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CHAPTER

Indian Economy on the Eve of Independence

1.1 INTRODUCTION

The main objective of this book, "*Indian Economic Development*" is to familiarise you with the basic features of the Indian economy and its process of development. In order to understand the various phases of development, it is important to first look at the state of India's economy prior to the country's independence and form an idea of the various considerations that shaped India's post-independence development strategy.

Origin of British Rule

The British rule over India changed the course of history in India. (The foundation of British Empire in India was laid by Battle of Plassey, fought in 1757)

Basic Purpose of British Rule

The main purpose of the British rule in India was to use Indian economy as feeder economy for the development of British economy. British colonial rule tempered the Indian economy very badly. They exploited India's natural as well as human resources for the glory of their own country. Finally, after 200 years of British rule, India gained independence from them on 15th August, 1947.

In this chapter: We will study a brief introduction to the state of the Indian Economy prior to independence and just after the attainment of independence. To appreciate the current economic status of India, we should understand the factors that led to the underdevelopment and stagnation of the Indian economy.

LEARNING OBJECTIVES

- 1.1 Introduction
- 1.2 Low Level of Economic Development under Colonial Rule
- 1.3 Agricultural Sector
- 1.4 Industrial Sector
- 1.5 Foreign Trade
- 1.6 Demographic Condition
- 1.7 Occupational Structure
- 1.8 Infrastructure
- 1.9 Positive Contributions of British Rule
- 1.10 State of Indian Economy on the Eve of Independence

1.2 LOW LEVEL OF ECONOMIC DEVELOPMENT UNDER COLONIAL RULE

Before the advent of British rule, Indian economy was characterised by the following features:

- **Prosperous Economy:** India was an independent, self-reliant and prosperous economy.
- **Agrarian Economy** (Agriculture was the main source of livelihood for most people and it engaged about two-third of the total population.)
- **Well Known Handicraft Industries** (India was also known for its handicraft industries in the fields of cotton and silk textiles, metal and precious stone works, etc. Handicraft products enjoyed a worldwide market due to their reputation for the fine quality of materials used and the high standards of craftsmanship)



Textile Industry in Bengal

Muslin, a cotton fabric of plain weave, is a type of cotton textile which had its origin in Bengal (now Bangladesh), specially in places in and around Dhaka (spelled as 'Dacca' during the pre-independence period).

- 'Daccai Muslin' had gained worldwide fame as an exquisite type of cotton textile and was exported to Europe, Middle East, and other markets in the 17th and 18th centuries.
- The finest variety of muslin was called malmal and foreign travellers also used to refer to it as malmal shahi or malmal khas, implying that it was worn by, or fit for, the royalty.

However, during the British rule, the economic policies pursued by the Colonial Government (British Government) in India, were concerned more with the protection and promotion of their own economic interests, than with the development of the Indian economy. Their policies brought a fundamental change in the structure of Indian economy. Their two-fold strategy (discussed later in the chapter under the heading 'De-industrialisation — Decline of Handicraft Industry') transformed the country into a supplier of raw materials and consumer of finished industrial products from Britain.



Meaning of Colonialism

Colonialism refers to a system of political and social relations between two countries, of which one is the ruler and the other is its colony. The ruling country not only has political control over the colony, but it also determines the economic policies of the dominated country.

In the case of India, the unequal relationship between the colony (India) and the ruling country (Britain) resulted in the underdevelopment of India.

Low Level of National Income and Per Capita Income

The economic condition of a nation can be judged with the data of national income and per capita income.

- However, no sincere attempt was made by the British Government to estimate India's national and per capita income.
- ✓ Some individual attempts were made by experts like Dadabhai Naoroji, William Digby, Findlay Shirras, V.K.R.V. Rao and R.C. Desai. But, all these estimates produced conflicting and inconsistent results.
- ✓ However, Dr. Rao's estimates of national and per capita incomes were considered very significant.

- Most studies revealed that the country's growth of aggregate real output during the first half of the twentieth century was less than 2% and only 0.5% growth in per capita output per year.

1.3 AGRICULTURAL SECTOR

During the pre-British period, the condition of Indian agriculture was not at all satisfactory.

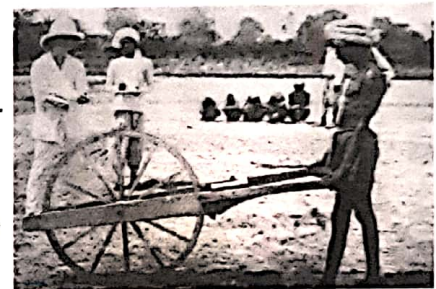
- India's economy under the British colonial rule was overwhelmingly rural and agricultural in character.
- Nearly 85% of the country's population lived mostly in villages and derived livelihood, directly or indirectly from agriculture.
- Even with this large proportion of population engaged in agriculture, the country was not self-sufficient in food and raw materials for industry.

Main Reasons for Stagnation in Agricultural Sector

The stagnation in the agricultural sector was caused due to the following reasons:

1. **Land Settlement System:** The most important reason for stagnation in agricultural sector was the introduction of 'Zamindari System' by the colonial government.

- Under this system, profits accruing out of agricultural sector went to the zamindars in the form of 'lagaan'.
- The main interest of the zamindars was only to collect *lagaan* regardless of the economic condition of the cultivator.
- The dates for depositing specified sums of *lagaan* with the British Government were also fixed, failing which the zamindars would lose their rights.
- The zamindars and the colonial government did nothing to improve the condition of agriculture.



Stagnation in Agricultural sector during the British colonial rule

Zamindari System

Zamindari System (also known as Permanent Settlement System) was introduced by Lord Cornwallis in 1793. The basic aim for starting this was to increase the revenue of Colonial Government. Under this 'Land Tenure System', zamindars merely collected rent from the actual tillers of the soil.

- Under the system, zamindars were recognized as owners of the land and were given the rights to collect the rent (**Lagaan**) from the farmers. Thus, the zamindars were to function as intermediaries between the cultivators and the British Government.
- This system was based on exploitation as zamindars were allowed to extract as much rent or *lagaan* as they wished. So, zamindars imposed exorbitant *lagaan* and the rates of *lagaan* were so high that farmers were not left with enough foodgrains to feed themselves.
- This made the farmers economically and physically weak. Zamindars were only interested in pleasing the British Government and did nothing to improve the condition of agriculture.

2. **Commercialisation of Agriculture:** Commercialisation of agriculture means the production of crops for sale in the market rather than for self consumption.

- During the British rule, farmers were given higher prices for producing cash crops, like cotton or jute. However, this did not improve the economic condition of farmers

because instead of producing food crops, they were producing cash crops, which were to be ultimately used by British Industries.

- Thus, British rule promoted shifting of crops from food crops to cash crops.

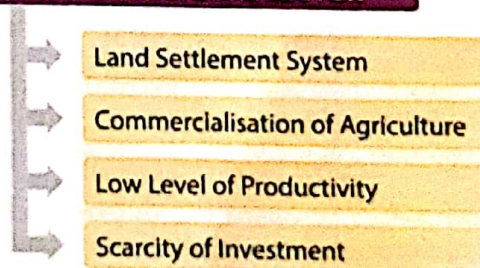
Commercialisation of Agriculture resulted in Famines

- During the British rule, agriculture was commercialised to cater to the needs of the British industries for necessary raw materials.
- The British industrialists were always in need of raw materials like cotton, jute, groundnut, sugarcane, etc. to keep their factories running.
- By offering high prices, they attracted Indian peasants to produce commercial crops instead of food crops. Moreover, India was forced by British rulers to export food grains, which were in short supply in Britain.
- The extent of commercial agriculture went so far as to make many peasants purchase their food requirements from shops in towns. Commercialisation of Indian agriculture adversely affected the self-sufficiency of village economies in India.
- This fall in the production of food crops was responsible for frequent famines in India during the British days.

3. **Low level of Productivity:** Low levels of technology, lack of irrigation facilities* and negligible use of fertilizers resulted in low level of productivity.

- The cultivator had neither the means nor any incentive to invest in agriculture.
- The zamindar had no roots in the villages, while the British rule spent little on agricultural, technical or mass education.
- All this made it difficult to introduce modern technology, which caused a perpetually low level of productivity.

MAIN REASONS FOR STAGNATION IN AGRICULTURAL SECTOR



*Farmers basically depended upon rainfall to irrigate their crops.

4. **Scarcity of Investment:** India's agriculture was facing scarcity of investment in terracing, flood-control and drainage. Although some farmers changed their cropping patterns from food crops to commercial crops, a large section of tenants, small farmers and sharecroppers* neither had resources and technology nor had incentives to invest in agriculture.

*Sharecropping is a form of agriculture in which a landowner allows a tenant to use the land in return for a share of the crops produced on their portion of land.

Adverse Effects of Partition

India's agricultural production received a further setback due to the country's partition at the time of independence.

- A sizeable portion of the undivided country's highly irrigated and fertile land went to Pakistan.
- Almost, the whole of jute producing area became part of East Pakistan (now Bangladesh). India's jute goods industry, which had enjoyed a world monopoly so far, suffered heavily for lack of raw material.

1.4 INDUSTRIAL SECTOR

Although agriculture had dominated the Indian economy during the pre-British period, but some Indian industries, producing certain special products, enjoyed a worldwide reputation. India was particularly well known for its handicraft industries.

Like agriculture, India could not develop a sound industrial base under the British rule. *The poor state of Industrial sector during the British rule is illustrated in the following points:*

1. **De-industrialisation — Decline of Handicraft Industry:** British Government systematically destroyed Indian handicraft industries and no modern industrial base was allowed to come up. *The primary motive of British rule behind the de-industrialisation was two-fold:*
 - (i) To get raw materials from India at cheap rates to be used by upcoming modern industries in Britain;
 - (ii) To sell finished products of British industries in Indian market at higher prices.

The two-fold policy of British rule was enforced to ensure the maximum advantage of their home country.

Reasons for Decline of Handicraft Industry

The main reason for decline of India's renowned handicraft industry was the introduction of '**Discriminatory Tariff Policy**' by the colonial government, according to which:

- There was Duty-free export of raw materials from India; and
- There was Duty-free import of final goods of British industry to India;
- But, heavy duty was imposed on the export of Indian handicrafts.

As a result, Indian markets were full of finished goods from Britain which were low priced. It led to the decline of Indian handicrafts, both in the domestic market as well as in the export market. Moreover, Indian craftsmen were unable to introduce new patterns and designs, which suited European tastes.

