

Economic Development

PART-III:ECONOMICS

VERY SHORT ANSWER TYPE QUESTIONS:

Q 1. Economic growth.

Ans: Economic growth is a qualitative concept that deals with an increase in output of time, particularly growth in per capita income.

Q 2. Economic development.

Ans Economic development is a qualitative concept that deals with Economic growth as well as changes in socially and economically significant areas.

Q 3. Human development.

Ans: Human development means the expansion of collective choice of the people which include economic, social, cultural and political choices.

Q 4. Economic planning.

Ans : Economic planning on is the instrument to attain a set of well defined objectives within a definite time period as determined by central planning agency.

Q 5. Democratic planning.

Ans : Democratic planning is a planning in which there is active participation of people in different stages of plan-making.

Q 6. Liberation.

Ans : Liberation means the lessening or relaxation of state control in the economic system of a country.

Q 7. Privatisation

Ans: Privatisation is opening up of the public sector units to the private sector.

Q 8. Globalisation.

Ans: Globalisation is a process of integration of the economy of a nation with the economies of the rest of the world.

SHORT ANSWER TYPE QUESTIONS:

Q 1. Mention two important points of difference between economy growth and economy development.

Ans: The difference between economic growth and economic development are:

Sl. No.	Basis of difference	Economic growth -	Economic development
(i)	Meaning	Deals with increase in output, and particularly in per capita income.	Includes economic growth within it, alongwith changes in economically and socially significant sectors.
(ii)	Concept	Quantitative and narrower concept.	Qualitative and broader concept.
(iii)	Relationship	This may or may not be accompanied by economic development.	This is always accompanied by economic growth.
(iv)	Scope	It is not about institutional changes.	Changes in education, health, banking, land tenure, etc. are part of it.

Q 2. What are three indica of human development?

Ans : The Three development are:

(i) Life expectancy.

(ii) Literacy.

(iii) Standard of living (basically accessibility to sanitation and pure drinking water)

Q 3. What is meant by expansion of collective choice?

Ans : Expansion of collective choice is the primary basis of human development. The choice of people is the core of human development. The choice of the people include economic, social , cultural and political choices. There are three factors that influence collective choice of the people. They are:

(i) Life expectancy.

(ii) Literacy

(iii) Standard of living

Q 4. Mention four important objectives of India's five Year plans: The Objectives of India's Five Year plans are:

(i) Increase in the growth rate of economy.

(ii) Expansion of employment opportunities.

(iii) Eradication of poverty.

(iv) Removal of regional inequalities.

(v) Elimination of socio-economic inequalities.

(vi) Ensure sustainable economic development without harming the environment.

Note: Students shall write any four points or as per the requirement of the question asked in examination.

Q 5. Who are the members of NITI Aayog ?

Ans: Following are the members of NITI Aayog :

(i) Prime Minister as chairman.

(ii) vice - chairman appointed by Prime Minister.

(iii) Three full-time members having expertise in their field.

(iv) Two part- time members.

(v) Maximum four Cabinet Minister appointment as ex - officio members.

(vi) One IAS officer as Chief Executive Officer.

(vii) All Chief Ministers of states and Lieutenant Governors of Union Territories as members of the Executive council.

Q 6. Explain one of the main points of difference between the first phase of planning in India (1951-52 to 1990-91) and the second phase (1991-1992 to the present day).

Ans: In the first phase of planning in India (1951-1990-91), the public sector played a dominant role in the economy. On the other hand , the role of public sector was reduced considerably in the second phase (1991-1992 to the present day) of planning. New concepts like liberalisation, privatisation and globalisation gained momentum during the second phase.

Q 7. Briefly explain the three main cause of the introduction of economic reform measures in India.

Ans: The Three main cause of the introduction of economic reform measures in India are:

(i) Fiscal deficit : Fiscal deficit is an economic phenomenon in which the aggregate public expenditure surpasses the aggregate public revenue. Indian economy had to face a huge huge fiscal deficit during the first phase of planning. The condition of the public sector units were pathetic in this period. In fact most of such units were running under losses.

(ii) Inflation: Indian economy was deeply affected by Inflation in the pre - economic reform period. High rate of inflation had an adverse impact on socially and economically backward people with limited income.

(iii) Balance of payment : Since eighties, Indian's balance of payment was highly disturbing. The net outflow of capital from by the economy was high while the net inflow of capital into the economy was on a decline. Such an imbalance in the flow led to an alarming rise in the foreign trade deficit.

Due to this prevailing situation, the World Bank recommend that the Indian government make structural changes in the economy. Thus , the economic reform measures were introduce India by the Narasimha Rao government.

Q 8. Mention three benefits of economic reforms in India.

Ans : Three benefits of economic reforms in India are:

(i) Increased rate of economic growth: Prior to the introduction of economic reforms, the annual rate of economic growth was 3.5% but with the new reforms applied, the annual growth rate of economy stood above 9% From 2005 to 2008 , and around 7% from 2009 to 2014.

(ii) Wholesale price index : The post economic reform period has registered a downward trend in wholesale price index , through not retail price index.

(iii) Increase in foreign exchange reserve : In 1990-91 in india, the amount of foreign exchange reserve with RBI was so small that it could not finance only 15 days of import. However , this amount Increased to \$328.7billion in March 2015 which could cover 7 covered of imports. Thus, there has been a considerable rise in foreign reserve after introduce of economic reforms.

Q9. Briefly explain two problems of economic reforms in India.

Ans The problems of economic reforms in India are:

(i) Limited purchasing power : As a result of economic reforms, there is a substantial rise in the extent and intensity of competition However, such benefits cannot be availed by the common man due to dearth of purchasing power.

(ii) Excessive consumerism : Due to excessive consumerism, the social values are threatened to being eroded with money playing a dominating role.

(iii) Management of globalisation : In the past few years, the need for management of globalisation has been felt. Under no circumstances, globalisation and national interest should collide with each other.

(iv) Need for good governance : The benefits of economic reforms can reach the weaker section of the society only if there is good governance.

Note: Students shall write any two points or as per the requirement of the question asked in the examination.

Q10. Mention five important objectives of Assam's Twelfth Five Year plan.

Ans: The important objectives Of Assam's Twelfth Five Year plan are :

(i) To accelerating the rate of annual economic growth to 10% in the coming decades so as to removed the gap between Assam's economy and economy of the best Indian states.

(ii) To formulate schemes for poverty eradication.

(iii) To frame measures for Controlling flood and erosion by means of up - to date technology and scientific management.

(iv) To Increase the rate of agricultural growth from 6% to 8%.

(v) To attain self - sufficient in power generation by employment of latest technology in power supply and distribution.

(vi) To accelerate the value of Assam's human development index by increasing the amount of investment in health and education sectors.

(vii) To prioritise skill formation for expansion of self employment opportunities and growth of micro, small and medium industries as well as cottage Industries.

(viii) To take measures of conserving biodiversity and deal with the problems of climate change.

(ix) To ensure good governance in the state and local bodies, e.g. panchayat, municipalities, etc.

Note : Students shall write any five points or per the requirement of question asked in the examination.