

CHAPTER-5 | Rural Development

QUIZ
PART-04

1. Which of the following is not a government initiative to improve the agricultural marketing system?
- Regulated markets
 - Minimum support price
 - Increasing cost of transport
 - Warehousing facilities

(C)

Explanation : The government provides regulated markets, warehousing, transport subsidies, and MSP, while increasing cost of transport is not a supportive measure.

2. What does the term 'distress sale' mean in agriculture?
- When consumers prefer branded goods
 - When farmers sell at MSP prices
 - When farmers are compelled to sell produce immediately at low prices
 - When government stores buffer stock

(C)

Explanation : Distress sale occurs when farmers, lacking storage and needing cash, sell immediately after harvest regardless of low market price.

3. Which institution ensures transparency in regulated markets?
- Only traders
 - Market committees with representatives of farmers, traders, and government
 - NABARD
 - Moneylenders

(B)

Explanation : Market committees composed of government, farmer, and trader representatives ensure fair weights and prices in regulated markets.

4. Why are warehousing facilities important for farmers?
- To reduce production costs
 - To avoid distress sales and sell when prices are better
 - To replace cooperative societies
 - To increase transport cost

(B)

Explanation : Warehousing allows farmers to store produce and sell later at remunerative prices, avoiding distress sales.

5. Which organisations mainly provide warehousing facilities in India?
- Private traders
 - Central and State Warehousing Corporations
 - SHGs
 - NABARD only

(B)

Explanation : Central and State Warehousing Corporations provide storage spaces to help farmers manage surplus and time sales.

6. How do cooperative agricultural marketing societies benefit farmers?

- By raising transport costs
- By bargaining collectively and securing better prices
- By reducing production
- By replacing warehousing facilities

(B)

Explanation : Cooperative societies improve farmers' bargaining power through collective sales, helping them secure better prices.

7. What is the role of subsidised transport in rural marketing?
- To restrict farmers to local markets
 - To enable farmers to reach urban markets with better deals
 - To increase dependency on moneylenders
 - To decrease farmers' profits

(B)

Explanation : Railways provide subsidised transport, allowing farmers to access urban markets where they get higher returns.

8. How does dissemination of information help farmers?
- By increasing storage costs
 - By guiding farmers on when and how much to sell
 - By restricting access to markets
 - By reducing literacy

(B)

Explanation : Media provides information on market price trends, enabling farmers to plan sales effectively.

9. What assurance does the MSP policy provide to farmers?
- That their produce will be bought by government at a fixed minimum price
 - That transport costs will be waived
 - That traders will buy at any price
 - That storage will always be free

(A)

Explanation : MSP assures farmers that the government will buy their produce at pre-announced prices, protecting them from price crashes.

10. In MSP policy, how are farmers free to sell their produce?
- Only at MSP to government
 - Only through traders
 - At MSP or higher in the open market
 - Only through cooperative societies

(C)

Explanation : Farmers can sell to the government at MSP or in the open market at higher prices if available.