2. **Adverse effects of decline of Handicraft Industry:** Decline of handicraft industries adversely affected the Indian economy in the following ways:
 - (i) **High Level of Unemployment:** The decline of Indian handicrafts resulted in unemployment on a mass scale. The displaced artisans were forced to take up agriculture for their livelihood. This increased the burden of population on villages and over-crowding in agriculture.
 - (ii) **Import of Finished Goods:** The Indian-made goods could not withstand the foreign competition of machine-made cheap goods. It resulted in a new demand in Indian consumer market, which was not fulfilled through locally made goods. Rather, this demand was profitably met by increasing imports of manufactured goods from Britain.
3. **Lack of Capital Goods Industries:** *Capital goods industry refer to those industries that can produce machine tools, which are, in turn, used to produce articles for current consumption.*
 - During the British rule, there was hardly any capital goods industry to promote further industrialisation in India.
 - British rulers did not pay any attention to their promotion as they always wanted Indians to be dependent on Britain, for the supply of capital goods and heavy equipments.

4. **Low contribution to Gross Domestic Product (GDP):** The growth rate of the new industrial sector and its contribution to the GDP or Gross Value Added (GVA) remained very small.
5. **Limited role of Public Sector:** Due to lack of public investment, India could not develop a sound industrial base under the colonial rule. The Public sector remained confined only to the railways, power generation, communications, ports and some other departmental undertakings.

Finally, it can be concluded that India remained backwards in the industrial sector during the British rule.



Modern Industries operating during Independence

Due to initiative of the private sector, modern industries started to emerge during the second half of the 19th century.

- The industries established in this period were mainly confined to cotton textile and jute mills and their progress remained very slow.
- The cotton textile mills were mainly dominated by Indians and were located in the western parts of the country, namely, Maharashtra and Gujarat.
- The jute mills dominated by foreigners were mainly concentrated in Bengal.
- The major breakthrough was setting up of Tata Iron and Steel Company (TISCO) in the year 1907 in Jamshedpur (Bihar). *(From the year 2000, Jamshedpur is a city situated in Jharkhand state)*
- A few other industries in the fields of sugar, cement, paper, etc. also came up after the Second World War.

1.5 FOREIGN TRADE

India has been an important trading nation since ancient times. However, the restrictive policies adopted by the colonial government adversely affected the structure, composition and volume of India's foreign trade.

The state of India's foreign trade during British rule is discussed as under:

1. **Exporter of Primary Products and Importer of Finished Goods:** India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, jute, etc. and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery, produced in the British Industries.
2. **Monopoly Control of British Rule:** The British Government maintained a monopoly control over India's exports and imports.
 - (More than $\frac{1}{2}$ of India's foreign trade was restricted to Britain, while the rest was allowed with a few other countries like China, Ceylon (Sri Lanka) and Persia (Iran))
 - (The opening of the Suez Canal in 1869 served as a direct route for the ships operating between India and Britain.)

3. **Drain of Indian wealth during British rule:** Under the British rule, India became an exporter of primary products (raw material) and an importer of finished goods. There was a huge export surplus due to excess exports. However, export surplus was used:

- (i) To make payments for expenses incurred by an office set up by the colonial government in Britain.
- (ii) To meet expenses on war fought by the British government.
- (iii) To import invisible items.

(services)

Trade through the Suez Canal

Suez Canal is an artificial waterway running from north to south across the Isthmus of Suez in north-eastern Egypt.

- The opening of Suez Canal in 1869 reduced the cost of transportation and made access to the Indian market easier.
- The canal provided a direct trade route for ships operating between Britain and India and avoided the need to sail around Africa.
- Strategically and economically, it is one of the most important waterways in the world.



In 1869, the Suez Canal was opened, greatly reducing the distance between Britain and India by some 5,100 miles as ships no longer needed to travel around southern Africa.

1.6 DEMOGRAPHIC CONDITION

Demographic conditions during the British Rule exhibited all features of a stagnant and backward Indian economy.

- **1st Official Census:** The first official census was conducted in the year 1881. Though suffering from certain limitations, the census revealed unevenness in India's population growth. From 1881 onwards, census operations were carried out after every ten years.
- **1921: Year of the Great Divide:** Before 1921, India was in the first stage of demographic transition. The second stage of transition began after 1921. So, the year 1921 is described as the 'Year of the Great Divide'.

Why is 1921 called the 'Year of Great Divide'?

- Before 1921, India was in the first stage of demographic transition with very high birth and high death rates. The death rate fluctuated from year to year, and as a consequence, the size of population remained almost stationary.
- With the beginning of decline in death rates, the population of the country entered the 2nd stage of transition. The second stage of transition began after 1921. From the year 1921 onwards, India's population never declined and recorded a consistent rise. Due to this reason, 1921 is called 'Year of Great Divide'.

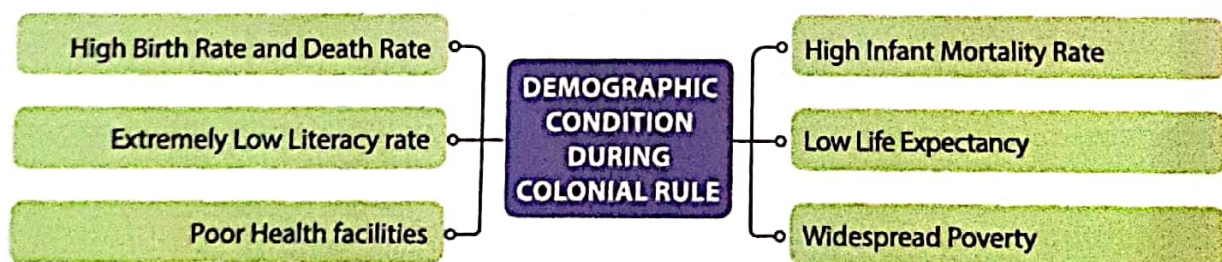
The demographic condition during the Colonial rule is described in the following points:

- High Birth Rate and Death Rate:** Birth Rate refers to number of children born per thousand in a year. Death rate refers to number of people dying per thousand persons in a year. Both birth rate and death rate were very high at nearly 48 and 40 per thousand respectively.
- Extremely Low Literacy rate:** Literacy rate refers to total number of literate persons, expressed as a percentage of the total population. The overall literacy level was less than 16%. Out of this, the female literacy level was at a negligible low of about 7%.
- Poor Health facilities:** Public health facilities were either unavailable to large mass of population or, when available, were highly inadequate. As a result, water and air-borne diseases were widespread and took a huge toll on life.
- High Infant Mortality Rate:** Infant mortality rate refers to number of infants dying before reaching one year of age per 1,000 live births in a year. The infant mortality rate was quite alarming – about 218 per thousand, in contrast to the infant mortality rate of 33 per thousand in 2017, 32 per thousand in 2018 and 25 (approx.) per thousand in 2024.
- Low Life Expectancy:** Life Expectancy refers to the average number of years for which people are expected to live. Life expectancy was also very low - 32 years, in contrast to the present 67 years.
- Widespread Poverty:** There was no reliable data about the extent of poverty. But, there is no doubt that extensive poverty prevailed in India during the colonial period. The overall standard of living of common people in India was very low and there was widespread poverty in the country.



Poverty, malnutrition and poor health facilities led to high death rate during British Rule

It can be concluded that British rule was the main reason to worsen the profile of India's population.



1.7 OCCUPATIONAL STRUCTURE

Occupational structure refers to distribution of working persons across primary, secondary and tertiary (service) sectors of the economy. So, all the production units of an economy are grouped into three broad sectors:

- Primary Sector:** It includes production units exploiting natural resources like land, water, subsoil assets, etc. For example, farming, fishing, mining, animal husbandry, forestry, etc.
- Secondary Sector:** It includes production units which are engaged in transforming one good into another good. These units convert raw materials into finished goods. For example, firms engaged in converting sugarcane into sugar, construction companies, power generation, etc. It is called secondary because it depends on primary sector for raw materials.

- **Tertiary Sector:** It includes production units engaged in providing services. For example, transport, education, finance, government administration, etc. This sector finds third place because its growth is primarily dependent on primary and secondary sectors.

During the colonial period, the occupational structure of India showed little sign of change. The state of occupational structure during the British rule can be summarized as under:

1. **Predominance of Primary Occupation:** The agricultural sector accounted for the largest share of the workforce with 70-75%. The manufacturing and service sectors accounted for 10% and 15-20% respectively.
2. **Regional Variation:** Another striking aspect was the growing regional variation.
 - The states of *Tamil Nadu, Andhra Pradesh, Kerala, Karnataka, Maharashtra and West Bengal witnessed a decline in the dependence of the workforce on the agricultural sector with a commensurate increase in the manufacturing and service sectors.
 - **'Madras Presidency'** until 1937, included most of southern India, including all of present day Andhra Pradesh, almost all of Tamil Nadu and parts of Kerala, Karnataka, Odisha and Telangana in the modern day.
 - However, during the same time, there had been an increase in the share of the workforce in agriculture in states such as Orissa, Rajasthan and Punjab.

1.8 INFRASTRUCTURE

Infrastructure refers to all such activities, services and facilities, which are needed to provide different kinds of services in an economy. It includes infrastructure associated with means of transport, communication, energy and banking (i.e. Economic Infrastructure) and infrastructure associated with facilities of health, education and housing (i.e. Social Infrastructure).

The infrastructure facilities during British rule were very poor. Some efforts were made to develop basic infrastructure like roads, railways, ports, water transport, posts and telegraphs. But, the main motive behind such infrastructural development was to serve various colonial interests. *The state of infrastructure as inherited from the British rule is discussed below:*

1. **Roads:** The colonial administration could not accomplish much on construction of roads due to scarcity of funds.
 - The roads that were built, primarily served the interests of mobilising the army and shifting raw materials.
 - There has always remained an acute shortage of all weather roads to reach out to rural areas during the rainy season. As a result, people living in these areas suffered badly during natural calamities and famines.
2. **Railways:** The most important contribution of the British rule was to introduce railways in India in 1850. *The railways affected the structure of the Indian economy in two important ways:*
 - (i) Railways enabled people to undertake long distance travel. It broke geographical and cultural barriers and promoted national integration.



India's First Passenger Train ran from Bombay to Thane, a distance of 34 km on 16th April, 1853

(ii) It enhanced commercialisation of Indian agriculture, which adversely affected the comparative self-sufficiency of the village economies in India.

