

## CHAPTER-2 | Indian Economy (1950-1990)

QUIZ  
PART-01

- Which type of economic system did Jawaharlal Nehru prefer for India after independence?
  - Capitalist economy
  - Socialist economy
  - Mixed economy
  - Traditional economy

**Explanation :** Nehru chose a mixed economy where both the state and the market would play roles in production and distribution.

- What is the main drawback of a capitalist economy mentioned in the text?
  - It discourages competition
  - It ignores purchasing power disparities
  - It bans private property
  - It eliminates consumer choice

**Explanation :** In a capitalist system, production depends on purchasing power, so the poor are excluded from basic needs like housing.

- What is the central principle of a socialist economy?
  - Decisions based on affordability
  - Decisions based on people's needs
  - No role of government in production
  - Private ownership of resources

**Explanation :** Socialism distributes goods on the basis of needs, not ability to pay, and provides free services like healthcare.

- When was the Planning Commission set up in India?
  - 1947
  - 1950
  - 1951
  - 1956

**Explanation :** The Planning Commission was established in 1950, with the Prime Minister as its chairman.

- Who was the first Chairman of the Planning Commission?
  - Rajendra Prasad
  - Sardar Patel
  - Jawaharlal Nehru
  - Indira Gandhi

**Explanation :** Jawaharlal Nehru served as the first chairman of the Planning Commission.

- What were the four main goals of India's Five-Year Plans?
  - Growth, modernization, self-reliance, equity
  - Industrialization, privatization, liberalization, globalization
  - Agriculture, defence, trade, technology
  - Savings, exports, imports, subsidies

**Explanation :** The planners focused on four broad goals: growth, modernization, self-reliance, and equity.

- Which Five-Year Plan focused on agriculture, irrigation, and electricity?
  - First Plan (1951–56)
  - Second Plan (1956–61)
  - Third Plan (1961–66)
  - Fourth Plan (1969–74)

**Explanation :** The First Five-Year Plan emphasized agriculture, irrigation, and electricity, following the Harrod–Domar model.

- Which Five-Year Plan was based on the Mahalanobis model?
  - First Plan
  - Second Plan
  - Third Plan
  - Fourth Plan

**Explanation :** The Second Plan (1956–61) was based on the P.C. Mahalanobis model and emphasized rapid industrialization.

- Which plan is also known as the 'Gadgil Plan'?
  - First Plan
  - Second Plan
  - Third Plan
  - Fourth Plan

**Explanation :** The Third Plan (1961–66), known as the Gadgil Plan, aimed at self-reliance but failed due to wars and drought.

- Which plan introduced the slogan 'Garibi Hatao'?
  - Third Plan
  - Fourth Plan
  - Fifth Plan
  - Sixth Plan

**Explanation :** The Fifth Plan (1974–79) focused on poverty removal with the slogan 'Garibi Hatao' and self-reliance.