

## Maharashtra State Board Class 11 Economics Solutions Chapter 5 Rural Development in India

### 1. Complete the following Statements:

Question 1.

Rural credit system assumes importance because \_\_\_\_\_

- (a) it leads to an increase in rural income.
- (b) savings are inadequate to finance farming and other economic activities.
- (c) it leads to the overall development of the rural areas.
- (d) it leads to a reduction in rural inequality.

Answer:

- (b) savings are inadequate to finance farming and other economic activities.

Question 2.

Productive loans are economically justified because \_\_\_\_\_

- (a) they are related to agricultural production
- (b) they are used for personal consumption
- (c) they help in the eradication of poverty
- (d) they improve the quality of life of the people

Answer:

- (a) they are related to agricultural production

Question 3.

Small farmers are unable to access rural credit provided by banks due to \_\_\_\_\_

- (a) presence of money lenders
- (b) no branches in rural areas
- (c) high transaction costs
- (d) preference is given to large farmers

Answer:

- (c) high transaction costs

Question 4.

The rights of socially disadvantaged groups can be safeguarded through \_\_\_\_\_

- (a) empowerment of women
- (b) proper enforcement of law and order
- (c) infrastructural development
- (d) improvement in quality of life

Answer:

- (b) proper enforcement of law and order

Question 5.

The quality of life of the rural people can be improved by \_\_\_\_\_

- (a) providing safe drinking water, health, and hygiene facilities
- (b) effective implementation of land reforms
- (c) providing subsidized credit facilities
- (d) reducing rural inequality

Answer:

- (a) providing safe drinking water, health, and hygiene facilities

### 2. Choose the wrong pair:

Question (i).

A. Agricultural Credit	B. Requirement
1. Short-term	(a) Purchase of fertilizers
2. Medium-term	(b) To meet expenditure on marriages
3. Long-term	(c) To buy a tractor

Answer:

Wrong Pair: Medium-term – To meet expenditure on marriages

Question (ii).

A. Rural Occupational Structure	B. Activity
1. Agricultural sector	(a) Banking and Insurance
2. Industrial sector	(b) Processing of raw materials
3. Service sector	(c) Computer-related service

Answer:

Wrong Pair: Agricultural sector – Banking and Insurance

### 3. Assertion and Reasoning questions:

Question 1.

Assertion (A): Indian economy is predominantly rural economy

Reasoning (R): As per the 2011 census, the country's rural population is almost 83.25 crore (68.8% of the total population)

Options:

- (i) (A) is true but (R) is False
- (ii) (A) is false but (R) is True
- (iii) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (iv) Both (A) and (R) are true but (R) is not the correct explanation of (A)

Answer:

(iii) Both (A) and (R) are true and (R) is the correct explanation of A.

Question 2.

Assertion (A): Literacy is a powerful instrument of socio-economic change.

Reasoning (R): Empowerment of women helps to reduce gender disparity.

Options:

- (i) (A) is true, but (R) is False
- (ii) (A) is false, but (R) is True
- (iii) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (iv) Both (A) and (R) are true but (R) is not the correct explanation of (A)

Answer:

(iv) Both (A) and (R) are true but (R) is not the correct explanation of (A)

Question 3.

Assertion (A): Agricultural credit is mostly for unproductive purposes.

Reasoning (R): Agricultural credit is an important prerequisite for agricultural growth.

Options:

- (i) (A) is true, but (R) is False
- (ii) (A) is false, but (R) is True
- (iii) Both (A) and (R) are true but (R) is the correct explanation of (A)
- (iv) Both (A) and (R) are true but (R) is not the correct explanation of (A)

Answer:

(ii) (A) is false, but (R) is True

Question 4.

Assertion (A): Non-institutional finance forms an important part of rural credit.

Reasoning (R): Small farmers are unable to access bank credit because of borrowers' unfriendly products. Options:

- (i) (A) is true, but (R) is False
- (ii) (A) is false, but (R) is True
- (iii) Both (A) and (R) are true and (R) is the correct explanation of A
- (iv) Both (A) and (R) are true, but (R) is not the correct explanation of A

Answer:

(iv) Both (A) and (R) are true, but (R) is not the correct explanation of (A)

### 4. Identify and explain the concepts from the given illustrations:

Question 1.

Kusumatai knowingly set up her business enterprise in the rural area so that people living there could be gainfully employed.

Answer:

Rural Development.

Rural development is a strategy designed to improve the economic and social life of a specific group of people i.e rural poor. It involves extending the benefits of development to the poor staying in rural areas.

Question 2.

Raoji purchased a new tractor for his farm by taking a loan.

Answer:

Long Term Loan.