Railways also promoted foreign trade but they benefited the Britishers more than the Indians. The construction of railways led to huge economic losses to the Indian economy.

3. **Air and Water Transport:** The British Government took measures to develop water and air transport. However, their development was far from satisfactory.

Inland waterways proved to be uneconomical, as in the case of the Coast Canal on the Orissa coast. This canal was built at a huge cost, but it failed to compete with the railways, and finally, canal had to be abandoned.

4. **Communication:** Posts and telegraphs were the most popular means of communication.

- The introduction of the expensive system of electric telegraph in India served the purpose of maintaining law and order.
- The postal services, despite serving a useful public purpose, remained all through inadequate.



J.R.D. Tata, pioneer of Indian aviation, in 1932



India's First Postal Stamp was released in 1852 in circular shape.

Reasons for Infrastructural Development

The basic objective of British Government to develop infrastructure was not to provide basic amenities to the people, but to serve its own colonial interests.

1. The *Roads* were built to mobilize the army within India and for drawing out raw materials from the countryside to the nearest railway station or port and send them to England or other lucrative foreign destinations.
2. *Railways* were developed by the Britishers mainly for three reasons:
 - (i) To have effective control and administration over the vast Indian territory;
 - (ii) To earn profits through foreign trade by linking railways with major ports;
 - (iii) To make profitable investment of British funds in India.
3. The system of *Electric Telegraph* was introduced at a high cost to serve the purpose of maintaining law and order.

Conclusion

By the time India won its independence in 1947, the impact of 200 years of British colonial rule was already showing on all aspects of the Indian economy. *Following points are the clear proofs of economic underdevelopment during the British period.*

- The constant per capita income over a long period.
- Increasing dependence of population on agriculture.
- The Zamindari System.
- Traditional methods of cultivation.
- High-frequency of Famines.
- Destruction of Indian Handicrafts.
- Inadequate industrialisation.

The hostile policy of the British Government led to the complete ruin of the Indian economy.

British Rule – Systematic Exploitation of India

The various forms of exploitation by the Britishers on the Indian economy can be broadly analysed with the following points:

- (i) India remained an agricultural country throughout the British period and its agricultural sector remained totally backward. There was commercialisation of agriculture, to serve the interests of Great Britain.
- (ii) British rulers never tried to modernise the prevailing industrial structure of India. There was large-scale destruction of world famous handicrafts and cottage industries in the country.
- (iii) By following the policy of discriminating protection, Britishers gained complete control over the entire Indian market.
- (iv) British rulers gradually transformed the Indian economy into a primary producing country, exporting only agricultural products and raw materials necessary for industries in Britain and importing finished goods from Britain.
- (v) To promote foreign trade and to exploit natural resources of India to their advantage, British rulers built up economic infrastructure, including roads and railway networks, ports and shipping, irrigation and electricity, etc.
- (vi) The British rulers thoroughly exploited the Indian economy through economic drain.

The aforementioned nature of exploitative policies of the British rulers resulted in large-scale poverty, stagnation and backwardness of the Indian economy, along with a huge drain of economic resources of the country to Great Britain.

1.9 POSITIVE CONTRIBUTIONS OF BRITISH RULE

British Rule also had some positive effects on the Indian economy. They are discussed as under:

1. **Growth in Agricultural Sector:** Although agricultural productivity was very low during the British Rule, but in absolute terms, there was growth in agricultural sector due to expansion of aggregate area under cultivation.
2. **Better means of transportation:** Development of roads and railways provided a cheap and rapid transport system and opened up new opportunities for economic and social growth.
3. **Check on Famines:** Roads and railways worked as a great check on the occurrence and impact of famines as food supplies could be transported to the affected areas in case of droughts.
4. **Uniformity in Monetary System:** British rule helped to bring uniformity in the monetary system in the Indian economy and there was enactment of Coinage Act of 1835. The British rule also undertook to build a banking system that could handle the deposits and loans necessary for the smooth functioning of domestic and foreign commerce.
5. **Effective administrative setup:** The British Government had an efficient administration system, which served as a ready reckoner for Indian politicians.

1.10 STATE OF INDIAN ECONOMY ON THE EVE OF INDEPENDENCE

During the British rule, the Britishers transformed the Indian economy into a colonial, backward, semi-feudal, stagnant, backward, depleted and amputated economy.

1. **Colonial Economy:** In India, colonial exploitation has a long history, spread over nearly 200 years.

- British rule resulted in huge drain of wealth from India, in order to facilitate growing British industry with the supply of raw materials from India.
- They also encouraged commercialisation of Indian agriculture to transform Indian economy into a British colony.
- The impact of the British colonial policy was deep on India, even at the time of Independence.

2. **Semi-feudal Economy:** By the end of the British period, there were two aspects of the Indian economy.

- *Introduction of Feudal System:* The land settlement system gave birth to feudal relations (landlord-tenant relations). The landlords used to charge very high rate of lagaan and were very cruel to the cultivators.
- *Introduction of Capitalist System:* The establishment of modern industries led to creation of two classes - capitalist and labourers.

So, India inherited the features of both feudal and capitalist system in the Indian economy.

3. **Stagnant Economy:** *A stagnant economy is one that is growing at a very low rate.* On the eve of independence, Indian economy was a stagnant economy as country's growth of aggregate real output during the first half of 20th century was less than 2% and growth in per capita output was only 0.5%.

4. **Backward Economy:** At the end of British rule, Indian economy was backward and underdeveloped. *The main reasons for the backwardness of Indian economy were:*

- Low level of productivity;
- Low per capita income;
- Traditional methods of agriculture;
- High birth and death rate;
- Mass illiteracy.

5. **Depleted (or Depreciated) Economy:** At the time of independence, Indian economy was a 'Depleted Economy'. *Depleted Economy refers to an economy, where no arrangements have been made to replace the physical assets, depreciated due to excessive use.*

- During the 2nd World War, Indian industries had to work beyond their capacities to meet the increased demand of plant, machinery, equipments, etc. for the war.
- However, British rulers did not make any arrangements to replace the depreciated physical assets. As a result, British rulers had left a seriously depleted economy.

6. **Amputated Economy:** The Britishers policy of 'divide and rule' always promoted discrimination between various groups on the basis of religion, caste, language and culture.

- As a result, on the eve of Independence, country was geographically divided into two parts: India and Pakistan.
- Partition of the country virtually disrupted the economy due to: (i) Problem of rehabilitation of large number of refugees from Pakistan; and (ii) Shortage of raw material for jute and cotton mills as most of the cotton and jute growing areas went to Pakistan.



REVISION OF KEY POINTS

- **Basic Purpose of British Rule in India** was to use Indian Economy as feeder economy for the development of British Economy.
- **Before the Advent of British Rule**, Indian Economy was: (i) Prosperous Economy; (ii) Agrarian Economy; and (iii) Well Known for its Handicraft Industries.
- **Effect of British Rule:** The economic policies pursued by Colonial Government were concerned more with the protection and promotion of their own economic interests. Their policies brought a fundamental change in the 'Structure of Indian Economy'.
- **Agricultural Sector:** During the British Rule, India's economy was overwhelmingly rural and agricultural in character. There was stagnation in the agricultural sector caused due to the following reasons:
 - (i) *Land Settlement System:* All the profits accruing out of agricultural sector went to the zamindars in the form of 'lagaan' and they did nothing to improve agricultural condition.
 - (ii) *Commercialisation of Agriculture:* Crops were produced for sale in the market rather than for self consumption. Farmers were induced by higher price for producing cash crops so that they could be used as raw material for British Industries.
 - (iii) *Low Level of Productivity:* Low levels of technology, lack of irrigation facilities and negligible use of fertilizers resulted in low level of productivity.
 - (iv) *Scarcity of Investment:* India's agriculture was facing scarcity of investment in terracing, flood-control and drainage.
- **Industrial Sector:** India's Industrial sector was in poor state during the British rule.
 - (i) *De-industrialisation – Decline of Handicraft Industry:* British Government systematically destroyed Indian handicraft industries to satisfy two motives: (a) To get raw materials from India at cheap rates to be used by upcoming modern industries in Britain; and (b) To sell finished products of British industries in Indian market at higher prices.
 - (ii) *Adverse effects of decline of Handicraft Industry:* The decline of Indian handicrafts resulted in: (a) Heavy Unemployment; and (b) Increase in import of finished goods from Britain.
 - (iii) *Lack of Capital Goods Industries:* During the British rule, there was hardly any capital goods industry and British rulers did not pay any attention for their promotion.
 - (iv) *Low contribution to Gross Domestic Product (GDP).*
 - (v) *Limited role of Public Sector:* Public sector remained confined only to the railways, power generation, communications, ports and some other departmental undertakings.
- **Foreign Trade:** The restrictive policies adopted by colonial government adversely affected the India's foreign trade.
 - (i) India became an exporter of primary products and an importer of finished consumer goods.
 - (ii) British Government maintained a monopoly control over India's exports and imports. The Suez Canal served as a direct route for the ships operating between India and Britain.
 - (iii) *Drain of Indian wealth during British Rule:* Export Surplus was used: (a) To make payments for expenses incurred by an office set up by the colonial government in Britain; (b) To meet expenses on war fought by the British government; and (c) To import invisible items.
- **Demographic Condition:** First official census conducted in 1881 revealed unevenness in India's population growth. Year 1921 is described as the 'Year of the Great Divide'.
 - (i) High Birth Rate & Death Rate
 - (ii) Extremely Low Literacy rate

- (iii) Poor Health facilities
 - (iv) High Infant Mortality Rate
 - (v) Low Life Expectancy
 - (vi) Widespread Poverty
- **Occupational Structure:** During the colonial period, the occupational structure of India showed little sign of change.
 - (i) Predominance of Primary Occupation, i.e. Agricultural Sector.
 - (ii) *Regional Variation:* Some states witnessed a decline in dependence of workforce on the agricultural sector with a commensurate increase in the manufacturing and service sector. However, there has been an increase in the share of workforce in agriculture in other states such as Orissa, Rajasthan & Punjab.
 - **Infrastructure:** The infrastructural facilities during British rule were very poor.
 - (i) *Roads:* The British rulers could not accomplish much on construction of roads. The roads that were built, primarily served the interests of mobilising army and shifting raw materials.
 - (ii) *Railways:* The most important contribution of the British rule was to introduce railways. The railways affected the structure of Indian economy in two ways: (a) Railways enabled people to undertake long distance travel; (b) It enhanced commercialisation of Indian agriculture.
 - (iii) *Air and Water Transport:* The measures taken for developing water and air transport were far from satisfactory.
 - (iv) *Communication:* Introduction of electric telegraph served the purpose of maintaining law and order. The postal services remained inadequate.
 - **State of Indian Economy on the Eve of Independence**
 - (i) *Colonial Economy:* In India, colonial exploitation has a long history and British rule, which resulted in huge drain of wealth from India.
 - (ii) *Semi-feudal Economy:* By the close of British period, there were two aspects of Indian Economy: (a) Introduction of Feudal System; and (b) Introduction of Capitalist System.
 - (iii) *Stagnant Economy:* Indian economy was a stagnant economy as country's growth of aggregate real output during the first half of 20th century was less than 2%.
 - (iv) *Backward Economy:* Indian economy was backward and underdeveloped due to many reasons, like low level of productivity, traditional methods of agriculture, etc.
 - (v) *Depleted (or Depreciated) Economy:* It refers to an economy, where no arrangements have been made to replace the physical assets, depreciated due to excessive use.
 - (vi) *Amputated Economy:* The Britishers policy of 'divide and rule' always promoted discrimination between various groups on the basis of religion, caste, language and culture.

