**SHETH NKTT COLLEGE OF COMMERCE AND SHETH JTT COLLEGE OF ARTS, THANE.**

**MCQs for TYBA on Industrial and Labour Economics (semester-v)**

**(MCQ (106) questions with answers)**

**(2020-21)**

***(Note: These questions are prepared for practice, if any doubt, ask Dr. Dhanashree Sawant)***

***Answers are given in Bold font***

**Unit-I Introduction**

**Multiple Choice Questions (select the best answer)**

1. Industrial economics deals with the organizations or institutions of …………
2. **Production**
3. Distributions
4. Consumptions
5. Education
6. Industrial Economics broadly describes matters, such as, Market structure, Pricing and ……….
7. Supervision
8. **Material organization**
9. Inflation
10. Distribution
11. Market Structure is more influenced by variables such as, technology, business expertise, input prices, ……………….
12. **demand and supply conditions**
13. protection
14. exchange rate
15. welfare
16. Market Conduct is more influenced by factors like, price policy, product policy, financial policy …………….
17. **research and development policy**
18. cultural factors
19. caste system
20. media
21. Performance of market mostly is influenced by the factors like ……………..
22. Mental conditions
23. **profitability, stability and growth rate**
24. functions and equations
25. slope and intercept
26. The number of PSUs in India rose from 5 in …………. to 244 in 2015-16.
27. 1948
28. **1951**
29. 1960
30. 1990
31. Infrastructure such as irrigation, power supply, roadways, railways, communication facilities, basic and key industries are provided by the ………… sector before reform period in India. –
32. **Public**
33. Private
34. Joint
35. Cooperative
36. Strong industrial base does consist of construction ……………..
37. Canteen, ground and gymkhana
38. **Electricity, gas and water supply**
39. Malls, houses and schools
40. Airline, waterways and railways
41. Before 1991 reforms, the private sector in India could not undertake huge investment, so ………….. sector shouldered the responsibility.
42. Cooperative
43. Agriculture
44. Education
45. **Public**
46. To reduce regional imbalances, the government of India tries to set up big industries in ……………….regions.
47. Developed
48. Developing
49. **Backward or underdeveloped**
50. Modern
51. Diversification is the ……………….. of firms either in the direction of their existing main products, as with vertical integration, but in the direction of other different or similar activities.
52. **lateral expansion**
53. vertical expansion
54. normal expansion
55. difference
56. Merger refers to the amalgamation or …………. of two or more firms.-True
57. Competition
58. Cooperation
59. **Integration**
60. Disintegration
61. The term ‘Acquisition’ is also used in place of…………..
62. **Take-over**
63. Overtake
64. Achievement
65. Supervision
66. …………… Economics is concerned with Market structure, Pricing and material organization.
67. **Industrial**
68. Agricultural
69. Financial
70. Social
71. The Reliance Industries is an example of ………… Sector.
72. Public
73. Cooperative
74. **Private**
75. Household
76. The joint ownership of resources is a feature of ………. Sector.
77. Public
78. Private
79. **Cooperative**
80. Health
81. Indian Oil Corporation is an example of ……….. Sector.

a. **Public**

b. Cooperative

c. Private

d. rural

1. …………… imbalance is caused due to varied levels of growth.
2. **Regional**
3. Urban
4. State
5. Government
6. ……………… leads to increase in stock of foreign exchange.
7. Import Substitution
8. **Export Promotion**
9. Tariff
10. Quota
11. …………. is done for saving foreign exchange
12. **Import substitution**
13. Import of crude oil
14. Foreign travel
15. Import promotion
16. Concentration of economic power is mostly resulted due to ……….. market
17. Perfectly competitive
18. **Monopoly**
19. Monopolistic competition
20. oligopoly
21. Economies of scale are …………….. of large firm.
22. **Cost advantages**
23. Cost disadvantages
24. Revenues
25. Utilization
26. The State Bank of India is an example of ………….. bank
27. **Nationalized**
28. Foreign
29. International
30. Private
31. Which one of the following is not the objective of Diversification?
32. Survival
33. Stability
34. **Utilization of mind power**
35. Growth
36. Which one of the following is not the reasons for Diversification?
37. Development of technology
38. **Development of price**
39. Goodwill of company
40. Spare capacity
41. Which one of the following is not the determinant of Diversification?
42. Profitability
43. Stability
44. Tax incentives
45. **Welfare of people**
46. **Which one of the following is not the motive for Merger?**
47. Division of Labour
48. Security of sources of supply
49. Economies of scale
50. To face competition from rivals
51. **Which one of the following is not an objective for Merger?**
52. To improve financial position
53. To get benefits of Undervaluation
54. **For political position**
55. To spread the burden of taxes

