Planning in India Questions for CGL Tier 1 and SSC 10+2

Planning in India Quiz 2

Choose the right answer from the given options.

1. Which one of the following is NOT correct?

A. First Five Year Plan : 1951-56

B. Second Five Year Plan : 1956-61

C. Third Five Year Plan : 1961-66

D. Fourth Five Year Plan : 1966-71

2. Only one of the following can be the ex-officio Chairman of the Planning Commission. He is the:

A. Minister for Planning and Development B. Home Minister C. Prime Minister

D. Finance Minister

3. In the post-independence period, economic reforms were first introduced in India under:

A. Janata Party Government (1977)

B. Indira Gandhi Government (1980)

C. Rajiv Gandhi Government (1985)

D. P. V. Narasimha Rao Government (1990)

4. A rolling plan refers to a plan which:

A. does not change its targets every year

B. changes its allocations every year

C. changes its allocations and targets every year

D. changes only its targets every year

5. Which one of the following Five Year Plans of India had growth with social justice and equality for achieving its goal as the main focus?

A. VI B. VII C. VIII D. IX

6. Which one of the following pairs is NOT correctly matched?

A. First Five Year Plan : 1951-56 B. Third Five Year Plan : 1961-66

C. Fifth Five Year Plan : 1974-79 D. Ninth Five Year Plan : 1996-2001

7. Which of the following is/are included in 'Deficit Financing' in India. The term is used frequently in economic planning:

1. Borrowing from the Reserve Bank of India

2. Issue of new currency notes

3. Withdrawal of past balances/surpluses etc.

A. Only 1 B. Only 2 C. Only 3 D. All 1, 2 and 3 E. None of these

8. Which of the following is an extra-constitutional and non-statutory body?

A. Planning Commission B. Finance Commission C. Election Commission

D. Union Public Service Commission

9. Which one of the following is NOT within the duties of the Planning Commission?

A. To define the stage of growth and suggest allocation of resources.

B. To make an assessment of the material, capital and human resources of the country.

C. To determine the nature of machinery required for implementation of plan proposals.

D. To prepare the annual central budget.

10. Which Five Year Plan had an objective of 'Rapid industrialization with particular emphasis on development of basic and heavy industries'?

A. First B. Second C. Third D. Fourth

Correct Answers:

1	2	3	4	5	6	7	8	9	10
D	C	D	C	D	D	A	A	C	B

Explanations:

1.

List of Five Year Plans:

1. First Plan (1951–1956)
2. Second Plan (1956–1961)
3. Third Plan (1961–1966)
4. Fourth Plan (1969–1974)
5. Fifth Plan (1974–1979)
6. Sixth Plan (1980–1985)
7. Seventh Plan (1985–1990)
8. Eighth Plan (1992–1997)
9. Ninth Plan (1997–2002)
10. Tenth Plan (2002–2007)
11. Eleventh Plan (2007–2012)
12. Twelfth Plan (2012–2017)

Hence, the option D is correct.

2.

Prime Minister of India can only be the ex-officio Chairman of the Planning Commission, while the deputy chairperson of the commission is appointed by Union Government.

Hence, the option C is correct.

3.

The former prime minister P V Narasimha Rao, who spearheaded economic liberalisation policies in the early 1990s. He was often referred to as Chanakya for his ability to steer tough economic and political legislation through the parliament at a time when he headed a minority government.

Hence, the option D is correct.

4.

A rolling plan refers to a plan which changes its allocations and targets every year.

Hence, the option C is correct.

5.

The Ninth Five Year Plan came after 50 years of Indian Independence under the Prime Ministry of Atal Bihari Vajpayee. It focused on the relationship between the rapid economic growth and the quality of life for the people of the country. The prime focus of this plan was to increase growth in the country with an emphasis on social justice and equity.

Hence, the option D is correct.

6.

List of Five Year Plans:

1. First Plan (1951–1956)
2. Second Plan (1956–1961)
3. Third Plan (1961–1966)
4. Fourth Plan (1969–1974)
5. Fifth Plan (1974–1979)
6. Sixth Plan (1980–1985)
7. Seventh Plan (1985–1990)
8. Eighth Plan (1992–1997)
9. Ninth Plan (1997–2002)
10. Tenth Plan (2002–2007)
11. Eleventh Plan (2007–2012)
12. Twelfth Plan (2012–2017)

Hence, the option D is correct.

7.

Deficit financing is a method of meeting government deficits through the creation of new money. The deficit is the gap caused by the excess of government expenditure over its receipts. The expenditure includes disbursement on revenue as well as on capital account.

Advantage of Deficit Financing:

When the Government resorts to deficit financing, it usually borrows from the Reserve Bank. The interest paid to the Reserve Bank actually comes back to the Government in the form of profits.

Through deficit financing, resources are used much earlier than they can be otherwise. The development is accelerated. This technique enables the Government to get resources without much opposition.

Disadvantage of Deficit Financing:

1. It leads to increase in inflationary rise of prices of goods and services in the country.
2. Inflationary forces created by deficit financing are reinforced by increased credit credition by banks.
3. Investment caused by inflation may not be of the pattern sought under the plan. It normally changed.
4. If as a result of deficit financing inflation goes too far, it becomes self-defeating.

Hence, the option D is correct.

8.

The Planning Commission was established in March 1950 by an executive resolution of the Government of India, on the recommendation of the Advisory Planning Board constituted in 1946, under the chairman of K C Neogi. Thus the Planning Commission is neither constitutional nor a statutory body.

It is a non-constitutional (not created by the Constitution) and a non-statutory body (not created by an act of Parliament).

