

# **Growth and Development**

## Unit-4: Sectoral aspects of development

### Rationale and pattern of industrialization in developing countries

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1) Industrialization is important for economic development because it:

- a) Increases dependence on agriculture
- b) Enhances productivity and income levels
- c) Reduces employment opportunities
- d) Decreases capital investment

Answer: b) Enhances productivity and income levels

2) The process of moving from an agriculture-based economy to an industry-based economy is called:

- a) Structural transformation
- b) Urbanization
- c) Liberalization
- d) Globalization

Answer: a) Structural transformation

3) Which sector is most important for industrialization?

- a) Primary sector
- b) Secondary sector
- c) Tertiary sector
- d) Informal sector

Answer: b) Secondary sector

4) Industrialization helps in:

- a) Increasing dependence on imported goods
- b) Reducing economic diversification
- c) Generating employment and economic growth
- d) Decreasing technological progress

Answer: c) Generating employment and economic growth

5: A major problem of industrialization in developing countries is:

- a) Overinvestment in agriculture
- b) Lack of capital and infrastructure
- c) Excessive labor force in the industrial sector
- d) Rapid technological adoption

Answer: b) Lack of capital and infrastructure

6: Import-substitution industrialization (ISI) aims to:

- a) Increase foreign imports
- b) Encourage domestic production and reduce imports
- c) Promote free trade
- d) Eliminate tariffs and subsidies

Answer: b) Encourage domestic production and reduce imports

7: Export-oriented industrialization (EOI) focuses on:

- a) Reducing exports and increasing domestic consumption
- b) Producing goods for international markets
- c) Importing more raw materials
- d) Eliminating trade agreements

Answer: b) Producing goods for international markets

8: Which of the following is an advantage of industrialization?

- a) Decrease in urbanization
- b) Increased productivity and technological advancement
- c) Reduction in employment opportunities
- d) Decline in international trade

Answer: b) Increased productivity and technological advancement

9: Industrial clusters help in:

- a) Increasing transportation costs
- b) Reducing labor productivity
- c) Enhancing innovation and economies of scale
- d) Decreasing competition

Answer: c) Enhancing innovation and economies of scale

10: Industrialization leads to:

- a) Rural stagnation
- b) Diversification of economic activities
- c) Decrease in urbanization
- d) Lower productivity

Answer: b) Diversification of economic activities

11: The choice of techniques in industrialization depends on:

- a) Availability of labor and capital
- b) International trade agreements
- c) Currency exchange rates
- d) Weather conditions

Answer: a) Availability of labor and capital

12: Capital-intensive techniques use more:

- a) Human labor
- b) Natural resources
- c) Machinery and technology
- d) Manual tools

Answer: c) Machinery and technology

13: Labor-intensive techniques are suitable for:

- a) Capital-rich economies
- b) Labor-surplus economies
- c) Economies with high automation
- d) Countries with high wages

Answer: b) Labor-surplus economies

14: The choice between labor-intensive and capital-intensive techniques depends on:

- a) Wage rates and capital costs
- b) Political stability
- c) Foreign exchange reserves
- d) Population size

Answer: a) Wage rates and capital costs

15: Capital-intensive industries require:

- a) More human labor
- b) Advanced machinery and automation
- c) Less financial investment
- d) No skilled workforce

Answer: b) Advanced machinery and automation

16: Labor-intensive production is common in:

- a) Highly automated industries
- b) Service industries
- c) Textile and handicraft industries
- d) Aerospace industries

Answer: c) Textile and handicraft industries

17: Which of the following factors affect the choice of technology in developing countries?

- a) Level of economic development
- b) Availability of skilled labor
- c) Cost of capital
- d) All of the above

Answer: d) All of the above

18: Which industry is most likely to use capital-intensive techniques?