**Module-II Industrial Location and Regional Imbalances**

1. Centralisation of different industries in different localities which can be called as ……………
2. Occupational division of labour
3. Social division of labour
4. **Territorial division of labour**
5. Groupism
6. Availability of labour is one of the ……….. factors which determines localization of industries.
7. Natural
8. Social
9. **Economic**
10. Religious
11. Place and security determine the …………… of industries. – True
12. **Localization**
13. Spreading
14. Diversification
15. Growth
16. Weber’s theory is based on ………. approach.
17. **Deductive**
18. Inductive
19. Behavioural
20. social
21. Agglomerative and deglomerative factors are same.
22. Similar
23. **Different**
24. Complementary
25. constant
26. Split in location implies that there can be …………. location of an industry.
27. Less than two
28. **more than one**
29. division in
30. disputed
31. Locational Coupling leads to ………………. of various types of industrial units at particular place.
32. Decentralization
33. **Centralization**
34. Division
35. Fragmentation
36. Ubiquitous raw materials are those materials which are found ………...
37. Nowhere
38. **Everywhere**
39. At some places
40. At rural areas
41. Higher the MI, ……….. will be the tendency to go towards centres of raw materials. -False
42. Lower
43. **Higher**
44. Constant
45. Neutral
46. ………….. is the MI, the localization of industry will be towards the market.
47. **Lower**
48. Higher
49. Downward
50. Vertical
51. Location factor index = ………………
52. Total population / total national income
53. **% of workers in the industry / % of workers in the country**
54. Total workers / total population
55. Capital output ratio
56. If the location factor index value is greater than ………, then it can be said that the region has a high share of that industry.
57. **Unity**
58. Two
59. Five
60. hundred
61. If the location factor index is below one, then the region has ……….. share of that industry.
62. High
63. **Less**
64. Equal
65. constant
66. ………….. is the act or result of dispersing especially, the process or result of the spreading of organisms from one place to another.
67. disinvestment
68. disintegration
69. **Dispersion**
70. Division
71. Regional imbalance implies ………… levels of economic growth and development in different regions of a country.
72. Similar
73. **Different**
74. Equal
75. Stable
76. Which among the following is not the natural factor to determine localization of industries?
    * 1. Availability of raw material
      2. Power Resources
      3. Natural & Climatic conditions
      4. **Means of Transport and Communication**
77. Which among the following is not the economic factor to determine localization of industries?
78. Financial facilities
79. Proximity of Market
80. **Security forces**
81. Availability of Place and other services
82. **Which among the following is not the economic factor to determine localization of industries?**
83. **Availability of raw material**
84. Financial facilities
85. Proximity of market
86. Means of Transport and Communication.
87. **Which among the following is not the economic factor to determine localization of industries?**
88. Financial facilities
89. Proximity of Market
90. **Security forces**
91. Availability of Place and other services
92. **Which among the following is not the political factor to determine localization of industries?**
93. **Financial resources**
94. Government protection
95. Government Encouragement
96. Place and security
97. **Which among the following is not the factor to determine localization of industries?**
98. Natural resources
99. Financial resources
100. Religious factors
101. **Gross income**
102. **Which among the following is not the feature of Weber’s theory of industrial location?**
103. Pull of industry towards a particular geographical region
104. Deductive approach
105. **Inductive approach**
106. Material Index
107. Which among the following is not the feature of Florence’s theory of industrial location?
108. Inductive approach
109. Occupational distribution of population determines location of industry
110. Index of the degree of concentration of an industry in a particular region
111. **Deductive approach**
112. **Which among the following is not the criticism of the Weber’s theory?**
113. **Based on Inductive approach**
114. Based on Deductive Methods
115. No importance to other factors of Localisation
116. Incomplete analysis of Transportation
117. **Which among the following is not the criticism of the Florence’s theory?**
118. Investigation of Status-quo
119. Localization is based on Labour only
120. **It is based on deductive approach**
121. Partial Explanation
122. **Which among the following is not the problem of Dispersal of industries?**
123. Unbalanced Industrial Development
124. **Inequalities on income and wealth**
125. Regionalism
126. Industrial Pollution
127. **Which among the following is not the cause of Regional Imbalances?**
128. Disparities in PCI
129. Incidence of Poverty
130. **Population growth**
131. Disparities in Human Development
132. **Which among the following is the cause of Regional Imbalances?**
133. Growth of population
134. Inflation
135. **Disparities in Agricultural Growth**
136. Deficit budget
137. Which among the following is not the provision for regional planning as per Third Five-year Planning?
138. Increasing agricultural production
139. Increase in employment and income
140. Developing of social services, such as, elementary education, water supply, sanitation and health services in rural areas
141. **Increase in Prices**
142. **Which among the following is not the step to reduce regional imbalances?**
143. **Legal enactment**
144. Improving the irrigation and power supply in backward areas
145. Improving the availability of education and health services
146. Expansion in means of transport and communication
147. **Which among the following are the schemes introduced for the reduction of regional imbalances in backward areas?**
148. Small Farmers Development Agency (SFDA)
149. Marginal Farmers’ and Agricultural Laborers’ Development Agency (MFAL)
150. Drought Prone Areas Program (DPAP)
151. **Monopoly Restrictive Trade Practices (MRTP) act**
152. **Which among the following is the step to reduce the regional imbalances?**
153. **Raising the standard of living of the people**
154. Reduction of taxes
155. Price control
156. Family planning program