Important Dates Relevant to this Chapter

Battle of Plassey	1757
Introduction of Zamindari System or Permanent Settlement System by Lord Cornwallis	1793
Introduction of Railways in India by the British	1850
Launch of First Postal Stamp	1852
First Railway Bridge linking Bombay with Thane	1853
Opening of Suez Canal	1869
First Official Census	1881
Setting up of Tata Iron and Steel Company (TISCO)	1907
Year of Great Divide	1921
Pioneer of Indian Aviation (Airlines by Tata)	1932
India's Independence	1947



HOTS: HIGHER ORDER THINKING SKILLS QUESTIONS

Q. 1. State with reason whether the following statements are True or False:

- (i) India's Economy was poor and backward before the Colonial Rule.
- (ii) India was well known for its handicraft industries before the advent of British Rule.
- (iii) Primary motive of de-industrialisation by the British Rule was to promote India's economy.

Ans. (i) False. India's Economy was independent, self-reliant and prosperous before the Colonial Rule.
 (ii) True. Indian handicraft industries enjoyed worldwide reputation.
 (iii) False. Their primary motive was: (a) To get raw materials from India at cheap rates; and (b) To sell finished products of British industries in Indian market at higher prices.

Q. 2. "There was huge 'Drain of Wealth' during British Rule." Do you agree with the given statement?

Ans. Yes, I agree with the given statement. During the British rule, India became an exporter of primary products and there was huge export surplus due to excess exports. However, this export surplus, i.e. wealth was used:

- (i) To make payments for expenses incurred by an office set up by the colonial government in Britain.
- (ii) To meet expenses on war fought by the British government.
- (iii) To import invisible items.

Q. 3. "Indian agricultural sector did not suffer due to Partition." Defend or Refute.

Ans. The given statement is refuted. India's agricultural production received a set-back due to the country's partition at the time of independence.

- A sizeable portion of undivided country's highly irrigated and fertile land went to Pakistan.
- Almost, the whole of jute producing area became part of East Pakistan (now Bangladesh). India's jute goods industry, which had enjoyed a world monopoly, suffered heavily for lack of raw material.

Q. 4. "India became exporter of primary products and importer of finished goods during the British Rule." Comment.

Ans. The given statement is correct. British Government systematically destroyed Indian handicraft industries and their primary motive behind this de-industrialisation was two-fold: (i) To get raw materials from India at cheap rates to be used by upcoming modern industries in Britain; (ii) To sell finished products of British industries in Indian market at higher prices.

As a result, India became an exporter of primary products such as raw silk, cotton, wool, etc. and an importer of finished consumer goods like cotton, silk, woollen clothes, etc. produced in the British Industries.

Q. 5. "Demand for Indian Handicrafts in Indian market as well as foreign market was systematically destroyed by Britishers." Defend or refute.

Ans. The given statement is defended.

- Demand in the Foreign markets was destroyed by imposing heavy duty on the exports of Indian Handicrafts.
- Demand in the Domestic Market (i.e. Indian Market) was destroyed by allowing duty-free import of British goods in the Indian market.

Q. 6. Indicate the volume and direction of foreign trade of India at the time of Independence.

{CBSE, 2020 (58/1/1)}

Ans. The restrictive policies of commodity production, trade and tariff pursued by the colonial rule adversely affected the volume and direction of India's foreign trade, as:

- (i) British maintained monopoly control over India's exports and imports.
- (ii) More than half of India's foreign trade was restricted to Britain while the rest was allowed with a few other countries like China, Ceylon (Sri Lanka) and Persia (Iran).
- (iii) India had huge export surplus during the colonial rule.

Q. 7. "During the colonial period, a number of socio-economic indicators were in a dilapidated state." List any three such indicators that led to the worsening of India's demographic profile. (CBSE, Sample Paper 2023-24)

Ans. India's demographic indicators were in a dilapidated state during the colonial period as:

- The overall literacy level was less (below 16%).
- Life expectancy was very low (32 years).
- Alarming infant mortality rate (218 per 1,000).

**Dilapidated State means falling into a state of deterioration or bad condition, especially through neglect.*

Q. 8. State and explain any two main causes behind infrastructural development by British rule.

Ans. Two main causes behind infrastructural development by British rule were: (CBSE, 2023 (58/5/1))

- (i) Mobilisation of army: The roads were built primarily to serve the purpose of mobilising the army within India and drawing out raw materials from the countryside to the nearest railway station or the port.
- (ii) Maintenance of law and order: The introduction of the electric telegraph in India served the purpose of maintaining law and order.

Q. 9. "During the colonial period, the occupational structure showed lopsided movements." Do you agree with the given statement? Justify your answer with valid arguments. (CBSE, 2024 (58/1/1))

Ans. Yes. The occupational structure during the colonial period showed lopsided movements as:

- Parts of Madras Presidency, Bombay and Bengal witnessed a decline in the dependence of the workforce on the agricultural sector with a commensurate increase in the manufacturing and the services sectors.
- There had been an increase in the share of workforce in agriculture in states such as Orissa, Rajasthan and Punjab.



GUIDELINES TO NCERT QUESTIONS

Q. 1. What was the focus of the economic policies pursued by the colonial government in India? What were the impacts of these policies?

Ans. The economic policies pursued by the Colonial Government in India, were concerned more with the protection & promotion of their own economic interests, than with the development of the Indian economy. For impact of these policies, discuss "British Rule – Systematic Exploitation of India".

Q. 2. Name some notable economists who estimated India's per capita income during the colonial period.

Ans. Dadabhai Naoroji, V.K.R.V. Rao, Willam Digby, Findlay Shirras and R.C. Desai.

Q. 3. What were the main causes of India's agricultural stagnation during the colonial period?

Ans. Discuss 'Main Reasons for Stagnation in Agricultural Sector'.

Q. 4. Name some modern industries which were in operation in our country at the time of independence.

Ans. Iron and Steel company (TISCO), sugar, cement, chemical and paper industries.

Q. 5. What was the two-fold motive behind the systematic deindustrialization effected by the British in pre-independent India?

Ans. (i) To get raw materials from India at cheap rates to be used by upcoming modern industries in Britain;
(ii) To sell finished products of British industries in Indian market at higher prices.

Q. 6. The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give reasons in support of your answer.

Ans. Yes, I agree with this view. British Government systematically destroyed Indian handicraft industries in order to serve their following two-fold motive:

- (i) To get raw materials from India at cheap rates to be used by upcoming modern industries in Britain;
- (ii) To sell finished products of British industries in Indian market at higher prices.

Colonial government enforced discriminatory tariff policy, which allowed free export of raw materials from India and free import of final goods of British industry to India. But, heavy duty was imposed on the export of Indian handicrafts. As a result, Indian markets were full of finished goods from Britain, which led to the decline of Indian handicrafts, both in the domestic market as well as the export market.

Q. 7. What objectives did the British intend to achieve through their policies of infrastructure development in India?

Ans. Discuss 'Reasons for Infrastructural Development'.

Q. 8. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration.

Ans. The industrial policy pursued by the British colonial administration suffered from the following shortfalls:

- (i) De-industrialisation: Decline of Handicraft Industry: British Government systematically destroyed Indian handicraft industries and no modern industrial base was allowed to come up. The primary motive of British rule behind the de-industrialisation was two-fold: (a) To get raw materials from India at cheap rates to be used by upcoming modern industries in Britain; (b) To sell finished products of British industries in Indian market at higher prices.
- (ii) Adverse effects of decline of Handicraft Industry: Decline of handicraft industries adversely affected the Indian economy in the following ways: (a) It resulted in unemployment on a mass scale; (b) It encouraged import of manufactured goods from Britain as Indian made goods could not withstand foreign competition of machine made cheap goods.
- (iii) Lack of Capital Goods Industries: During the British rule, there was hardly any capital goods industry to promote further industrialisation in India.
- (iv) Limited role of Public Sector: The limited area of operation of the public sector was also a significant reason for drawback of the industrial sector. The Public sector remained confined only to the railways, power generation, communications, ports and some other departmental undertakings.

Q. 9. What do you understand by the drain of Indian wealth during the colonial period?

Ans. Drain of Indian wealth during the colonial period means that national product of India was used by the British government for development of their own country and not for India.

India's foreign trade generated large export surplus. However, there was drain of such surplus into Britain. India's export surplus was used:

- (i) To make payments for expenses incurred by an office set up by the colonial government in Britain.
- (ii) To meet expenses on war fought by the British government.
- (iii) To import invisible items.

Q. 10. Which is regarded as the defining year to mark the demographic transition from its first to the second decisive stage?

Ans. 1921 is the defining year.

Q. 11. Give a quantitative appraisal of India's demographic profile during the colonial period.

Ans. Discuss 'Demographic Condition'.

Q. 12. Highlight the salient features of India's pre-independence occupational structure.

Ans. Discuss 'Occupational Structure'.

Q. 13. Underscore some of India's most crucial economic challenges at the time of independence.

Ans. Some of India's most crucial economic challenges at the time of independence were:

- (i) Increasing dependence of population on agriculture.
- (ii) Traditional methods of cultivation.

- (iii) Inadequate industrialisation.
- (iv) Destruction of Indian Handicrafts.
- (v) High level of Unemployment and underemployment.
- (vi) High infant mortality rate, low life expectancy and literacy rate;
- (vii) Widespread Mass Poverty

Q. 14. When was India's first official census operation undertaken?

Ans. The First official census was undertaken in the year 1881.

