

Class XI ECONOMICS

CHAPTER - 1

INDIAN ECONOMY ON THE EVE OF INDEPENDENCE

IMPORTANT QUESTIONS

MULTIPLE CHOICE AND VERT SHORT ANSWER QUESTIONS (1 Mark)

Question 1

When was the first census data collected during British India?

- a) 1882
- b) 1881
- c) 1981
- d) 1985

Answer

(c) 1881

Question 2

What is Muslin?

Answer

Muslin is one of the finest cotton fabric available today. It is said to be the softest and the purest fabrics in the world. Believed to have originated decades ago, the fabric got the name from a British Indian port called Maisolos. In ancient days, people in Dhaka (now in Bangladesh) would hand-weave it from a delicate hand-spun yarn.

Question 3

What is commercialisation of agriculture and when did it began?

Answer

Commercialisation of agriculture is an occurrence in which agriculture is governed by commercial reflexion. Broadly certain important crops began to be grown not for consumption in village but for sale in national and international markets. Commercialization of agriculture in India began during the British rule.

Question 4

What was the life expectancy during British India and what is it today?

Answer

As per government data, life expectancy during British India was 32 years. Today it is 68 years.

Question 5

What was the importance of Suez Canal during British India?

Answer

Opening of Suez Canal in the year 1869 drastically reduced the cost of transportation of goods between Britain and India.

Question 6

What is GDP in economics?

Answer

The Gross Domestic Product deals with the value of economic activity of a country. It is equal to the total expenditures for all final goods and services produced within the country in a stipulated period of time. The Gross Domestic Product (GDP) in India was worth 2597.49 billion US dollars in 2017. The GDP value of India represents 4.19 percent of the world economy.

Question 7

When was Railways introduced in India?

- a) 1830
- b) 1860
- c) 1900
- d) 1853

Answer

(d) 1853, it was the year when railways started in British India.

Question 8

Iron and steel industries began coming up in which year?

- a) 19th Century
- b) 17th Century
- c) 14th Century
- d) 20th Century

Answer

(d) 20th Century has seen the beginning of Iron and steel industries in India.

Question 9

What was the infant mortality rate of British India?

Answer

Infant mortality rate was quite higher in British India, it was 218 per thousand.

Question 10

Which are the industries that were adversely affected due to partition of India?

Answer

The Jute and Textile industries were the most affected ones after partition.

Question 11

Name some individuals who tried to estimate colonial India's per capita income.

Answer

Some individuals like – Findlay Shirras, Dadabhai Naoroji, William Digby, V.K.R.V. Rao and R.C. Desai tried to estimate such figures. Although the results were inconsistent, the estimates of V.K.R.V. Rao are considered accurate.

Question 12

What were the motives behind deindustrialization by Britishers in India?

Answer

The main two motives behind the deindustrialization were to get superior quality of raw materials at very cheap rate from India and to sell machine made imported western goods at a very high rate in Indian market.

Question 13

What is export surplus?

Answer

The amount of goods and services that a country exports that is in excess of the amount of goods and services it imports is called export surplus.

Question 14

How did export surplus lead to economic drain of wealth during colonial rule?

Answer

Export surplus during the colonial times was itself an instrument to perpetuate the “drain of wealth” from India to Britain. In a way, whatever surplus India earned through excess exports, was siphoned off to colonial Britain under various expenses such as “home charges”, or military payments or remittances of British residents and officials in India to Britain, or interest payments.

Question 15

What percentage of labour were employed in manufacturing and service sector in pre independent India?

Answer

10% of workforce were engaged in manufacturing and 18% were engaged in service sector in pre independent India.

SHORT ANSWER QUESTIONS (3 OR 4 MARKS)

Question 16

What was the motive behind the deindustrialization by the colonial Govt. in India?

Or

What was the two fold motive behind the systematic deindustrialization effected by the British in pre independent India?

Answer

The following are the two-fold motive behind the systematic deindustrialization effected by the British.