**Module III: Industrial Productivity and Industrial Sickness**

1. …………… of a factor is the ability to produce a good or a service.
2. **Productivity**
3. Economizing
4. Division
5. Freedom
6. …………….implies is a functional relation between input and output.
7. Consumption function
8. Demand function
9. Production function
10. None of the above
11. Productivity of labour is the ratio of output and the number of ……….. used during a given period of time.
12. capital units
13. **manhours**
14. machinery
15. equipment
16. Productivity of capital is the ratio of output and the …………. used in business.
17. man-hours
18. **capital units**
19. workers
20. services
21. …………… of land is the ratio of total output to area of land used.
22. Size
23. Quality
24. **Productivity**
25. division
26. Value of labour used in production cannot be measured …………
27. **precisely**
28. at all
29. approximately
30. in money terms
31. Output can be measured in terms of volume or in ………….
32. **terms of money**
33. terms of capital
34. terms of people
35. terms of entrepreneurs
36. It is difficult to calculate the productivity ratio in …………. institutions.
37. Big
38. Goods
39. Service
40. Small
41. The …………… factors of a firm may be different from those of another firm.
42. **Environmental**
43. Economic
44. Business
45. None of the above
46. ………….. can help to improve the productivity of a firm.
47. Friends circle
48. **Quality circle**
49. Quantity circle
50. Study circle
51. ………… factors have no role to perform in raising the productivity
52. Monetary
53. **Communal**
54. Sociological
55. Natural
56. ……………. is a method of use of mathematical and scientific models to solve complicated mathematical problems.
57. **Operations research**
58. Economizing
59. Organization
60. Utilization
61. Industrial output cannot be increased so long as ………….. are prevalent in the process of production.
62. **habitual antiquated practices**
63. quality controls
64. training and motivation to workers
65. none of the above
66. which of the following is not the objective of Rationalization?
67. To raise the output
68. To provide better working conditions to labor
69. **To fulfill basic necessities of life**
70. To have best use of available resources
71. Rationalization schemes have been introduced in………… in India.
72. **Textiles mills**
73. Coal mining
74. Agriculture
75. None of the above
76. Rationalization is considered as one of the main means of increasing output and reducing………….
77. Inequality
78. **cost of production**
79. revenue
80. public expenditure
81. **Which among the following is not one of the difficulties in the Measurement of Industrial Productivity ?**
82. Measurement of Factor productivity
83. Measurement of productivity of the Services
84. Changing conditions of production
85. **Inflation**
86. **Which among the following is not one of the measures to improve Industrial Productivity?**
87. Quality circles
88. **Monetary policy**
89. Motivational factors
90. Operations research
91. **Which among the following is not one of the causes of Industrial Sickness?**
92. Power cuts
93. Erratic supply of inputs
94. **Rise in profit**
95. Demand and credit restraints
96. **Which among the following is not one of the measures of Industrial Sickness?**
97. **Imposition of heavy taxes**
98. Grant of additional capital
99. Income tax concessions
100. Board of Industrial and Financial Reconstruction
101. **Which among the following is not one of the objectives of Rationalisation?**
102. To raise output and reduce cost of production
103. To replace habitual antiquated practices
104. To avoid waste material and Labour
105. **To maintain price stability**
106. Which among the following is not one of the merits of Rationalisation?
107. Lowers prices
108. Stimulates demand
109. **Loss of human factor**
110. Widens market for industrial production
111. Which among the following is not one of the demerits of Rationalisation
112. Opposition from employers due to high cost expenses on rationalization
113. Lack of sufficient capital and business talents
114. Reduction of employment opportunities
115. **Stimulates demand**
116. **Rationalization implies ------**
117. **A reform to replace habitual antiquated practices by systematic reasoning**
118. A reform to remove inequalities of income and wealth
119. A process which takes a business unit to increase wastages of material
120. A method of controlling price rise.
121. Industrial sickness causes due to ------
122. **Faults at planning and construction stage**
123. Efficient management
124. Equal distribution of public outlay
125. Taxation policy
126. Industrial sickness can be controlled by --------
127. **Detecting the sickness at preliminary stage**
128. Effective health measures
129. Equal distribution of income and wealth
130. Improving the trade relations with other countries