- a) Agriculture
- b) Heavy machinery and automobile manufacturing
- c) Small-scale handicrafts
- d) Retail trade

Answer: b) Heavy machinery and automobile manufacturing

19: The major disadvantage of labor-intensive techniques is:

- a) High unemployment rates
- b) Lower productivity and efficiency
- c) Excessive use of capital
- d) High environmental costs

Answer: b) Lower productivity and efficiency

20: Developing countries often prefer labor-intensive techniques because:

- a) They have a surplus of labor
- b) They lack raw materials
- c) Their capital costs are lower
- d) They want to increase unemployment

Answer: a) They have a surplus of labor

21: Appropriate technology refers to:

- a) The most advanced technology available
- b) Technology that is suitable for a country's resources and needs
- c) Imported technology from developed countries
- d) Costliest technology

Answer: b) Technology that is suitable for a country's resources and needs

22: The main goal of appropriate technology is to:

- a) Reduce employment
- b) Increase production with available resources
- c) Depend on imported machinery
- d) Reduce industrial output

Answer: b) Increase production with available resources

23: Appropriate technology helps in:

- a) Increasing unemployment
- b) Promoting sustainable development
- c) Eliminating small-scale industries
- d) Increasing pollution

Answer: b) Promoting sustainable development

24: A key characteristic of appropriate technology is:

- a) High energy consumption
- b) Simplicity and affordability
- c) Exclusive use in developed countries
- d) Dependency on imported raw materials

Answer: b) Simplicity and affordability

25: Employment generation in developing countries is most effective through:

- a) Automation of industries
- b) Development of small-scale industries
- c) Importing foreign workers
- d) Reducing labor force participation

Answer: b) Development of small-scale industries

# **TOPIC: Efficiency of Small-Scale vs. Large-Scale Production**

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1: Small-scale industries are characterized by:

- a) High capital investment
- b) Low labor absorption
- c) Limited production scale
- d) Mass production

Answer: c) Limited production scale

2: Large-scale production benefits from:

- a) High unit costs
- b) Diseconomies of scale
- c) Economies of scale
- d) Manual production methods

Answer: c) Economies of scale

3: Small-scale industries are more suitable for:

- a) Capital-intensive production
- b) Labor-surplus economies
- c) Fully automated industries
- d) Heavy manufacturing

Answer: b) Labor-surplus economies

4: One major advantage of large-scale production is:

- a) Higher per-unit production costs
- b) Inefficient use of resources
- c) Increased efficiency through specialization
- d) Reduced access to global markets

Answer: c) Increased efficiency through specialization

5: Small-scale industries typically:

- a) Require heavy machinery
- b) Have lower barriers to entry
- c) Depend solely on foreign investment
- d) Focus only on export markets

Answer: b) Have lower barriers to entry

6: Large-scale production leads to:

- a) Decreased productivity
- b) Higher costs due to bulk purchasing
- c) Standardized products and lower costs
- d) Higher dependency on unskilled labor

Answer: c) Standardized products and lower costs

7: Small-scale production is most efficient in industries such as:

- a) Automobile manufacturing
- b) Handicrafts and textiles
- c) Steel production
- d) Oil refining

Answer: b) Handicrafts and textiles

8: Large-scale industries contribute to economic development by:

- a) Reducing technology use
- b) Increasing industrial output and exports
- c) Limiting employment opportunities
- d) Raising production costs

Answer: b) Increasing industrial output and exports

9: Small-scale industries play a crucial role in:

- a) Exporting only high-tech goods
- b) Reducing employment opportunities
- c) Promoting rural development
- d) Eliminating competition in markets

Answer: c) Promoting rural development

10: Which of the following is a disadvantage of small-scale production?