- (i) **Making India a Supplier of Raw Materials:** - The main motive of the British Government was to make India a mere supplier of cheap raw materials to feed the own rapidly expanding industrial base.
 - (ii) **Making India a Market for Finished Goods:** - Another important objective of the British Government in deindustrialising Indian Economy was to use India as a large and growing market to sell the finished goods produced by the British Industries.
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Question 17

How did the introduction of railway system change Indian Economy?

Or

Discuss the changes railways brought to India?

Answer

The idea of introducing railways to India had been mooted as early as the 1830s. They had proposed to link the three ports of Bombay, Calcutta and Madras by a railways. It has helped India in breaking geographical

and cultural barriers because people could travel long distances. It aided the commercialization of Indian agriculture which severely affected the self-sufficiency of our villages. The volume of our trade expanded but the profits were not enjoyed by our people.

Question 18

What do you mean by economic drain during British India?

Or

Who has contested the theory of drain of wealth from India?

Or

What do you understand by the drain of Indian wealth during the colonial period?

Answer

Throughout the colonial rule, India became a net exporter of raw materials and a net importer of finished goods. During the colonial period, India was an export surplus country, but this did not mean any foreign exchange earnings or inflow of gold or silver to India. Whatever wealth came to India; in the form of bullion was utilized by the British rulers to maintain their offices in India. Thus, in spite of surplus exports, Indian did not get any benefit from the inflow of bullion or foreign exchange. This resulted in a huge drain of Indian wealth during the colonial period. The 'Drain of wealth' from India to England started after 1757, when the Company acquired political power and the servants of the Company a 'privileged status' and, therefore, acquired wealth through dastak, dastur, nazarana and private trade.

Question 19

How were traditional handicraft industries ruined under British rule in India?

Or

The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give reasons in support of your answer.

Or

How British rule ruined the life of artisans and craftsman in India?

Answer

The British economic policies destroyed the handicrafts and cottage industries of India which at one time formed the primary sources of trade and wealth. Cotton weaving and spinning industries, silk and woollen industries, pottery, paper, metal and tanning all were ruined by British. The policy of free trade followed by the East India Company helped them to dictate terms of trade. They compelled the Indian craftsmen to sell their goods below market price and they hired their services at below the prevailing wages. Indian goods were also subjected to high tariffs in the English market whereas the British goods gained duty free access

into the Indian markets. The Industrial Revolution closed foreign markets for Indian goods and British trade policy closed domestic market for Indian products. This phenomenon of the ruination of Indian handicrafts industries is most well known as Deindustrialization.

Question 20

How was the foreign trade in colonial period?

Or

Discuss the state of foreign trade during the British period

Or

Write short note on colonization effect on foreign trade of India.

Answer

At the beginning of 19th century, the share of India in the world economy was around 20% which was steadily increasing. By the time British left India the share was reduced to around 4%. Thus the colonial rule paralyzed the foreign trade also by a large proportion. Pre-colonial India enjoyed a worldwide market for its manufactured products. Shawls and carpets from Kashmir and Amritsar, silk sarees of Banaras and silk cloth of Nagpur are some examples. The Britishers aimed at diverting this large volume of trade for their benefits. In the light of British era, the foreign trade of India with rest of the world was cut off by the help of restrictive policies of commodity production, trade and tariff. As much as half of the foreign trade was restricted to Britain. The opening of Suez Canal intensified this control of Britishers over Indian foreign trade. There was no flow of gold or silver as a result of this surplus. Such brutalities eventually led to the dawn of a rising foreign trade aspect of India.

LONG ANSWER QUESTIONS (5 OR 6 MARKS)

Question 21

Why the impact of British rule is highly debated among historians?

Or

Was British colonialism good or bad for India?

