more on the subsidies than the budgeted amount
 - c) Cost incurred by PSU's in providing subsidies
 - d) Central government getting less repayment on loans given to States
-

Q2. Rashtriya Krishi Vikas Yojna was launched in the year?

- a) 2004
 - b) 2006
 - c) 2003
 - d) 2007
-

Q3. Consider the following statements :

- Coconut Palm Insurance Scheme (CPIS) is implemented in the Kerala, Karnataka and Tamil Nadu on Pilot basis.
- Coconut Palm Insurance Scheme (CPIS) was started since 2009-10.

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
-

Q4. Consider the following:

- Uneconomic & Fragmented Holdings
- Inefficient Labor Force
- No use of HYV seeds

Which among the above is/ are the reasons for low productivity in Indian Agriculture?

- a) Only 2 & 3
- b) Only 1
- c) Only 1 & 2
- d) 1, 2 & 3

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Q5. In India, which of the following has the highest share in the disbursement of credit to agriculture and allied activities?

- a) Co-operative Banks
- b) Regional Rural Banks
- c) Commercial Banks
- d) Microfinance Institutions

Q6. What are the **features** of Indian agriculture?

- I. Agriculture is the primary occupation in India as it provides direct livelihood to 70% of its labour force.
- II. Agriculture contributes to about 10% of the total value of India's commodity exports.
- III. Almost 30% of tea and 50% of coffee and jute produced in the country are exported.

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

Q7. Which one of the following items has the highest share of India in the World Exports?

- a) Pearls, precious stones, metals, coins, etc
 - b) Coffee, tea, mate, spices etc
 - c) Lac, gums, resins, vegetable saps, and extracts etc
 - d) Vegetable plaiting materials, vegetable products etc
-

Q8. Among the items of export of agricultural and allied products from India during the year 2005-06, which one of the following was the highest in the value?

- a) Coffee
 - b) Rice
 - c) Tea
 - d) Marine products
-

Q9. What are the **land reforms taken after Independence**?

- I. Abolition of intermediaries like zamindars, jagirdars, etc., resulted in several states promulgating laws for putting an end to 'absentee landlordism'.
- II. Imposition of ceiling laws which lay down the maximum land that can be owned by a landholder
- III. Consolidation of holding was introduced as a measure of improving farming efficiency

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

Q10. In which of the following years was the Food Corporation of India (FCI) set up ?

- a) 1960
- b) 1965
- c) 1955

d) 1970

Q11. Which one of the following is the objective of the National Watershed Development project for rainfed areas of India?

- a) Integrated Watershed Management
 - b) Sustainable farming systems
 - c) Reclamation of Forest Area
 - d) Both 'a' and 'b'
-

Q12. As a policy to boost the agricultural sector, the GOI has taken special measures over time. Which of the following are **not** a measure with a direct impact on the agricultural sector?

- Setting up of a National Food Processing Bank
- Opening irrigation, sanitation and water projects for Private Participation.
- Efforts to reduce fiscal deficit to 5.5 per cent level of GDP

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

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Q13. Which statement is **correct** regarding the **public distribution system (PDS)** ?

- I. The public Distribution System (PDS) was conceived as a primary social welfare and poverty alleviation programme of the government to ensure price stabilization in the grain market.
- II. The government's objective of providing reasonable prices for basic food commodities like food grains, sugar, edible oil and kerosene is achieved.
- III. It is the second-largest system in the world.
- IV. More than 50 per cent of grain to the Public Distribution System is provided by the Punjab, Haryana and western Uttar Pradesh.

- a) Only III
 - b) I & II
 - c) Only II
 - d) III & IV
-

Q14. Consider the following statements:

- Regarding the procurement of foodgrains, Government of India follows a procurement target rather than an open-ended procurement policy.
- Government of India announces minimum support prices only for cereals
- For distribution under Targeted Public Distribution System (TPDS), wheat and rice are issued by the Government of India at uniform Central issue prices to the States/Union Territories.

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

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

Q15. Consider the following statements :

- National Project for Cattle and Buffalo Breeding (NPCBB) was started for genetic improvement.
- National Project for Cattle and Buffalo Breeding (NPCBB) was launched in 2000.

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
-

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Answers to the above questions :

Q1. Answer: (c)

Let us understand with an example:

Suppose the imported LPG cylinder price (i.e. international market price) is Rs. 800/cylinder. And govt announced that it will give Rs. 300/cylinder as a subsidy through Direct Benefit Transfer (DBT).