- a) Limited access to financial resources
- b) High economies of scale
- c) Ability to produce in bulk
- d) High levels of mechanization

Answer: a) Limited access to financial resources

11: One of the biggest advantages of large-scale production is:

- a) Higher costs of production
- b) Increased efficiency and lower per-unit costs
- c) Less specialization
- d) Dependence on manual labor

Answer: b) Increased efficiency and lower per-unit costs

12: Small-scale production is advantageous because:

- a) It requires high capital investment
- b) It promotes employment in rural areas
- c) It focuses only on mass production
- d) It discourages entrepreneurship

Answer: b) It promotes employment in rural areas

13: Large-scale industries are more dependent on:

- a) Skilled labor and automation
- b) Small household businesses
- c) Manual labor-intensive production
- d) Government subsidies

Answer: a) Skilled labor and automation

14: Small-scale industries often struggle with:

- a) Flexibility in production
- b) Lower financial backing
- c) High economies of scale
- d) High export barriers

Answer: b) Lower financial backing

15: Large-scale industries are more suitable for:

- a) Capital-intensive industries like automobiles and steel
- b) Handicrafts and local artisan work
- c) Small home-based businesses
- d) Agricultural processing

Answer: a) Capital-intensive industries like automobiles and steel

16: Terms of trade refer to:

- a) The exchange rate between two countries
- b) The ratio of export prices to import prices
- c) Agricultural subsidies
- d) Trade agreements between large firms

Answer: b) The ratio of export prices to import prices

17: When the price of industrial goods rises faster than agricultural goods, the terms of trade:

- a) Favor agriculture
- b) Favor industry
- c) Remain constant
- d) Do not affect the economy

Answer: b) Favor industry

18: The deterioration of agricultural terms of trade means:

- a) Farmers earn less from their produce compared to industrial goods
- b) The agriculture sector is becoming richer
- c) Agricultural exports are increasing in price faster than industrial imports
- d) There is no change in trade balances

Answer: a) Farmers earn less from their produce compared to industrial goods

19: Favorable terms of trade for agriculture occur when:

- a) The price of agricultural goods rises relative to industrial goods
- b) Industrialization decreases
- c) The country shifts to subsistence farming
- d) Import tariffs on machinery increase

Answer: a) The price of agricultural goods rises relative to industrial goods

20: Agricultural productivity improvements can help:

- a) Increase farmer incomes and improve terms of trade
- b) Reduce food supply
- c) Make agriculture less competitive
- d) Slow down rural development

Answer: a) Increase farmer incomes and improve terms of trade

21: Industry depends on agriculture for:

- a) Skilled labor
- b) Raw materials like cotton and rubber
- c) Heavy machinery production
- d) IT services

Answer: b) Raw materials like cotton and rubber

22: A major challenge in terms of trade for developing countries is:

- a) Falling industrial output
- b) Declining agricultural prices relative to industrial goods
- c) Increasing dependency on subsistence farming
- d) Decreasing employment in industry

Answer: b) Declining agricultural prices relative to industrial goods

23: Agricultural subsidies help in:

- a) Reducing farm productivity
- b) Increasing rural incomes and food security
- c) Decreasing government revenues
- d) Lowering industrial growth

Answer: b) Increasing rural incomes and food security

24: The Green Revolution improved agricultural terms of trade by:

- a) Increasing food production and farmer income
- b) Reducing the use of modern techniques
- c) Limiting trade with industrial sectors
- d) Raising food prices uncontrollably

Answer: a) Increasing food production and farmer income

25: Industrial growth leads to:

- a) Reduced demand for agricultural goods
- b) Increased demand for raw materials from agriculture
- c) Lower technological progress
- d) Declining labor productivity

Answer: b) Increased demand for raw materials from agriculture

***TOPIC: Sectoral Aspects of Development,  
Infrastructure, Labor Markets.***

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1: Industrialization helps in:

- a) Increasing unemployment
- b) Reducing economic productivity
- c) Increasing urbanization and economic diversification
- d) Decreasing technology use

Answer: c) Increasing urbanization and economic diversification

2: The shift from an agricultural economy to an industrial economy is known as:

- a) Urbanization
- b) Globalization
- c) Industrialization
- d) Liberalization

Answer: c) Industrialization

3: The service sector is also known as the:

- a) Primary sector
- b) Secondary sector
- c) Tertiary sector
- d) Quaternary sector

Answer: c) Tertiary sector

4: In a developing country, which sector employs the largest workforce?