Or

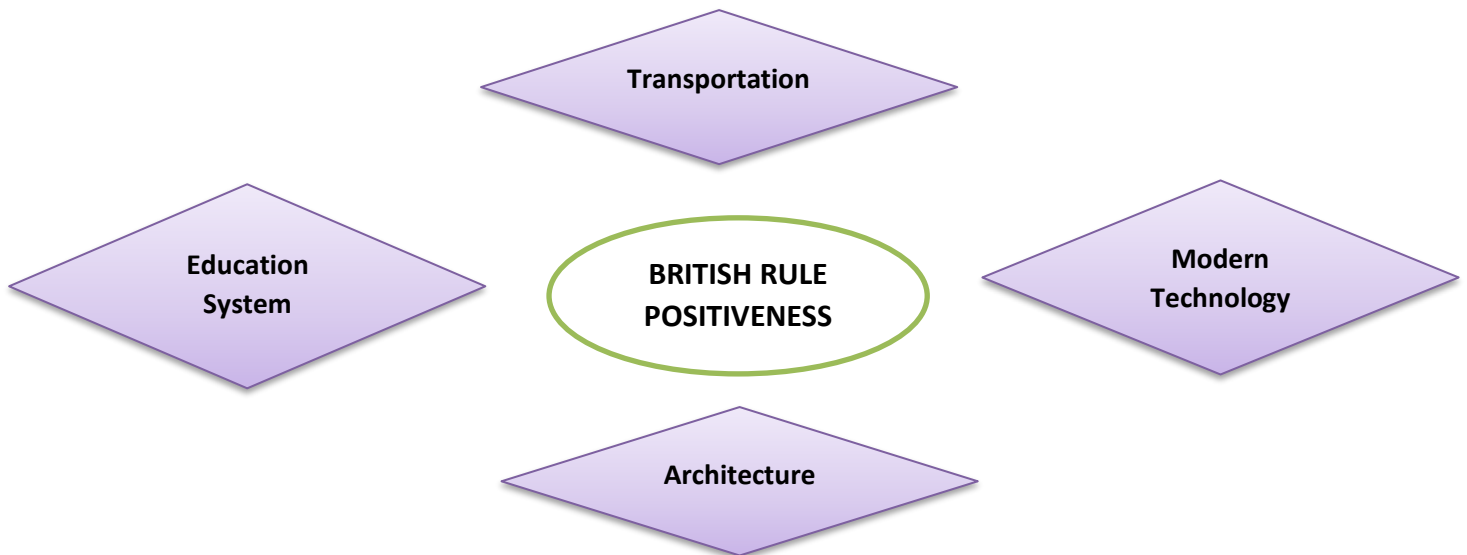
What were the benefits of British rule in India?

Answer

The rule of the British in India is possibly the most controversial and the most hotly debated aspect of the history of the British Empire. Critics of British rule generally point out that all of these benefits went to a tiny British ruling class and the majority of Indians gained little. Admirers of British rule counter this by saying that

most Indians were poor and oppressed by their own leaders before the British arrived, and that British rule was less harsh on ordinary Indians than rule by Indian princes.

Benefits of British rule is shown in the diagram below:



- **Transportation** - That time the means of transportation in India was bullock carts and other animals before the coming of the British. The British, for their benefits of transportation of raw materials from their place of origin to the ports, established a wide network of roadways and railways. The First Railway Line was the Red Hill Railroad Line, Madras. Opened in 1837 and was used for the transportation of granite stone. The First Passenger Railway line run from Mumbai to Thane in 1853. The postal service was introduced in 1853.
- **Education System**- India being a country of different languages spoken in different regions, the people remained divided. However, the British introduced compulsory English in the Educational system throughout the country with the aim of getting clerical staff among Indians. This helped them reduce the cost of administration. They also believed, the Indians educated through their system would gradually come to believe in their ideology. However, this benefited the Indians in a totally different manner. India had a common language for communication. Indians began to have a better outlook of the world, society and systems. It overall help modernize the people of India.
- **Architecture** - The Britishers left behind a large number of public buildings proud of its architectural splendour. The Rashtrapathi Bhavan, The Parliament House, Gateway of India and many more buildings. They also introduced the modern methods and means of construction to the country.
- **Modern Technology** - India took the ideas of liberty, equality, human rights, science and technology from the Britishers. Together with a well-planned education system, this paved the way for

modernisation in the country. A country that was unaware of the modern developments that was happening in the world. Sati, the system in which the widow was to commit suicide by burning herself in her husband's funeral fire, was banned in 1829. Sharda Act was passed in 1929 to prevent child marriage.