So, the consumers will purchase the cylinder from Oil Marketing Companies (OMC) like IOCL/BPCL at Rs. 800/cylinder and government will transfer Rs. 300/cylinder in consumers account.

Now, if the international price increases to Rs. 900/cylinder, then there are three options:

1. Consumers pay Rs. 900/cylinder and government transfer Rs. 400/cylinder in the account as DBT. But it will increase the overall subsidy bill of the government, which government don't like
2. Consumers pay Rs. 900/cylinder and the government still transfer Rs. 300/cylinder in consumers account, but it will increase the price per cylinder by Rs. 600 (=Rs. 900 - Rs. 300) to the consumer from the earlier price of Rs. 500 (=Rs. 800- Rs. 300). For political and social reasons, govt. may not like this also.
3. Government forces OMCs (LPG cylinders are supplied through OMCs) to sell the cylinder still at Rs. 800/cylinder (a kind of forced regulation), So consumers pay Rs. 800/cylinder and they will get Rs. 300 in account from Govt. This will not increase govt. subsidy bill and consumers will also be happy. But it impacts the finances of OMCs.

If the government will choose the 3) option, then for OMCs it is a loss of Rs. 100/ cylinder. And this is called "Under-recovery" per cylinder.

Generally, because of political and social compulsions govt. uses this 3) option leading to huge under-recoveries by OMCs. Till the time price of crude/gas is benign/moderate, the under-recovery may be very less or nil but when it increases, the under-recovery of OMCs increases.

Q2. Answer: (d)

Rashtriya Krishi Vikas Yojana was launched in August 2007 as a part of the 11th Five Year Plan by the Government of India.

Launched under the aegis of the National Development Council, it seeks to achieve 4% annual growth in agriculture through the development of Agriculture and its allied sectors during the period under the 11th Five Year Plan (2007–11).

Q3. Answer: (a)

A pilot Coconut Palm Insurance Scheme (CPIS) was introduced in 2009-10 for the benefit of coconut growers in major coconut growing states like Kerala, Karnataka, Tamilnadu, Goa, AP, West Bengal and Maharashtra.

In this scheme, coconut plants of the age from 4th year to 60th year are covered.

Insurance coverage is provided for total loss/death/becoming useless of the plant. Fifty per cent subsidy in premium is provided by the Government of India and twenty-five per cent by the concerned State Government.

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Q4. Answer: (b)

Q5. Answer: (c)

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.

Q6. Answer: (a)

Q7. Answer: (c)

These exports have marked a growth of 0.8 in the year 2012-13.

Recently India has diversified its export basket for these products.

Q8. Answer: (d)

Marine Product was the highest in value among export items of agricultural and allied products from India during the year 2005-06.

Q9. Answer: (d)

Q10. Answer: (b)

The Food Corporation of India (FCI) was set up in 1965. Its objectives are effective price support operations for safeguarding the interests of the farmers.

Distribution of food grains throughout the country for the public distribution system and maintaining a satisfactory level of operational and buffer stocks of foodgrains to ensure National Food Security.

Q11. Answer: (d)

Sustainable farming systems and Integrated watershed systems are the objectives of the National Watershed Development project for rainfed areas of India.

The scheme of the National Watershed Development Project for Rainfed Areas(NWDPRA) was launched in 1990–91 in 25 States and 2 Union Territories based on twin concepts of integrated watershed management and sustainable farming systems.

Its main objectives are conservation, development and sustainable management of natural resources, enhancement of agricultural production in a sustainable manner, restoration of ecological balance and creation of sustained employment opportunities for the rural community.

Q12. Answer: (a)

Q13. Answer: (b)

The public Distribution System (PDS) was conceived as a primary social welfare and poverty alleviation programme of the government to ensure price stabilization in the grain market.

The government's objective of providing reasonable prices for basic food commodities like food grains, sugar, edible oil and kerosene is achieved through the Public Distribution System of India, the largest PDS of the world.

Q14. Answer: (d)

Q15. Answer: (a)

The government of India has initiated a major programme 'National Project for Cattle and Buffalo Breeding' (NPCBB) from October 2000.

The NPCBB envisages genetic up-gradation on a priority basis with a focus on the development and conservation of important indigenous breeds.

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