A long-term loan is taken for a period of more than 5 years. It is generally taken for buying tractors, making permanent improvements on the land, etc.

Question 3.

Subsidized credit is provided by banks to small farmers for the purchase of High Yielding Variety (HYV) seeds.

Answer:

Short Term Loan.

A short-term loan is taken for a period not exceeding two years. It is taken to meet short-term requirements like buying fertilizers, buying HYV seeds, etc.

Question 4.

Damaji borrows a loan from a credit society established in the village this season rather than taking it from a moneylender.

Answer:

Institutional Source of Credit.

It includes commercial banks, Regional Rural Banks (RRB's), Rural Co-operative Credit Institutions, etc.

They provide loans to farmers for agricultural productive activities at a lower rate of interest.

Question 5.

Ramraoji takes a loan from the bank for a period of ten years subject to terms and conditions for the purpose of irrigated farming.

Answer:

Long Term Loan.

A long-term loan is taken for a period of more than 5 years and is generally taken to buy a tractor or making permanent improvements on the land.

5. Read the following passage carefully and answer the questions given below:

*Rural development is one of the thrust areas of administration. As Mahatma Gandhi rightly said, "India lives in villages and the development of the nation cannot be achieved without the development of the villages". The need of the hour is the convergence of all development interventions, at the grass-root level which can be possible through effective governance at the village level. The movement towards decentralization of the National and State governments through the Panchayati Raj system needs to be strengthened through lessons learned from the 'successful stories of Model villages' around India. Though India is progressing in the right direction in reducing education inequalities and increasing literacy levels, there is still a lot that needs to be done. An understanding of social issues is important for effective planning and policy development. Self-governance ensures that Indian citizens, even the previously marginalized, can participate in decision-making.*

Questions 1.

Explain in short Mahatma Gandhi's views on rural development.

Answer:

According to Mahatma Gandhi, "India lives in villages and the development of the nation cannot be achieved without the development of the villages."

It means rural development is necessary for the development of the nation.

Question 2.

Highlight the role of the government in achieving rural development.

Answer:

The role of the government in achieving rural development is very important. It needs the convergence of all development interventions at the grass-root level which can be possible through effective governance at the village level.

Question 3.

What measures have been suggested to achieve rural development?

Answer:

Following measures are suggested to achieve rural development:

- The movement towards decentralization of the national & state governments through the Panchayat Raj system needs to be strengthened.
- An understanding of social issues is important for effective planning and policy development.
- Self-governance, which ensures that Indian citizens even previously marginalized, can participate in decision-making.

Question 4.

Express your idea of a 'Model Village'.

Answer:

India is a country of villages.

My idea of a model village is as follows:

- There should be a good system of sanitation and the provision of safe drinking water.
- There must be good educational facilities so as to improve the literacy rate.
- There must be gender equality and women must be empowered & encouraged to participate in Community Development Programme.
- There should be proper enforcement of law & order
- There should be the development of infrastructure.
- A village should have financial institutions to provide credit at a reasonable rate of interest.
- A model village must have all possible provisions for all-around rural development.

### 11th Economics Digest Chapter 5 Rural Development in India Intext Questions and Answers

Find out: (Textbook Page No. 34)

Information about the latest achievements of NABARD.

Answer:

NABARD plays a pivotal role in reducing regional inequality and help small farmers, marginal farmers, and weaker sections of society.

Achievements:

(i) Refinance – short term loans:

In the year 2017-18, NABARD sanctioned short-term credit limits of ₹ 55,000 crores for seasonal agricultural operations to financial institutions.

(ii) Refinance – long term loans:

In the year 2017-18, refinance of ₹ 65,240 crores has been provided to financial institutions to carry forward a wide gamut of activities comprising of farm and non-farm activities.

(iii) Rural Infrastructure development fund:

NABARD disbursed ₹ 24,993 crores in RIDF which has now contributed substantially to the rural infrastructure funding.

(iv) Pradhan Mantri Awaas Yojana – Grameen (PMAY-G):

NABARD released ₹ 7,329.43 crores in 2017-18 to the National Rural Infrastructure Development Agency (NRIDA). Financial assistance was further provided by PMAY-G that planned to provide houses with basic amenities to houseless households by 2022.

(iv) Food Processing Fund:

To promote the food processing industry the Government of India instituted a special fund in NABARD in the year 2014-15. However, as of 31st March 2018, 11 Mega Food Park Projects, one integrated Food Park Project and three Food Processing Units have been sanctioned.

(v) Watershed Development:

Watershed Development programmes in 27 states have been sanctioned as of 31st March 2018.

(vi) Tribal Development:

712 projects have been sanctioned covering ₹ 5.21 lakh tribal families. ₹ 2,121 crores have been provided for their development.

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