Q. 15. Indicate the volume and direction of trade at the time of independence.

Ans. The volume and direction of trade at the time of independence is discussed as under:

- (i) Exporter of Primary Products and Importer of Finished Goods: India became an exporter of primary products (raw silk, cotton, wool, etc.) and an importer of finished consumer goods (cotton, silk and woollen clothes) and capital goods like light machinery, produced in the British Industries.
- (ii) Monopoly Control of British Rule: British Government maintained a monopoly control over India's exports and imports. More than $\frac{1}{2}$ of India's foreign trade was restricted to Britain while the rest was allowed with few other countries like China, Ceylon (Sri Lanka) and Persia (Iran).

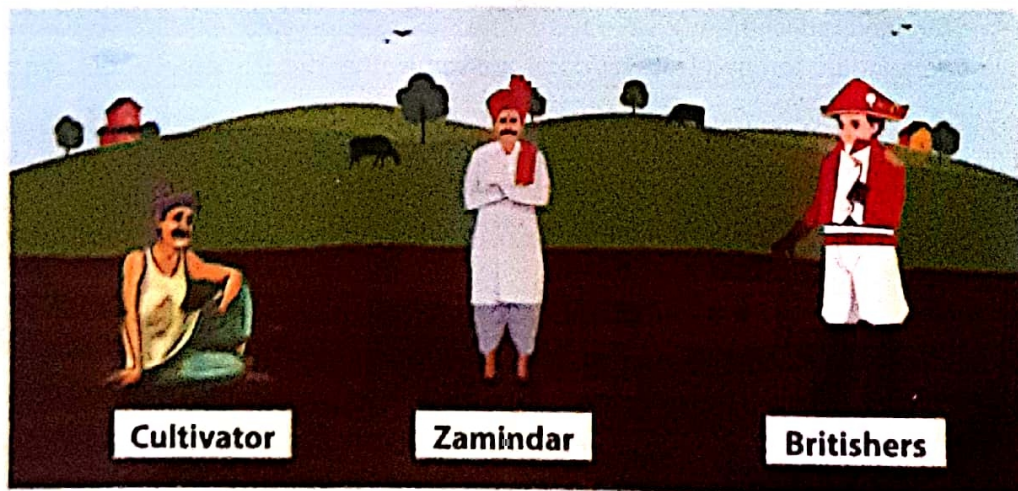
Q. 16. Were there any positive contributions made by the British in India? Discuss.

Ans. Discuss 'Positive Contributions of British Rule'.



PICTURE BASED QUESTIONS (PBQs)

Q. 1. From the given picture, answer the following questions:



- (i) Identify the system highlighted in the given picture, which was also the most important reason for stagnation in the agriculture sector.
- (ii) Under the Zamindari System, _____ (Cultivator/ Zamindar) was responsible for collection of lagaan.
- (iii) 'The Zamindars took considerable steps for the betterment of farmers.' Defend or Refute.

Ans. (i) Land Settlement System.

(ii) Zamindar.

(iii) The given statement is refuted. The Zamindars did nothing to improve the condition of agriculture. Zamindars were only interested in collecting Lagaan from the cultivators regardless of their economic conditions.

Q. 2. From the given pictures, answer the following questions:

Literacy Rate



Very ___?___ (High/Low)

Infant Mortality Rate



Very ___?___ (High/Low)

Life Expectancy



Very ___?___ (High/Low)

Poverty



Very ___?___ (High/Low)

- (i) Identify the missing values in the given pictures as shown by India's demographic condition on the eve of Independence.
- (ii) Before _____ (1921 / 1931), India was in the first stage of Demographic Transition with very _____ (High/Low) Birth and _____ (High/Low) Death rates.

Ans. (i) Literacy Rate: Low; Infant Mortality Rate: High; Life Expectancy: Low; Poverty: High.
 (ii) 1921, High, High.

Q. 3. From the given picture, answer the following questions:



- (i) Identify the Indian industry shown in the given picture that enjoyed a worldwide reputation before the British rule.
- (ii) What was the main reason for the decline of the industry identified in (i) above during the colonial rule?
- (iii) State two adverse effects of the decline of industry identified in (i) above.

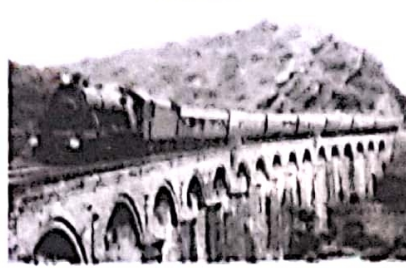
Ans. (i) Handicraft Industry.
 (ii) Discriminatory Tariff Policy.
 (iii) (a) High Level of Unemployment; (b) Import of finished goods.

Q. 4. From the given pictures, answer the following questions:

Picture A



Picture B



Picture C



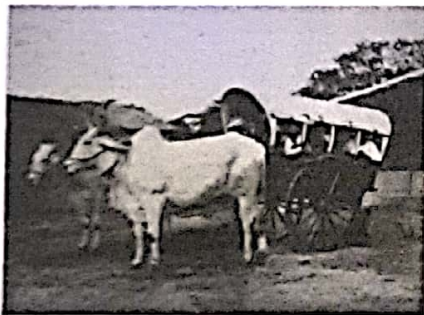
- (i) Out of Picture A, Picture B and Picture C, which one is the most important contribution of British Rule to the infrastructure of India?
- (ii) How did the infrastructure identified in (i) above:
 - (a) Able to break geographical barriers.
 - (b) Influence the Indian agriculture.

Ans. (i) Picture B: Railways.

- (ii) (a) Railways helped to break geographical barriers by enabling people to travel long distances.
- (b) Railways enhanced the commercialisation of Indian agriculture, which adversely affected the comparative self-sufficiency of the village economies in India.

Q. 5. From the given pictures, answer the following questions:

Picture A



Picture B



Picture C



- (i) Identify the sectors of the economy as shown in Picture A, Picture B and Picture C.
- (ii) There has been an increase in the share of the workforce in one of the sectors identified in (i) above in Orissa, Rajasthan and Punjab. Identify the sector.
- (iii) Arrange the sectors identified in (i) above in descending order in terms of their share of the workforce.

Ans. (i) Picture A: Tertiary Sector; Picture B: Primary or Agriculture Sector; Picture C: Secondary Sector.

(ii) Agriculture Sector.

(iii) Primary or Agriculture Sector: 70–75%; Tertiary Sector: 15–20%; Secondary Sector: 10%.



OBJECTIVE QUESTIONS

Fill in the Blanks

1. The main interest of zamindars was to collect _____ regardless of the economic condition of the cultivator.
2. _____ of agriculture means production of crops for sale in the market rather than for self consumption.

3. More than $\frac{1}{2}$ of India's foreign trade was restricted to _____ while the rest was allowed with few other countries.
4. During the British rule, India became an _____ of primary products and an _____ of finished consumer goods.
5. _____ (1920/1921) is described as a 'Year of Great Divide'.
6. The _____ sector accounted for the largest share of workforce during the British rule.
7. Introduction of _____ system by the colonial government was the most important reason for stagnation in agricultural sector.
8. Opening of _____ Canal significantly reduced the cost of transportation of goods between Britain and India. {CBSE, Delhi & AI Comptt. 2020, 2021}
9. _____ (Cotton / Handicraft) industry suffered the most under British rule.
10. The first official census was conducted in the year _____.
11. _____ is one of the main positive contributions made by the British in India. {CBSE, 2020 (58/5/3)}

True or False (with Reasons)

1. Economic policies of British-India government were concerned more with the protection and promotion of Indian economic interests.
2. Railways were the most important infrastructure developed during the British period.
3. During the British rule, more than 50% of India's foreign trade was confined to USA.
4. British introduced the railways in India in 1860.
5. Indian handicraft industry enjoyed worldwide reputation before the British rule.
6. There was huge drain of wealth during the British rule.
7. Indian economy was backward before the British rule.
8. Indian agricultural sector suffered due to partition.
9. Industrial sector was the main source of livelihood for most of the people during the British rule.
10. During colonial period, India's demographic profile showed low birth rate and high death rate.
11. During the colonial rule, the motive behind infrastructural development was to provide basic amenities to the people.
12. Introduction of Railways benefited the Indians more than the Britishers.
13. Commercialisation of agriculture helped farmers in improving their economic condition.
14. Before 1921, India was in the second stage of demographic transition.
15. During British rule, India became an exporter of manufactured goods.
16. Less than 50% of India's foreign trade was restricted to Britain.

Matching Type Questions

Q. 1. From the set of statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
(a) Year of Great Divide	(i) 1881
(b) Agricultural sector	(ii) Main source of livelihood during British rule
(c) Infant Mortality Rate	(iii) Low during British rule

Q. 2. Match the statements given under A with the correct options given under B.

(A)	(B)
(i) Commercialisation of Agriculture	a. Involves shifting of crops from food crops to cash crops
	b. Involves shifting of crops from cash crops to food crops

Q. 3. Match the statements given under A with the correct options given under B.

(A)	(B)
(i) First Official Census	a. 1921
(ii) Year of Great Divide	b. 1881

Q. 4. Match the statements given under A with the correct options given under B.

(A)	(B)
(i) Share of workforce in manufacturing and service sectors	a. 25%
(ii) Share of workforce in agricultural sector	b. 50%
	c. 75%

Q. 5. Identify the correct sequence of alternatives given in Column II by matching them with respective terms in Column I:

Column I	Column II
(i) Motive of the British behind de-industrialisation in India	a. To serve various colonial interests, like mobilising the army and shifting raw materials.
(ii) Motive of the British behind infrastructural development in India	b. To use export surplus to make payments for expenses incurred by an office set up by the colonial government in Britain, to meet expenses on war fought by the British government and to import invisible items.
(iii) Motive of the British behind monopoly control over India's exports and imports	c. To get raw materials from India at cheap rates and to sell finished British products in India at higher prices.