**Module-IV Industrial Development in India**

1. The LPG implies **……….**
2. Liberalization, Privatization, Globalisation
3. Limited Public Group
4. Lively People’s Gathering
5. Lonely Public Ground
6. The Foreign Investment Promotion Board (FIPB) was set up in ………
7. **Early 1990**
8. Mid 2014
9. End of 2000
10. 1991
11. The FIPB was abolished in …….
12. 2014
13. **2017**
14. 2015
15. 2000
16. Which of the following is not the benefit of FDI?
17. Sectorial development
18. **Dependency**
19. Employment generation
20. Transfer of technology
21. Which of the following was not the feature of New Industrial Policy 1991?
22. Abolition of industrial licensing
23. **Setting up of new public sector enterprises**
24. Permitted foreign investment
25. Removal of MRTP limit
26. Which of the following was not the part of FDI policy 2017?
27. **Strengthening the FIPB**
28. Introduction of Foreign Investment Facilitation Poral
29. Introduction of standard operating procedures
30. Issue of convertible notes by start-ups
31. Which of the following is not the advantage of TNCs?
32. Direct and indirect employment generation
33. Increased competition
34. Industrial expansion
35. **Pollution control**
36. Which of the following is the best example of a multinational enterprise?
37. The US post office
38. **A large pharmaceutical company**
39. A British rail company
40. A local health company
41. Which of the following is not among the merits of MNCs?
42. **No contacts**
43. Higher productivity
44. Wealth creation
45. Generation of revenue
46. Which of the following is not among the disadvantages of MNCs?
47. **political power**
48. Limited skill development
49. Profits repatriated in foreign exchange
50. Environmental damage
51. Which of the following is not among the merits of the Micro, Small and Medium Enterprises (MSME) Development Act, 2006?
52. **Inequitable distribution of income and wealth**
53. Regional dispersal of industries
54. Support to large scale industries
55. Support to agricultural sector
56. Which among the following is not the feature of MSME act, 2006?
57. It strengthens legal provisions to check delayed payment to micro and medium enterprises
58. Setting up of specific funds for promotion and development of the sector
59. Priority in government purchases is given to products and services from MSE sector
60. **Public Distribution System**
61. When was the National Manufacturing Policy, 2011 introduced?
62. 4th June 2011
63. 14th August 2011
64. **4th November 2011**
65. 24th December 2011
66. The NMP, 2011 envisages …………..
67. **Simplifications of business regulations**
68. Strengthening of monopolies
69. Subsidies to the farmers
70. Education for all
71. Which of the following is not the objective of the NMP, 2011?
72. 12-14 % growth rate of Mfg sector
73. Increase in share of Mfg sector from 16% to 25% by 2022
74. Create 100 million jobs by 2022
75. **Reduce global competitiveness**
76. NMP, 2011 has failed to ……………
77. **Identify a small set of manufacturing industries in which India has competitive position**
78. Identify workers efficiency
79. Identify growing demand for the products
80. Identify new techniques of production
81. The National Committee on Environmental Planning and Coordination (NCEPC) was set up in the year ………..
82. 1966
83. **1972**
84. 1988
85. 2011
86. The Enviornment Protection Act was enacted in the year …….
87. 1975
88. 1980
89. **1986**
90. 1999
91. Which of the following does not cause environmental degradation?
92. Water pollution
93. Indoor air pollution
94. Soil degradation
95. **Occupational hazards**