

CHAPTER-3 | Liberalisation, Privatisation & Globalisation

QUIZ PART-05

1. By how much did India's GDP growth increase from the pre-reform to post-reform period?
- From 5.6% to 8.2%
 - From 6.5% to 7.0%
 - From 4.8% to 6.0%
 - From 7.5% to 9.2%

(A)

Explanation : GDP growth rose from 5.6% during 1980–91 to 8.2% during 2007–12, showing the impact of reforms.

2. Which sector primarily drove India's GDP growth after reforms?

- Agriculture
- Industry
- Service sector
- Mining

(C)

Explanation : While agriculture declined and industry fluctuated, the service sector showed strong growth, driving GDP expansion.

3. Foreign investment in India rose from about US \$100 million in 1990–91 to how much in 2017–18?

- US \$1 billion
- US \$15 billion
- US \$30 billion
- US \$50 billion

(D)

Explanation : Foreign investment, including FDI and FII, increased to US \$30 billion in 2017–18.

4. What was India's level of foreign exchange reserves by 2018–19?

- US \$6 billion
- US \$100 billion
- US \$250 billion
- US \$413 billion

(D)

Explanation : India's forex reserves rose from US \$6 billion in 1990–91 to US \$413 billion in 2018–19.

5. Which industry achieved global recognition due to LPG policies?

- Steel industry
- IT industry
- Textile industry
- Automobile industry

(B)

Explanation : The IT industry gained global recognition as LPG reforms boosted industrial production and competitiveness.

6. Which of the following was not a merit of LPG policies?

- Vibrant economy
- Consumer's sovereignty
- Increase in forex reserves
- Economic colonialism

(D)

Explanation : Economic colonialism was a demerit, as MNC dominance threatened local producers, not a merit.

7. What was one major negative effect of LPG policies on Indian agriculture?

- Decline in industrial growth
- Neglect of agriculture
- Overproduction of crops
- Rapid mechanisation

(B)

Explanation : Agriculture faced neglect as reforms prioritized industry and services, reducing growth in the farm sector.

8. What does 'urban concentration of growth process' imply?

- Growth centered in rural areas
- Equal growth in rural and urban regions
- Growth concentrated in urban areas widening rural–urban gulf
- Decline of urban growth

(D)

Explanation : Growth under LPG policies was concentrated in urban areas, widening the rural–urban divide.

9. Which negative impact of LPG resembles India's colonial past?

- Spread of consumerism
- Economic colonialism
- Cultural erosion
- Neglect of agriculture

(D)

Explanation : MNC dominance led to "economic colonialism," recalling the exploitation during political colonialism.

10. Which social concern arose from the spread of MNC-led consumerism?

- Increased self-reliance
- Cultural erosion and borrowing-led spending
- Stronger domestic industries
- Decline in urbanisation

(B)

Explanation : Consumerism promoted western borrowing-and-spending culture, leading to cultural erosion and vulnerability of households.