Q. 6. From the set of the events given in Column I and the corresponding year in Column II, choose the incorrect pair.

[CBSE, 2023 (58/2/1)]

Column I	Column II
A Introduction of railways in India	(i) 1850
B Incorporation of TISCO	(ii) 1807
C First Official Census of India	(iii) 1881
D Opening of Suez Canal	(iv) 1869

Alternatives:

(a) A - (i)

(b) B - (ii)

(c) C - (iii)

(d) D - (iv)

Multiple Choice Questions (MCQs)

1. The main reason for stagnation in agricultural sector during British rule was:
(a) Land settlement system (b) De-industrialisation
(c) Lack of technology (d) Commercialisation of Agriculture
2. The first official census was conducted in the year _____.
(a) 1891 (b) 1921
(c) 1781 (d) 1881
3. The export surplus during the British rule was used:
(a) To make payments for expenses incurred by an office set up by the colonial government in Britain
(b) To meet expenses on war fought by the British government
(c) To import invisible items
(d) All of these
4. The foundation of British Empire in India was laid by Battle of Plassey fought in _____.
(a) 1757 (b) 1857
(c) 1763 (d) 1747
5. Which industry received the major set-back during the colonial rule?
(a) Cement (b) Handicraft
(c) Paper (d) Iron and Steel
6. India's jute industry suffered heavily due to _____ after partition.
(a) Lack of raw material (b) Famines
(c) Earthquakes (d) None of these
7. British rule introduced railways in India in the year _____.
(a) 1849 (b) 1850
(c) 1851 (d) 1852
8. More than half of India's foreign trade was restricted to:
(a) China (b) Britain
(c) Korea (d) Sri Lanka
9. Decline of handicraft industries led to:
(a) Massive Unemployment (b) Import of Finished Goods
(c) Both (a) and (b) (d) Neither (a) nor (b)
10. Which industry was adversely affected due to partition?
(a) Silk (b) Cotton
(c) Jute (d) Nylon
11. During the British rule, India's foreign trade had various features except _____. {CBSE, 2024 (58/2/1)}
(a) Restrictive policies of commodity production, trade and tariff
(b) British monopoly over India's exports and imports
(c) Free trade from India to the rest of the world
(d) Large export surplus
12. The opening of Suez canal served as a direct route for ships operating between:
(a) India and America (b) India and Sri Lanka
(c) India and Pakistan (d) India and Britain

13. Which year is described as a "Year of Great Divide"?
- (a) 1931 (b) 1921
(c) 1941 (d) 1911
14. _____ was the most important infrastructure developed during the British rule.
- (a) Airways (b) Railways
(c) Waterways (d) None of these
15. Occupational structure refers to:
- (a) Distribution of working force among the different occupations
(b) Nature of different occupations
(c) Size of working force in a country
(d) Number of people living in a country
16. Which of the following statements is false in the context of industrial sector during British rule?
- (a) There was decline in handicraft industries
(b) The British government promoted capital goods industries
(c) India became an exporter of primary products
(d) There was low contribution of industries to GDP
17. Identify the statement which is true in the context of demographic condition of India during British rule:
- (a) High Birth Rate (b) Low Death Rate
(c) Low Infant Mortality Rate (d) High Literacy Rate
18. Which of the following is NOT true about foreign trade during the colonial rule? (CBSE, 2023 (58/2/1))
- (a) India suffered from large trade deficit
(b) Restrictive policies of commodity production were followed
(c) Britain maintained a monopoly control over India's exports and imports
(d) India became an exporter of primary products and an importer of finished consumer goods
19. On the eve of Independence, India's demographic condition was characterised by which of the following statement? (CBSE, 2021-22 (Term 1) 058/3/4)
- (a) Low level of literacy, low mortality rates and high life expectancy
(b) High level of literacy, high mortality rates and low life expectancy
(c) Low level of literacy, high mortality rates and high life expectancy
(d) Low level of literacy, high mortality rates and low life expectancy
20. From 1881 onwards, census operations in India were carried out after every _____ years.
- (a) 5 (b) 15
(c) 10 (d) 20
21. The main reason for decline of Handicraft Industry was:
- (a) Heavy tariff on export of raw materials from India
(b) Heavy duty on Indian handicrafts products
(c) Heavy tariff on import of finished goods from Britain
(d) All of these
22. _____ sector played a predominant role in occupational structure during the Colonial period. (CBSE, 2021-22 (Term 1) 058/1/4)
- OR
- _____ was the main source of livelihood for most of the people during the colonial rule.
- (a) Agriculture (b) Manufacturing
(c) Service (d) Infrastructure

23. First train in India was run on 1853 between:
(a) Bombay to Thane (b) Thane to Bombay
(c) Bombay to Surat (d) None of these
24. India entered the _____ stage of Demographic Transition after the year 1921.
(a) Fourth (b) Second
(c) Third (d) First
{CBSE, Sample Paper 2021}
25. Out of the following statements, which one is correct?
(a) Suez Canal was opened in 1769
(b) The first official census was conducted in the year 1881
(c) TISCO was incorporated in 1807
(d) Battle of Plassey was fought in 1747
26. Under the British Rule, commercialisation of agriculture resulted in shifting of agricultural production from _____ crops to _____ crops.
(a) Cash, Food (b) Cotton, Jute
(c) Food, Cash (d) Jute, Food
{CBSE, 2023 (58/4/1), 2024 (58/4/1)}
27. Arrange following events in chronological order in context of Indian Economy and choose correct alternative:
(i) First Railway Bridge linking Bombay with Thane (ii) Year of Great Divide
(iii) Battle of Plassey (iv) First Official Census
(a) (i), (iii), (iv), (ii) (b) (iii), (ii), (iv), (i) (c) (iv), (i), (iii), (ii) (d) (iii), (i), (iv), (ii)
28. On the eve of Independence, India was an exporter of:
(a) Capital Goods (b) Primary Products
(c) Both (a) and (b) (d) Neither (a) nor (b)
29. _____ means production of crops for sale in the market rather than for self consumption.
(a) Zamindari System (b) Commercialisation of Agriculture
(c) Land Settlement System (d) None of these
30. Identify the correct statement from the following:
(a) Restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.
(b) Effective trade policies of commodity production, trade and tariff pursued by the colonial government favorably affected the structure, composition and volume of India's foreign trade.
(c) Liberal policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.
(d) Restrictive policies of commodity production, trade and tariff pursued by the colonial government favorably affected the structure, composition and volume of India's foreign trade.
{CBSE, Sample Paper 2021-22 (Term 1)}
31. The backwardness in agricultural sector prior to India's independence was mainly due to:
(a) Subsistence Farming (b) Scarcity of Investment
(c) Zamindari System (d) Low Level of Productivity
32. In the 20th century, under British rule, India had an export surplus. Where was this surplus used?
(a) To invest in capital goods industries in India
(b) To invest in capital goods industries in Britain
(c) To meet the official and war expenses of the British
(d) To pay the salaries of Indian government employees

33. The colonial government made no sincere attempts to estimate India's national and per capita income, but most studies found that India's national income growth in the pre-Independence era was _____ and per capita income growth was _____.
{CBSE, Practise Paper 2021 (Term 1)}
- (a) Close to 5 per cent, more than 2 per cent (b) Less than 3 per cent, more than 1 per cent
(c) Close to half per cent, almost 0 per cent (d) Less than 2 per cent, close to half per cent
34. Under the British system of land settlement, the zamindar's dues to the state were fixed. What did this mean for the cultivators?
{CBSE, Practise Paper 2021 (Term 1)}
- (a) They received investment support to increase production.
(b) They were exploited and forced to pay rent regardless of the produce.
(c) They had the support of the landlords against the oppressive policies of the British.
(d) They were forced to shift from food crops to commercial crops, leading to food scarcity.
35. In which of the following ways did the British Raj impact the Indian economy the most?
{CBSE, Practise Paper 2021 (Term 1)}
- (a) The British made India an exporter of cotton from an exporter of cloth that led to large-scale unemployment.
(b) The establishment of railways by the British provided short-term employment for many Indians.
(c) The British expanded their army with Indian sepoy and fought in wars overseas.
(d) The British provided tax concessions to rural farmers and landless labourers.
36. Occupational structure refers to _____.
{CBSE, Sample Paper 2021-22 (Term 1)}
- (a) Size of labour force in a country
(b) Number of people living in a country
(c) Distribution of workforce among different sectors of an economy
(d) Nature of different occupations
37. Prior to India's independence, stagnation in agricultural sector was mainly caused by _____.
{CBSE, Sample Paper 2021-22 (Term 1)}
- (a) Investment in Technology (b) Investment in Agriculture Facilities
(c) Advanced Infrastructural Facilities (d) Land Settlement System
38. Arrange the following event in the correct chronological order: {CBSE, Sample Paper 2021-22 (Term 1)}
- i. The year of great divide
 - ii. Establishment of Tata Iron and Steel Company (TISCO)
 - iii. Introduction of Railways in India by the British
 - iv. Opening of Suez Canal
- Alternatives:
- (a) iv, ii, i, iii (b) i, iv, iii, ii
(c) ii, iii, iv, i (d) iii, iv, ii, i
39. _____ was responsible for frequent famines in India during British rule.
- (a) Commercialisation of agriculture (b) Introduction of Railways
(c) Zamindari System (d) Low level of Productivity
40. Consider the following statements:
- I. There was high birth and death rate in India.
 - II. India was predominantly an agriculture economy.
 - III. The infant mortality rate was low in India.
 - IV. India became an exporter of finished consumer goods and an importer of primary products.

Which one of the following is not the characteristic of the Indian Economy during the British rule?

- (a) I and II
(b) I and III
(c) II only
(d) III and IV

41. On the eve of independence, Indian Economy was:

- (a) Stagnant Economy
(b) Backward Economy
(c) Depleted Economy
(d) All of these

42. From the set of information given in Column A and Column B, choose the correct pair of options:

Column A	Column B
A First Railway Bridge linking Bombay with Thane	i. 1843
B First Official Census	ii. 1881
C Battle of Plassey	iii. 1857
D Opening of Suez Canal	iv. 1879

- (a) A - i.
(b) B - ii.
(c) C - iii.
(d) D - iv.

43. India experienced _____ death rate before 1921, i.e. Year of the Great Divide.

- (a) Low
(b) High
(c) Constant
(d) None of these

44. In the Swadeshi Movement against the British, started in 1905, Indians started ditching British goods for Indian products. Which of the following would have been the likely impact of the movement?

{CBSE, Practise Paper 2021 (Term 1)}

P : Rise in import of raw materials

Q : Fall in imports from Britain

R : Rise in production of goods in India

S : Rise in export tariffs

- (a) Only P and R
(b) Only P and S
(c) Only Q and R
(d) Only R and S

45. Identify which of the following statement is correct:

{CBSE, 2021-22 (Term 1) 058/1/4}

- (a) British colonial rule made India net importer of raw material.
(b) The real motive behind infrastructure development by Britishers was to serve the people of India.
(c) India generated large export surplus during the British rule
(d) Indian handicraft industry enjoyed world-wide reputation under the British rule.

