

# Economic Development

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## Exercises

**Q. 1 A. Choose right option and write the sentence.**

1. On 19<sup>th</sup> July 1969 ..... major banks in India were nationalised.

A. 12

B. 14

C. 16

D. 18

2. .... declared a 20-point programme.

A. Pandit Nehru

B. Lal Bahadur Shastri

C. Indira Gandhi

D. P. V. Narsimha Rao

**Answer :**

1. Option - B

**Explanation:** 14 major banks in India were nationalised on 19th July 1969. The intentions behind the goals of Fourth five year plan, were that India should become to enhance the speed of economic development of India.

2. Option - C

**Explanation:** Prime Minister

Indira Gandhi announced the 20-point programme on 1st July 1975 and resolved to make efforts towards rapidly becoming a developed nation.

**Q. 1 B. Identify the wrong pair and rewrite the corrected one.**

1. Kavasaji Davar - Iron and Steel factory

2. Dr Datta Samant - Leadership of mill workers

3. N. M. Lokhande - Holiday for mill workers

4. Narayan Survey - Depiction of lives of workers through poems

**Answer :** Option - 1

**Explanation:** Kavasaji davar - Iron and steel factory, is a wrong pair from the list. The first textile mill was started in Mumbai on 11th July 1851 by Kavasji Dawar.

**Q. 2 A. Complete the following chart.**

| <b>Five Year Plan</b> | <b>Duration</b> | <b>Purposes</b>   |
|-----------------------|-----------------|---|
| First                 | .....           | Agriculture, Social development   |
| Second                | 1956-1961       | Industrialisation   |
| Third                 | .....           | Elimination of inequality, increasing the opportunities for employment, increase in national income |
| .....                 | 1969-1974       | Scientific research, health and family planning   |
| Fifth                 | .....           | .....   |

**Answer :**

| <b>Five Year Plan</b> | <b>Duration</b> | <b>Purposes</b>   | <b>Explanation</b>  |
|-----------------------|-----------------|---|---|
| First                 | 1951-1956       | Agriculture, Social development   | Agriculture was on top priority of this plan.                             |
| Second                | 1956-1961       | Industrialisation   | In this plan rapid industrialisation was top priority.                    |
| Third                 | 1961-1966       | Elimination of inequality, increasing the opportunities for employment, increase in national income | In this plan, agriculture and industry both were on its priority.         |
| Fourth                | 1969-1974       | Scientific research, health and family planning   | Garibi hatao and growth with justice was main objective of this plan.     |
| Fifth                 | 1974-1979       | Removal of poverty, increase national income, focus on agriculture sector.                          | Eliminate poverty and attainment of self-stand was main aim of this plan. |

**Q. 2 B. Explain the concepts.**

1. Mixed Economy
2. 20-point Programme

**Answer :**

1. In simple words, the mixed economy was the characteristics of both the economies. In this economy, the public and private sector are run together e.g. India. It was a mixture of market and command economy.

## 2. Prime Minister

Indira Gandhi announced the 20-point programme on 1<sup>st</sup> July 1975.

The main provisions of the 20-point programme are as follows:

(1) The land ceiling for cities and agricultural land, equal division of wealth, minimum wages for workers, increase in water conservation schemes.

(2) Workers' participation in industry, national training scheme, freeing bonded labour.

(3) Prevention of tax evasion, economic crimes, and smuggling.

(4) Regulation of prices of basic necessities, improvements in the public distribution system.

### Q. 3 A. Give reasons.

1. Independent India opted for a mixed economy.

2. Banks were nationalized in 1969.

3. Mill workers went on strike.

**Answer :** 1. Our Prime Minister Pandit Nehru adopted the middle path rather than taking recourse to any extremes. A mixed economy also naturally tends to give priority to the national interest. Long-term development is stressed upon with priority. Thus, India adopted the mixed economy model. Priority was given in this policy to control the influence of heavy industries, industrial families and foreign industries and remove the imbalance in regional development. In this economy, public, private and joint sector are work together.

2. Nationalisation of banks was essential to cover the deficits if they occurred while implementing different schemes. Also the profits of these banks. India should become self-reliant, the government should develop the basic industries, increase the speed of economic development and pay attention to establish a strong economy i.e. 14 major banks in the country were nationalized.

3. The Rashtriya Mill Mazdoor Sangh, which was negotiating with the employers, agreed upon 8 to 17% bonus without taking the workers into confidence. The cut in the bonus proved to be the cause of unrest. Some workers went to Dr. Datta Samant and convenience him to accept leadership after that Workers of 65 mills came together and Dr. Datta Samat led the strike. On 18<sup>th</sup> January 1982, two and a half lakh workers went on a strike. So mill workers went on strike over 6 months to 1 year.



**Q. 3 B. Answer the following questions in 25 to 30 words.**

- 1. Which programmes were started in the 8<sup>th</sup> five-year plan?**
- 2. Which projects were started in the 2<sup>nd</sup> five-year plan?**

**Answer :**

**Ans-1.** During this period, many programmes were started like,

1. Pradhan Mantri Rozgar Yojana (PMRY) 1993
2. Ganga Kalyan Yojana 1977-78
3. Mid-day meal scheme 1995
4. Mahila Samridhi Yojana 1993
5. Indira Mahila scheme, 1995

**Ans-2.** In second five-year plan there are many projects started like,

- 1) Various important large Industries like,
  1. The steel plant in Durgapura
  2. Rail engine factory, Chittaranjan
  3. Ship-building factory, Visakhapatnam
- 2) dams were established under this plan e.g.
  - Bhakra-Nangal dam.
  - Damodar dam.

## Projects

**Q. 1. With the help of the internet, get the following information about the World Trade Organisation-logo, member countries, aims, programmes, etc.**

**Answer :**

World Trade Organization(WTO) was established on 1 January 1995. There were 77-member countries of WTO on January 1, 1995 which had increased to 164. It's headquarters in Geneva, Switzerland.

The WTO is the successor to the GATT. The GATT was a forum where the member countries met from time to time to discuss and solve world trade problem.

The main aim of these organizations are as follows:

- to ensure linkages between trade policies, environmental policies, and sustainable development.
- It co-operates with the IMF and the world bank.
- Multilateral agreements on trade in goods.
- Agreement on trade-related aspects.

In 1995, India became a member of the World Trade Organisation (WTO). The the organization had the following objectives:

1. to free trade between countries
2. to put to an end all those discriminatory laws, restrictions, rules and policies that are hurdles in the way of international free trade
3. to regulate global trade with the help of a formal multi-party mechanism.

**Q. 2. Visit a nationalized bank /branch and get to know about the work of nationalized banks.**

**Answer :** The two most important features of a commercial or nationalized bank are,

1. Acceptance of deposits
2. Lending of money

The main function of a commercial bank are as follows:

- It accepts deposits: deposits are the lifeline of banks.
  - Current account deposit
  - Fixed term deposits
  - Saving account deposits
- It gives loans and advances
  - Cash credit

- Demand loans
- Short term loans
- Overdraft facility
- Discounting bills of exchange
- Agency functions of the bank
- Transfer of funds
- Collection of funds
- Payments of various items
- Purchase and sale of shares
- General services:
  - Locker facility
  - Purchase and sale of foreign currencies
  - Traveller's cheques and gift cheques

A nationalized bank is a financial institution which performs various functions. The rate of interest offered by the banks to depositors is called the borrowing rate.

Its primary aim is to make a profit.