



## Daily Subject wise Quiz Day 19 Economy I (Online Prelims Test)

1) Which of the following Economic plans are in the correct order in terms of its incorporation?

- Bombay Plan - Gandhian Plan - People's Plan - Sarvodaya Plan
- Gandhian Plan - People's Plan - Sarvodaya Plan - Bombay Plan
- Gandhian Plan - Sarvodaya Plan - People's Plan - Bombay Plan
- Bombay Plan - Gandhian Plan - Sarvodaya Plan - People's Plan

Answer : a

### Economic Plans

- **Bombay Plan** - It was presented by 8 leading industrialists of Bombay, Purshotamdas Thakurdas, J.R.D. Tata, G.D. Birla, Lala Sri Ram, Kasturbhai Lalbhai, A.D. Shroff, Avdeshir Dalal and John Mathai in 1944.
- **Gandhian Plan** - Sriman Narayan Agarwal formulated 'Gandhian Plan' in 1944.
- **People Plan** - In 1945, yet another plan was formulated by the radical humanist leader M.N. Roy, chairman of the Post-War Reconstruction Committee of Indian Trade Union.
- The plan was based on Marxist socialism and advocated the need of providing the people with the 'basic necessities of life'.
- Agricultural and industrial sectors, both were equally highlighted by the plan.
- **Sarvodaya Plan** - After the reports of the NPC were published and the Government was set to go for the five-year Plans, a lone blueprint for the planned development of India was formulated by the famous socialist leader Jaiprakash Narayan—the Sarvodaya Plan published in January 1950.

2) Consider the following statements with respect to Constitutional Economic and social planning

1. The Constitution includes provisions for promoting co-operation on a voluntary basis between the Union and the states.
2. The Constitution also sets out in broad outline the pattern of the welfare state envisaged and the fundamental principles on which it should rest.

Which of the above statement(s) is/are correct?

- 1 only
- 2 only
- Both 1 and 2
- Neither 1 nor 2

Answer : c

### Economic and social planning

- 'Economic and social planning' is a concurrent subject. Also, while framing the 'Union', 'State' and 'Concurrent' list, allocating subjects and other provisions, the Constitution vests power in

the Union to ensure co-ordinated development in essential fields of activity while preserving the initiative and authority of the states in the spheres allotted to them.

3) Consider the following statements with respect to Gandhian plan

1. The plan articulated a 'decentralized economic structure' for India with 'self-contained villages'.
2. Jayaprakash Narayan and Jawaharlal Nehru formulated the Gandhian Plan.

Which of the above statements is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : a

### **Gandhian plan**

- Espousing the spirit of the Gandhian economic Thinking, Sriman Narayan Agarwal formulated the Gandhian Plan in 1944.
- The plan laid more Emphasis on agriculture. Even if he referred to industrialization, it was to the level of promoting cottage and village-level industries, unlike the National Planning Committee (NPC) and the
- Bombay plan which supported a leading role for the heavy and large industries.
- The plan articulated a 'decentralized economic structure' for India with 'selfcontained villages'.
- Famous socialist leader Jayaprakash Narayan published the Sarvodaya plan in January 1950.

4) Which of the following statement is/are correct about the NITI Aayog?

1. The aim of NITI Aayog is to enhance cooperative federalism in the country.
2. Governing Council consists of the Finance ministers of all the States, It will be summoned by the president of India.

Select the correct answer from codes given below

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : a

### **NITI Aayog**

- NITI Aayog replaced the 65 year legacy of The Planning Commission
- NITI Aayog Chairman is Prime Minister, Governing Council consists of the Chief Ministers of all the States and Lt. Governors of Union Territories in India.
- Regional Councils will be created to address particular issues and possibilities affecting more than one state, these will be formed for a fixed term.
- It will be summoned by the Prime Minister, It will consist of the Chief Ministers of States and Lt. Governors of Union Territories.

5) Consider the following statements with respect to Gadgil Formula

1. It was evolved in 1969 for determining the allocation of central assistance for state plans in India.
2. It sought to provide certain disadvantaged states with preferential treatment in the form of central assistance and tax breaks.
3. Initially three states Assam, Nagaland and Jammu & Kashmir were granted special status under the rationale.

Which of the above statement(s) is/are correct?

- a. 1 only
- b. 2 & 3 only
- c. 1 & 3 only
- d. All of the above

Answer : d

### **Gadgil Formula**

- Gadgil formula is named after Dhananjay Ramchandra Gadgil, a social scientist and the first critic of Indian planning.
- It was evolved in 1969 for determining the allocation of central assistance for state plans in India.
- It is important to note that the concept of a special category state was first introduced in 1969 when the 5th Finance Commission sought to provide certain disadvantaged states with preferential treatment in the form of central assistance and tax breaks.
- Initially three states Assam, Nagaland and Jammu & Kashmir were granted special status but since then eight more have been included (Arunachal Pradesh, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Sikkim, Tripura and Uttarakhand).
- Some of the Features Required for Special Status are

1. Hilly and difficult terrain;
2. Low population density or sizeable share of tribal population;
3. Strategic location along borders with neighbouring countries;
4. Economic and infrastructural backwardness; and
5. Non-viable nature of state finances