46. There are two statements given below, about the changes in India's structural composition in the period 1950-1990.

P : At the beginning of this period, the share of agriculture in the GDP was the highest.

Q : Increase in agricultural productivity during this period led to a further increase in the share of agriculture in the GDP by the end of this period.

Which of these statements is/are true?

{CBSE, Practise Paper 2021 (Term 1)}

- (a) Only P
(b) Only Q
(c) Both P and Q
(d) Neither P nor Q

47. During the second half of the 19th century, the cotton textile mills mainly dominated by Indian entrepreneurs were located mainly in _____.

{CBSE, 2021-22 (Term 1) 058/2/4}

- (a) Bengal
(b) Maharashtra
(c) Calcutta
(d) Madhya Pradesh

48. Identify the false statement in context of India's foreign trade. [CBSE, 2021-22 (Term 1) 058/2/4]
- (a) Exporter of raw material (b) Surplus in foreign trade account
 (c) Importer of finished goods (d) Import of gems and pearls from Britain
49. From the following, identify the incorrect statement in the light of India's pre-independence occupational structure. [CBSE, 2021-22 (Term 1) 058/3/4]
- (a) Agricultural sector accounted for the largest share of workforce.
 (b) Industrial and Service sectors grew at a faster rate than the agriculture sector.
 (c) Agriculture sector was marked with disguised unemployment.
 (d) Unbalanced growth was created due to unequal distribution of workforce.
50. In the _____ state of demographic transition, India experienced _____ birth rate and low death rate.
- (a) First, High (b) First, Low
 (c) Second, High (d) Second, Low
51. Which of the following statements is not true about the demographic condition of India during the Colonial period? [CBSE, 2021-22 (Term 1) 058/1/4]
- (a) Infant mortality rate was very high
 (b) After 1921, India entered the second stage of demographic transition
 (c) Life expectancy was too high
 (d) Female literacy rate was just 7%
52. During colonial period, estimates of _____ on national income and per capita income were considered very significant. [CBSE, 2021-22 (Term 1) 058/2/4]
- (a) Dadabhai Naoroji (b) William Digby
 (c) V. K. R. V. Rao (d) R. C. Desai
53. Identify, which of the following indicates the adverse impact of British rule in India. [CBSE, Sample Paper 2022-23]
- (a) Introduction of communication networks in India
 (b) Change in composition of India's foreign trade
 (c) Introduction of modern administrative system in India
 (d) Introduction of railways in India
54. Which of the following statements correctly describes demographic transition? [CBSE, Practice Paper 2023-24]
- (a) A sudden decline in the population growth rate due to migration
 (b) A change in the population density across different states in India
 (c) A significant increase in the birth rate and death rate simultaneously
 (d) A shift from high birth and death rates to low birth and death rates over time
55. Britain maintained a monopoly control over India's exports and imports while the rest was allowed with a few other countries like _____ [CBSE, Delhi & AI Comptt. 2024]
- (i) China
 (ii) Ceylon (Sri Lanka)
 (iii) Persia (Iran)
- Alternatives:
- (a) Only (i) (b) (i) and (ii)
 (c) (ii) and (iii) (d) (i), (ii) and (iii)

Assertion Reason Questions (ARQs)

INSTRUCTIONS

In the following Questions, read the following statements: Assertion (A) and Reason (R). Choose the correct alternative among those given below:

Alternatives:

- (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is True but Reason (R) is False.
- (d) Assertion (A) is False but Reason (R) is True.

1. **Assertion (A):** India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain. *{CBSE, Sample Paper 2021}*
Reason (R): Restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.
2. **Assertion (A):** During the British rule, production of cash crops improved the economic condition of farmers.
Reason (R): Farmers were given higher price to produce cash crops.
3. **Assertion (A):** Decline of Handicraft Industry led to increase in import of manufactured goods from Britain.
Reason (R): The Indian made goods could not withstand the foreign competition of machine made cheap goods.
4. **Assertion (A):** The agricultural sector accounted for the largest share of workforce with approximately 75%.
Reason (R): All the states witnessed an increase in dependence of workforce on the agricultural sector.
5. **Assertion (A):** The opening of Suez Canal in 1869 reduced the cost of transportation.
Reason (R): Suez Canal provided a direct trade route for ships operating between Britain and India.
6. **Assertion (A):** The infrastructure facilities during British rule were highly developed.
Reason (R): The main aim motive behind infrastructural development was to serve various colonial interests.
7. **Assertion (A):** Under the British rule, there was huge export surplus due to excess exports.
Reason (R): India became an exporter of primary products and an importer of finished goods.
8. **Assertion (A):** Farmers were forced to produce cash crops like cotton or jute instead of conventional crops like rice and wheat during the British Rule.
Reason (R): Agriculture was exploited through Zamindari System under the Colonial Rule.
9. **Assertion (A):** During the Colonial rule, India's exports exceeded imports, which resulted in surplus of balance of trade.
Reason (R): Trade Surplus was used for the development of Indian Economy.
10. **Assertion (A):** India's renowned handicraft industry was systematically destroyed due to discriminatory tariff policies of the British Government.
Reason (R): Colonial Government imposed heavy duty on import of finished goods from Britain.
11. **Assertion (A):** 1921 is regarded as the 'Year of the Great Divide'.
Reason (R): After 1921, the total population in India never declined.
12. **Assertion (A):** India could not develop a sound Industrial-base during the British rule. *{CBSE, 2024 (58/5/1)}*
Reason (R): Britishers followed restrictive trade policies, which strengthened Indian handicraft industries.
13. **Assertion (A):** There was stagnation in the agricultural sector under the British rule.
Reason (R): Britishers introduced various systems of land settlement.

14. **Assertion (A):** The establishment of the Suez Canal intensified Britain's control over India's foreign trade.
Reason (R): The Europeans no longer had to travel around Africa to reach India. *[CBSE, Practise Paper 2021 (Term 1)]*
15. **Assertion (A):** The British introduced railways in India in 1850, which is considered one of their most important contributions.
Reason (R): The British had India's best interests in mind while developing the infrastructure. *[CBSE, Practise Paper 2021 (Term 1)]*
16. Study the following statements — Assertion (A) and Reason (R): *[CBSE, Delhi & AI Comptt. 2021]*
Assertion (A): During colonial rule, both mortality rates and infant mortality rates were very high.
Reason (R): British never paid any heed towards improvement of public health facilities in India.
Alternatives:
 (a) Both Assertion (A) and Reason (R) are true. (b) Both Assertion (A) and Reason (R) are false.
17. **Assertion (A):** The agricultural sector under the British rule was primarily the base of the sectoral growth of India.
Reason (R): British rulers wanted to take maximum advantage of the Indian agricultural output, for growth of industries in England. *[CBSE, 2024 (58/3/1)]*

Statement Based Questions

INSTRUCTIONS

In the following Questions, read the following statements and choose the correct alternative among those given below:

Alternatives:

- (a) Both the Statements are true. (b) Both the Statements are false.
 (c) Statement 1 is true and Statement 2 is false. (d) Statement 2 is true and Statement 1 is false.

- Statement 1:** Agriculture was commercialised during the British rule to cater to the needs of British industries for necessary raw materials.
Statement 2: The fall in production of food crops was responsible for frequent famines in India during the British days.
- Statement 1:** The primary motive of British rule behind the de-industrialisation was to get finished products from India at cheap rates and to sell raw material in Indian market.
Statement 2: Decline of Indian handicrafts resulted in unemployment on a mass scale.
- Statement 1:** More than $\frac{1}{2}$ of India's foreign trade was restricted to Britain while the rest was allowed with few other countries.
Statement 2: The opening of the Suez Canal in 1769 served as a direct route for ships operating between India and China.
- Statement 1:** The occupational structure of India showed significant change during the colonial period.
Statement 2: During the British Rule, the industrial sector accounted for the largest share of workforce.
- Statement 1:** The most important contribution of the British rule was to introduce railways in India in 1850.
Statement 2: India's First Passenger Train ran from Bombay to Thane in 1853.
- Statement 1:** Under the colonial rule, basic infrastructure (like railways, post and telegraph, etc.) was developed. *[CBSE, 2024 (58/1/1)]*
Statement 2: The real motive behind the infrastructural development in India was to strengthen the British interests.

7. **Statement 1:** Prior to 1921, India was in the first stage of demographic transition.
Statement 2: From the year 1921 onwards, India's population never declined & recorded a consistent rise.
8. **Statement 1:** India has been an important trading nation since ancient times.
Statement 2: British Government established a monopoly control over India's foreign trade.
9. **Statement 1:** The commercialisation of Indian agriculture was coercively introduced by the colonial government. *{CBSE, Delhi & AI Comptt. 2024}*
Statement 2: Britishers had a two-fold motive behind the enforcement of food crops production.
10. **Statement 1:** Agricultural productivity was very low during the British Rule.
Statement 2: In absolute terms, there was growth in agricultural sector due to expansion of aggregate area under cultivation. *{CBSE, 2021-22 (Term 1) 058/2/4}*
11. **Statement 1:** Commercialisation of agriculture under the British rule was responsible for frequent famines between 1875 and 1900.
Statement 2: During British rule, India began to export food grains. *{CBSE, 2023 (58/1/1)}*

Author's Note: There is a possibility that the sequence of the options are interchanged in examination (i.e. not like the standardize sequence we follow). So, students are advised to carefully read all the 'Alternatives' before choosing the correct option. For example, alternatives are different in 12 and 13.

12. Read the following statements carefully and choose the correct alternative: *{CBSE, 2021-22 (Term 1) 058/3/4}*
Statement 1: Zamindari was introduced by the British, to ensure proper control over the revenue system in India.
Statement 2: Zamindars were given full freedom to collect and keep the rent collected by them.
 Alternatives:
 (a) Statement 1 is true and statement 2 is false (b) Statement 2 is true and statement 1 is false
 (c) Both the statements are true (d) Both the statements are false
13. Read the following statements carefully: *{CBSE, Sample Paper 2024-25}*
Statement 1: The British policies led to the collapse of India's world-famous handicraft industries.
Statement 2: During the colonial rule in India, the contribution of the industrial sector to Gross Value Added (GVA) increased significantly.
 In light of the given statements, choose the correct option from the following:
 (a) Statement 1 is true & Statement 2 is false. (b) Statement 1 is false & Statement 2 is true.
 (c) Both Statements 1 and 2 are true. (d) Both Statements 1 and 2 are false.