Question 22

Who were Zamindars? What was Zamindari system in British India?

Or

Write a short note on Zamindari system.

Or

How was the Zamindari system of land settlement?

Or

What were the various forms of revenue settlement adopted by the British in India? What was the impact of such systems in today's scenario?

Answer

Zamindari System was introduced by Lord Cornwallis in the year 1793 through Permanent Settlement Act in India. It was introduced in provinces of Bengal, Bihar, Orissa and Varanasi. The zamindars were recognised as the owners of land as long as they paid the revenue to the East India Company regularly. The zamindars, perceived as the Indian equivalent to the British nobility, had existed from the Post-Mauryan times and got a boost in the British period. They existed in almost every state from Kashmir, Himachal Pradesh, Haryana, Rajasthan, Uttar Pradesh, Punjab and Gujrat up to Chhattisgarh, Madhya Pradesh Hyderabad, Karnataka and Kerala. Tax from the land was a major source of revenue for the kings and emperors from ancient times. But the ownership pattern of land had witnessed changes over centuries. During Kingship, land was divided into Jagirs and were allotted to Jagirdars. These Jagirdars split the land they got and allocated to sub-ordinate Zamindars. Zamindars made peasants cultivate the land, in-return collected part of their revenue as tax. The first settlement made by the British was in Bengal.

British mainly adopted three types of land tenure systems.

- **Permanent Settlement /Zamindari System:** Roughly 19% of total area under British rule – Bengal, Bihar, Banaras, NWFP divisions.
- **Ryotwari System:** Covered about 51% of the area under British Rule – Assam, Bombay and Madras Presidencies.
- **Mahalwari System:** Covered 30% of area under British Rule – major parts of NWFP, central provinces and Punjab.

Following are the impact of Land Revenue System:-

- These land settlements introduced a market economy and removed customary rights. With cash payments of revenue, there was increased money-lending activity.
- The Land tenure system sharpened social differentiation. While rich had access to the courts to defend their properties, the poor didn't have any resources.
- The peasants were forced to grow commercial crops which led them to buy food grains at higher prices and sell the cash crops at low prices.
- The land revenue system of British in India shook the stability of Indian villages where majority of the people depended on agriculture and related activities. They became miserable if crop failed in any given year.
- Consequently, a large number of estates were advertised for sale at auction for arrears of revenue. Many ascribed it to the 'stupidity and rascality' of the tenant farmers in not paying the rents.

No wonder, rents reached sky high. This may be seen from the fact that, in 1793, revenue was fixed at 90% of the rental; by the end of the 19th Century, rents had risen to such an extent that revenue came to a mere 28% of the rental. This is an index both of the prosperity of the Zamindars as well as the injustice done to other parts of India where assessments were much heavier.

Question 23

Enumerate the reasons for the poor growth and productivity of the agricultural sector in colonial period.

Or

How were the conditions of peasants during British rule?

Or

What was the impact of the British rule on the agriculture of India?