- a) Agriculture
- b) Services
- c) Industry
- d) IT

Answer: a) Agriculture

5: Which of the following is a key feature of economic development?

- a) Stagnation in the industrial sector
- b) Growth of only one sector
- c) Balanced sectoral growth
- d) Reduction in GDP

Answer: c) Balanced sectoral growth

6: The transformation from a rural-based economy to an urban economy is called:

- a) Agrarian Revolution
- b) Structural transformation
- c) Economic stagnation
- d) Rural expansion

Answer: b) Structural transformation

7: Which sector is responsible for raw material production?

- a) Primary
- b) Secondary
- c) Tertiary
- d) Quaternary

Answer: a) Primary

8: The secondary sector includes:

- a) Mining and fishing
- b) Construction and manufacturing
- c) Banking and insurance
- d) Education and healthcare

Answer: b) Construction and manufacturing

9: The largest contributor to GDP in developed economies is usually the:

- a) Primary sector
- b) Secondary sector
- c) Tertiary sector
- d) Informal sector

Answer: c) Tertiary sector

10: An example of the quaternary sector is:

- a) Farming
- b) Manufacturing
- c) Research and development
- d) Transport services

Answer: c) Research and development

11: Infrastructure can be classified into:

- a) Public and private
- b) Economic and social
- c) Rural and urban
- d) Heavy and light

Answer: b) Economic and social

12: Which of the following is an example of social infrastructure?

- a) Highways
- b) Power plants
- c) Schools
- d) Airports

Answer: c) Schools

13: Economic infrastructure includes:

- a) Hospitals
- b) Roads and railways
- c) Universities
- d) Parks

Answer: b) Roads and railways

14: Poor infrastructure leads to:

- a) Faster economic growth
- b) Higher transportation costs
- c) Increased efficiency
- d) Lower production costs

Answer: b) Higher transportation costs

15: Which sector is most dependent on infrastructure development?

- a) IT sector
- b) Manufacturing
- c) Banking
- d) Tourism

Answer: b) Manufacturing

16: Which of the following is NOT an infrastructure component?

- a) Bridges
- b) Schools
- c) Currency exchange rates
- d) Electricity supply

Answer: c) Currency exchange rates

17: Good infrastructure helps in:

- a) Reducing production costs
- b) Increasing business competitiveness
- c) Boosting foreign investment
- d) All of the above

Answer: d) All of the above

18: Which mode of transportation is the most crucial for trade in developing countries?

- a) Waterways
- b) Railways
- c) Airways
- d) Space travel

Answer: b) Railways

19: Reliable electricity supply supports:

- a) Industrial production
- b) Service sector growth
- c) Domestic comfort
- d) All of the above

Answer: d) All of the above

20: Which factor is the biggest challenge for infrastructure development in developing countries?

- a) High population growth
- b) Lack of financing
- c) Overdependence on agriculture
- d) Strong labor laws

Answer: b) Lack of financing

21: The labor market determines:

- a) Inflation rates
- b) Wages and employment levels
- c) Tax policies
- d) Foreign trade agreements

Answer: b) Wages and employment levels

22: Informal employment is common in:

- a) Developed countries
- b) Developing countries
- c) Space research centers
- d) Corporate jobs

Answer: b) Developing countries

23: Unemployment occurs when:

- a) More people are employed
- b) People actively seeking jobs remain jobless
- c) Wages increase
- d) There is an economic boom

Answer: b) People actively seeking jobs remain jobless

24: A dual labor market refers to:

- a) The division between skilled and unskilled workers
- b) The separation of rural and urban labor markets
- c) The presence of formal and informal employment
- d) Government employment policies

Answer: c) The presence of formal and informal employment

25: What is underemployment?

- a) Full-time work
- b) Workers being employed in jobs below their skill level
- c) No employment opportunities
- d) High-paying jobs

Answer: b) Workers being employed in jobs below their skill level

**THANK YOU**