Very Short Answer Type Questions

- Q. 1. What was the main reason for the stagnation in the agricultural sector under the British rule?
 Ans. Land settlement system introduced by the British rule.
- Q. 2. What was the main focus of the economic policies pursued by the colonial government in India?
 Ans. The main aim of colonial government was to protect and promote economic interests of their home country than with the development of the Indian economy.
- Q. 3. What was the rate of growth of per capita output per year during the first half of the twentieth century?
 Ans. It was only half per cent (0.5 per cent).
- Q. 4. Name any one prominent economist who estimated India's National Income during the Colonial period.
{CBSE, 2020 (58/1/3)}
 Ans. V. K. R. V. Rao.

- Q. 5.** Which traditional industries was India particularly well known for before the advent of the British rule?
Ans. Handicraft Industries.
- Q. 6.** Give two reasons for low level of agricultural productivity during the colonial rule.
Ans. (i) Poor and outdated technology; and (ii) Lack of irrigation facilities.
- Q. 7.** Which Indian industry was adversely affected due to the partition?
Ans. Jute industry was adversely affected as most of the jute producing areas went to Pakistan.
- Q. 8.** Give the meaning of occupational structure.
Ans. Occupational structure refers to distribution of working persons across different industries and sectors.
- Q. 9.** Why did agricultural sector accounted for the largest share of workforce during the British rule?
Ans. India's approximately 75% of population was engaged in agriculture because the tertiary and secondary sector failed to generate enough job opportunities.
- Q. 10.** What do you mean by commercialisation of agriculture?
Ans. Commercialisation of agriculture means the production of crops for sale in the market rather than for self consumption.
- Q. 11.** What was the main cause of food shortage in India after partition?
Ans. The main cause was that the food surplus areas of West Punjab and Sindh went to Pakistan.
- Q. 12.** What was the infant mortality rate during the British period?
Ans. 218 per thousand.
- Q. 13.** Mention the most important infrastructure developed during the British period.
Ans. Railways.
- Q. 14.** What was the effect of the decline of the handicraft industry in India?
Ans. It created massive unemployment and increased demand for Britain's manufactured goods in the domestic market.
- Q. 15.** Arrange the following events of India before the independence in chronological order:
 (i) Opening of Suez Canal;
 (ii) Introduction of Railways;
 (iii) Second stage of Demographic Transition;
 (iv) Incorporation of Tata Iron & Steel Company.
Ans. (ii), (i), (iv), (iii).
- Q. 16.** Define 'Life Expectancy'. {CBSE, 2020 (58/2/3)}
Ans. Life Expectancy refers to the average number of years for which people are expected to live.



REVISION EXERCISE

Short Answer Type Questions

1. Discuss the land settlement system introduced under the British Rule.
2. How did commercialisation of agriculture resulted in famines?
3. "During the colonial period, the agricultural sector showed massive stagnation." Do you agree with the given statement? Justify your answer with valid arguments. {CBSE, 2024 (58/1/2, 3)}

OR

Discuss any two causes of India's agricultural stagnation during the Colonial period. {CBSE, 2020 (58/1/3)}

OR

"Despite being the main occupation of about 85% of the country's population during British rule, agricultural sector continued to experience stagnation." Briefly explain any two reasons responsible for the backwardness of Indian agriculture on the eve of independence. {CBSE, Delhi & AI Comptt. 2023}

4. 'During the colonial period, India's foreign trade was characterized by a large export surplus, however, this did not result in any flow of gold or silver into India.' Justify the given statement with valid arguments. {CBSE, Sample Paper 2024-25}
5. "Decline of handicraft industry adversely affected the Indian economy". Comment
6. What do you mean by capital goods industry? Discuss the status of such industry during the British rule.
7. Write a short note on drain of India's wealth during the British rule.
8. Explain the changes that were observed in India's occupational structure during the British rule. {CBSE, 2024 (58/3/2)}
9. Briefly discuss the state of roads and railways during the British rule.
10. Enumerate any three infrastructural development activities undertaken by the colonial government in India. {CBSE, Delhi & AI Comptt. 2024}
11. State the two-fold motive for the systematic destabilisation of indigenous Indian industries in the British era. {CBSE, 2020 (58/5/2)}

OR

What was the two-fold motive behind the systematic de-industrialisation effected by the British in pre-independent India? {CBSE, 2020 (58/1/2)}

12. State and explain the condition of Indian agriculture on the eve of independence. {CBSE, 2023 (58/1/2)}
13. Comment upon any two salient features of the foreign trade policy of India, on the eve of Independence. {CBSE, 2020 (58/2/3)}
14. "The pre-independent India's occupational structure experienced growing regional variation." Justify the above statement with valid explanation. {CBSE, Sample Paper 2023-24}
15. Enumerate any three demographic indicators under the colonial rule. {CBSE, Delhi & AI Comptt. 2024 (II)}
16. Identify and briefly explain three key features of the Indian economy on the eve of independence that contributed to its predominantly stagnant structure. {CBSE, Practice Paper 2023-24}
17. Explain any two shortfalls of the industrial policy under the British rule. {CBSE, 2023 (58/3/1)}
18. Discuss briefly the estimates made by notable scholars regarding the national income and per capita income during the colonial rule in India. {CBSE, Sample Paper 2024-25}
19. "Suez Canal was used as a highway between India and Britain." Justify the given statement with valid arguments. {CBSE, 2024 (58/3/2, 3)}

OR

"Opening up of Suez Canal helped in establishing the British monopoly control over India's foreign trade." Justify the given statement with valid arguments. {CBSE, 2024 (58/5/1)}

20. "Development of Railways during British rule encouraged colonial exploitation of the Indian resources." Justify the given statement with valid arguments. {CBSE, 2024 (58/5/1)}

Long Answer Type Questions

1. Discuss the main reasons for India's agricultural stagnation during the colonial period.
2. "British rule adversely hampered the Industrial sector of India." Do you agree with this view? Give reasons in support of your answer.
3. Discuss the state of India's foreign trade during the colonial rule.
4. "The demographic condition during the British rule exhibited all features of a backward Indian economy." Do you agree? Give reasons in support of your answer.
5. Describe the salient features of India's occupational structure during the British period.
6. Briefly discuss the state of infrastructural facilities during the British period.
7. Briefly discuss the various reasons for development of infrastructure by the British Government.
8. Discuss the state of Indian Economy on the Eve of Independence.

ANSWERS OF OBJECTIVE QUESTIONS

Fill in the Blanks

- | | |
|-----------------------|---------------|
| 1. Lagaan | 7. Zamindari |
| 2. Commercialisation | 8. Suez |
| 3. Britain | 9. Handicraft |
| 4. Exporter, Importer | 10. 1881 |
| 5. 1921 | 11. Railways |
| 6. Agricultural | |

True or False

- False.** Economic policies of British-India government were concerned more with the protection and promotion of British economic interests.
- True.** Railways enabled people to undertake long distance travel. It broke geographical and cultural barriers and promoted national integration.
- False.** During the British rule, more than 50% of India's foreign trade was confined to Britain.
- False.** Railways were introduced in 1850.
- True.** India was well known for its handicraft industries in the fields of cotton and silk textiles, metal and precious stone works, etc.
- True.** There was drain of Indian wealth during the British rule as national product of India was used by the British government for development of their own country and not for India.
- False.** India was an independent, self-reliant and prosperous economy before the British rule.
- True.** A sizeable portion of the undivided country's highly irrigated and fertile land went to Pakistan.
- False.** Agriculture was the main source of livelihood during the British rule.
- False.** Both birth rate and death rate were very high at nearly 48 and 40 per thousand respectively.
- False.** The main motive behind such infrastructural development was to serve various colonial interests (like mobilising the army and shifting raw materials).
- False.** Railways benefited the Britishers more than the Indians. The construction of railways led to huge economic losses to the Indian Economy.
- False.** It did not improve their economic condition because instead of producing food crops, they were producing cash crops, which were to be ultimately used by the British Industries.
- False.** India was in the first stage of demographic transition before 1921. The second stage of transition began after 1921.
- False.** India became an exporter of raw material (mainly for Industries in Britain) during the British rule.
- False.** British Government maintained a monopoly control over India's exports and imports. More than ½ of India's foreign trade was restricted to Britain, while the rest was allowed with few other countries like China, Ceylon (Sri Lanka) and Persia (Iran).

Matching Type Questions

- (b) Agricultural sector – (ii) Main source of livelihood during British rule.
- (i) a.
- (i) b; (ii) a.
- (i) a; (ii) c.
- (i) c; (ii) a; (iii) b.
- (b) B – (ii)

Multiple Choice Questions (MCQs)

- | | | | | | | | |
|--------|---------|---------|---------|---------|---------|---------|---------|
| 1. (a) | 8. (b) | 15. (a) | 22. (a) | 29. (b) | 36. (c) | 43. (b) | 50. (c) |
| 2. (d) | 9. (c) | 16. (b) | 23. (a) | 30. (a) | 37. (d) | 44. (c) | 51. (c) |
| 3. (d) | 10. (c) | 17. (a) | 24. (b) | 31. (c) | 38. (d) | 45. (c) | 52. (c) |
| 4. (a) | 11. (c) | 18. (a) | 25. (b) | 32. (c) | 39. (a) | 46. (a) | 53. (b) |
| 5. (b) | 12. (d) | 19. (d) | 26. (c) | 33. (d) | 40. (d) | 47. (b) | 54. (d) |
| 6. (a) | 13. (b) | 20. (c) | 27. (d) | 34. (b) | 41. (d) | 48. (d) | 55. (d) |
| 7. (b) | 14. (b) | 21. (b) | 28. (b) | 35. (a) | 42. (b) | 49. (b) | |

Assertion Reason Questions (ARQs)

- | | | | | | | | | |
|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| 1. (a) | 3. (a) | 5. (a) | 7. (a) | 9. (c) | 11. (a) | 13. (a) | 15. (c) | 17. (b) |
| 2. (d) | 4. (c) | 6. (d) | 8. (b) | 10. (c) | 12. (c) | 14. (a) | 16. (a) | |

Statement Based Questions

- | | | | | | | |
|--------|--------|--------|--------|---------|---------|---------|
| 1. (a) | 3. (c) | 5. (a) | 7. (a) | 9. (c) | 11. (a) | 13. (a) |
| 2. (d) | 4. (b) | 6. (a) | 8. (a) | 10. (a) | 12. (a) | |