Answer

Under the British, the condition of the Indian peasants deteriorated steadily. After obtaining the diwani of Bihar, Bengal and Orissa the Englishmen introduced different land revenue policies. During the pre-colonial period and also during the colonial period, Indian economy was dominated by agriculture sector. After the British invasion as well, the agriculture sector grew. Earlier India exported finished goods and imported raw materials. After the changes in the agricultural policies, which were directed to grow specific crops, India became the importer of finished goods and exporter of raw materials mainly to Britain. After the World War I there was a global agricultural crisis. British Era is also known as a period of commercial revolution in the agricultural sector. Cash transactions become the basis of exchange and largely replaced the barter system. The major reason of commercialization of agriculture was that India was now reduced to the supplier of raw

materials and food grains to Britain and importer of British manufactured goods. This era saw the introduction and proliferation of many crops as cash crops such as indigo, cotton, jute, tea, tobacco.

Impact of the British rule on the agriculture of India:

- Britishers introduced a new class of landlords called Zamindars who regarded land as their private property and aimed at obtaining maximum monetary gains out of it.
- The cultivators, the actual tillers of land, were mere tenants with no rights and could be evicted by the land-owners.
- The farmer was very often heavily in debt and in the clutches of the money-lenders, who, eventually, came to control the land and its produce.
- Agriculture production was no longer for use in the village only and much of it was sent to the market for sale.
- Farmers were forced to produce cash crop to feed the industries in England.
- It ruined the self-sufficiency of the village.
- The new revenue systems led to peasant indebtedness and commercialization of agriculture.
- This ultimately resulted in mass poverty and problem of landlessness.

The growing commercialization also helped the money-lender cum merchant to exploit the cultivator. The peasant was forced to sell his produce just after the harvest and at whatever price he could get as he had to meet in time the demands of the government, the landlord and the money-lender. Added to the above factors, was the increase of population pressure on agriculture weighted on the peasants heavily. The motive behind agricultural activities shifted from self-sustainability to commercialization focused upon the increase of profits of colonials. As a result, there was an increase in the yield of cash crops, but it helped the farmers in no way.

Q24. How was Indian economy before the advent of British colonial rule in India?

Or

What was the condition of India before Britishers?

Or

What were the real condition of India before the British arrived?

Answer

British controlled India for a period of over one hundred years. British Acquired Empire gradually piece by piece because of the conditions that were present in India before the arrival of British, weak central political power, competitions with European rivals, Military forces, and Mughal negligence were the major reasons

that led to the colonization. The British had no political power in India before entering in India but it was a gradual process that took more than two hundred years to produce British political power in India. The colonization of India was caused due to the conditions existed before arrival of British. British just took advantage of these conditions. As British started to enter India, Mughal Empire started to decline. This decline, due to the internal problems, led to increase regional powers. There was lack of centralized power that led British face less resistance and they quickly managed to gain power in subcontinent.

India was much more civilized than the Britishers. British were worse educated than the Indians. Education which came to India according to their view was also for the benefit of colonial rule. According to survey during the colonial rule, the proportion of those attending institutional school education in India during 1800 C.E. is certainly not inferior to what obtained in England then; and in many respects Indian schooling seems to have been much more extensive. The content of studies was better in India than in England. According to the census, there were about 16,000 centres of learning in the constituency of madras alone. This amounted to about three to four schools and a centre of higher education in each village.

Let us now look following points focusing the condition of pre-colonial India:-

- 1) **Political:** Caste was the dominant factor at that time, political power was in hands of upper castes only. Thakurs and Patils/Patels were political head of villages.
 - 2) **Economic:** Most of time they were exchanging these product or services to each other's. Gold was in importance at that time as well. Economy was mostly dependent on agriculture and related businesses.
 - 3) **Admin:** Administrative wise it was well managed. There were three levels of administration. Village was lowest autonomous unit of administration. Judiciary was not good, most of the time it was biased on basis of caste, relative and gender.
 - 4) **Social:** - Socially condition was worst, 'untouchability' and caste discrimination was at its peak. Woman had no place in social, political and economic decisions. Education was not allowed to anyone except Brahmins men, Even Brahmin women were not allowed for education.
 - 5) **Military:** Most of it was modelled based on Mughal military. Cavalry had very important role in military. It was systematic and powerful.
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