In India, it is the supreme organ of planning for social and economic development. It is not responsible for taking and implementing decisions. This responsibility rests with the Central and State governments.

The Planning Commission is only a staff agency- an advisory body and has no executive responsibility.

Hence, the option A is correct.

9.

Duties of Planning Commission of India:

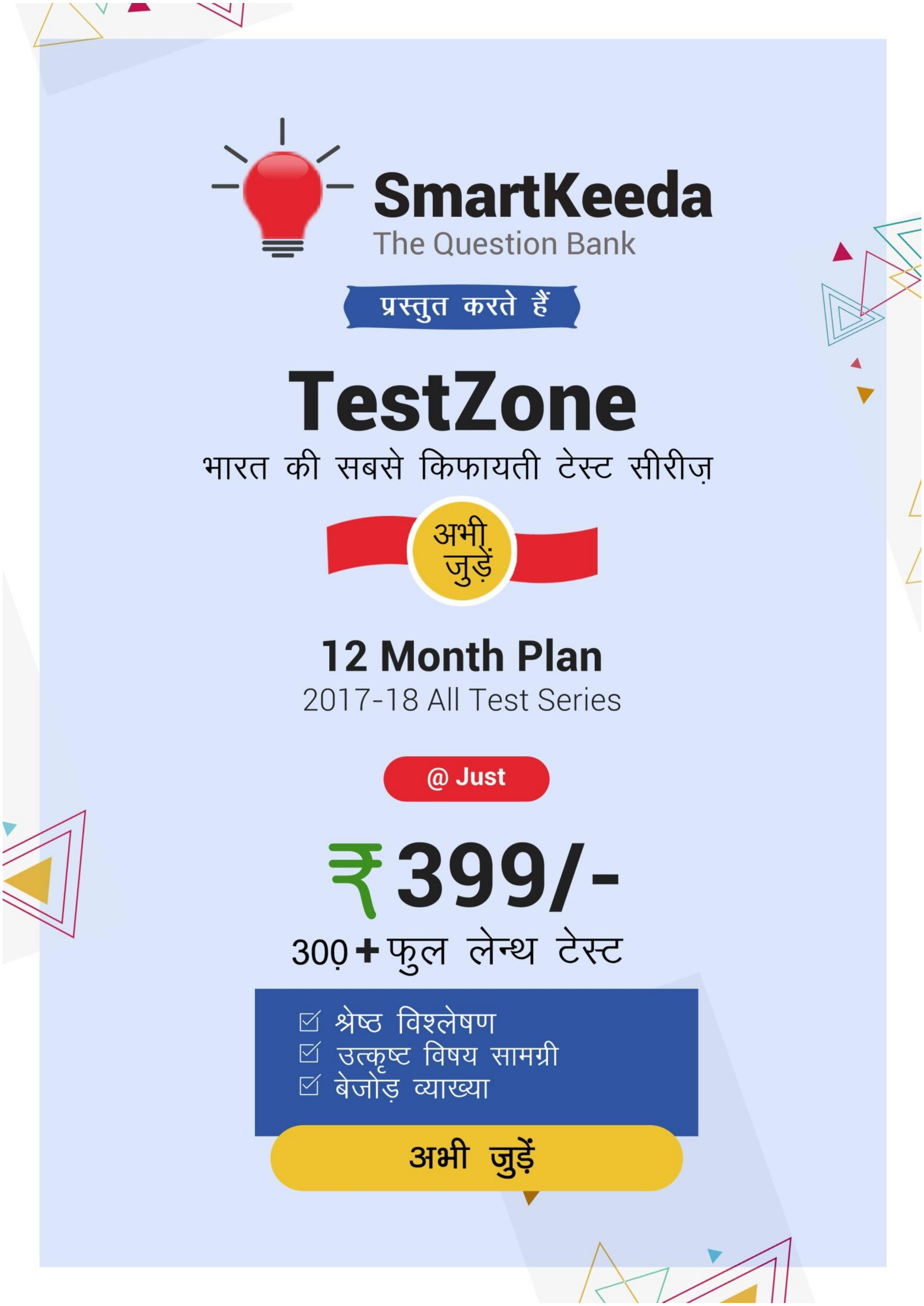
1. To make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting those are related resources which are found to be deficient in relation to the nation's requirement.
2. To formulate a plan for the most effective and balanced utilization of country's resources.
3. To define the stages, on the basis of priority, in which the plan should be carried out and propose the allocation of resources for the due completion of each stage.
4. To indicate the factors that tend to retard economic development.
5. To determine the conditions which need to be established for the successful execution of the plan within the incumbent socio-political situation of the country.
6. To determine the nature of the machinery required for securing the successful implementation of each stage of the plan in all its aspects.
7. To appraise from time to time the progress achieved in the execution of each stage of the plan and also recommend the adjustments of policy and measures which are deemed important vis-a-vis a successful implementation of the plan.
8. To make necessary recommendations from time to time regarding those things which are deemed necessary for facilitating the execution of these functions. Such recommendations can be related to the prevailing economic conditions, current policies, measures or development programmes. They can even be given out in response to some specific problems referred to the commission by the central or the state governments.

Hence, the option C is correct.

10.

The Second Five Year Plan was especially based on the development of the public sector. The plan followed the Mahalanobis model, an economic development model developed by the Indian statistician Prasanta Chandra Mahalanobis in 1953. The plan attempted to determine the optimal allocation of investment between productive sectors in order to maximise long-run economic growth. It used the prevalent state of art techniques of operations research and optimization as well as the novel applications of statistical models developed at the Indian Statistical Institute. The plan assumed a closed economy in which the main trading activity would be centred on importing capital goods.

Hence, the option B is correct.



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