

GENERAL AWARENESS · ECONOMY · CHAPTER 5

Pre-1947 Economy, Planning, NITI Aayog & the 1991 Reforms

From the colonial economy and the drain of wealth, through the early plans of 1934–1950, the Planning Commission and twelve Five-Year Plans, to NITI Aayog and the 1991 crisis that brought liberalisation, privatisation and globalisation.

SSC CGL Tier 1

SSC CHSL Tier 1

RRB NTPC · Group D

QUESTIONS PER PAPER

SSC 1 · RRB 1

PYQ FREQUENCY

Second Plan (Mahalanobis, heavy industry), First Plan (Harrod-Domar), plan holiday, Bombay Plan, NITI Aayog, 1991 reforms (LPG), Hindu rate of growth

PREREQUISITE

EC-01 (mixed economy) · EC-04 (Naoroji)

STUDY TIME

75 min theory + 30 min practice

Why this chapter matters: Planning is a favourite of every exam. SSC CGL 2025 asked the Second Plan (Tier 2), the plan holiday and the New Economic Policy; CHSL 2024–2025 asked plan holidays, the First Plan and the cause of the 1991 crisis; RRB NTPC 2025–26 asked the Harrod-Domar model, LPG, the Second Plan and NITI Aayog's Governing Council. Learn the plans as a table: number, years, model and slogan.

IN THIS CHAPTER

02 Concepts

03 Rule box

04 Shortcuts

05 Traps

PART 2 Concepts & theory

2.1 The economy under British rule

- 1 Drain of wealth:** Dadabhai Naoroji argued that Britain drained India's wealth through "home charges", salaries and pensions of British officials, interest and profits, with nothing in return (*Poverty and Un-British Rule in India*, 1901). **R. C. Dutt** developed the critique in *The Economic History of India* (two volumes, 1901–03).
- 2 De-industrialisation:** Indian handicrafts, above all textiles, collapsed before cheap British machine-made goods and one-way free trade; India became an exporter of raw material and an importer of finished goods.
- 3** Agriculture stagnated under heavy land revenue (Permanent Settlement, 1793; Ryotwari; Mahalwari) and was pushed towards **cash crops**. Railways (from 1853) mainly served trade and administration.
- 4** At independence about 70–75% of workers depended on agriculture; industry and services were small.

India's economy under British rule

Drain of wealth

Wealth sent to Britain without return: home charges, salaries and pensions of British officers, interest, profits. Dadabhai Naoroji; R. C. Dutt, 'The Economic History of India'

De-industrialisation

Indian handicrafts (textiles) ruined by cheap machine-made British goods and one-way free trade; India became an exporter of raw material

Agriculture

Stagnation and commercialisation: farmers pushed to grow cash crops (indigo, cotton, jute) for export

Land revenue

Permanent Settlement (1793, Cornwallis, Bengal) · Ryotwari (Thomas Munro, Madras, 1820) · Mahalwari (1822, Holt Mackenzie, North-West Provinces)

Infrastructure

Railways (1853, Bombay–Thane), posts, telegraph: built to move raw material and troops

At independence

About 70–75% of workers in agriculture; first Census 1872, first regular (synchronous) Census 1881

Naoroji called British rule 'un-British' because it drained India's wealth. The drain theory became the economic basis of early nationalism.



R. C. Dutt, author of *The Economic History of India*.



M. Visvesvaraya: *Planned Economy for India* (1934).



J. R. D. Tata (1955), a signatory of the Bombay Plan.

2.2 Plans before independence

- 1 **M. Visvesvaraya** wrote *Planned Economy for India* (1934), the first blueprint of planning; he is called the father of economic planning in India.

- 2 The Congress set up the **National Planning Committee** in 1938 under its president Subhas Chandra Bose, with **Jawaharlal Nehru** as chairman.
- 3 **Bombay Plan** (1944), formally *A Plan of Economic Development for India*, by eight industrialists including J. R. D. Tata and G. D. Birla; **Gandhian Plan** (1944) by Shriman Narayan Agarwal; **People's Plan** (1945) by M. N. Roy; **Sarvodaya Plan** (1950) by Jayaprakash Narayan.

Plans before the Five-Year Plans



M. Visvesvaraya is called the father of economic planning in India. The idea of five-year plans came from the Soviet Union.

2.3 The Planning Commission and the Five-Year Plans

- 1 The **Planning Commission** was set up on **15 March 1950** by a Cabinet resolution; it was neither constitutional nor statutory. The PM was its chairman (Nehru first); **Gulzarilal Nanda** was the first Deputy Chairman. The **National Development Council** (6 August 1952), of the PM, Union ministers and all Chief Ministers, approved the plans.
- 2 **First Plan** (1951–56): **Harrod-Domar** model; agriculture, irrigation and power; it beat its target (2.1% growth; achieved 3.6%). **Second Plan** (1956–61): **Mahalanobis** model; rapid industrialisation with emphasis on **heavy and basic industries** in the public sector. **Third**

Plan (1961–66): aimed at self-reliance but failed because of the wars of 1962 and 1965 and drought.

3 Plan holiday (1966–69): three annual plans; the Green Revolution began. **Fourth Plan** (1969–74): growth with stability and self-reliance; bank nationalisation. **Fifth Plan** (1974–78): "**Garibi Hatao**"; ended a year early. **Rolling plan** (1978–80) under the Janata government.

4 Sixth (1980–85) and **Seventh** (1985–90) Plans fought poverty and unemployment; annual plans in 1990–92; **Eighth** (1992–97) was the first plan after the reforms. The **Eleventh** (2007–12) aimed at "faster and more **inclusive growth**"; the **Twelfth** (2012–17), "faster, more inclusive and sustainable growth", was the **last** five-year plan.

The Five-Year Plans at a glance

1st · 1951–56	Harrod-Domar model; agriculture, irrigation, power. Target growth 2.1%, achieved 3.6%
2nd · 1956–61	Mahalanobis model; rapid industrialisation, heavy and basic industries (Bhilai, Durgapur, Rourkela steel plants)
3rd · 1961–66	Self-reliant economy and food self-sufficiency; failed (wars of 1962 and 1965, drought of 1965–66)
1966–69	Plan holiday: three annual plans; Green Revolution begins
4th · 1969–74	Growth with stability and progressive self-reliance; family planning; bank nationalisation (1969)
5th · 1974–78	Poverty removal ('Garibi Hatao') and self-reliance; ended a year early by the Janata government
1978–80	Rolling plan (Janata government)
6th · 1980–85	Removal of poverty; IRDP; NABARD (1982)
7th · 1985–90	Food, work and productivity; Jawahar Rozgar Yojana (1989)
1990–92	Two annual plans (political change and the BoP crisis)
8th · 1992–97	First plan after the 1991 reforms; human resource development
9th · 1997–2002	Growth with social justice and equity
10th · 2002–07	Target 8% growth; doubling per capita income in ten years
11th · 2007–12	Towards faster and more inclusive growth
12th · 2012–17	Faster, more inclusive and sustainable growth; the last five-year plan

Plans were approved by the National Development Council (6 August 1952), made up of the PM, Union ministers and all Chief Ministers. After 2017 NITI Aayog issued a three-year action agenda (2017–20) instead of a five-year plan.



India Post stamp (1999) on **Gulzarilal Nanda**, first Deputy Chairman of the Planning Commission.



11th meeting of **NITI Aayog's Governing Council**, 11 June 2026.

2.4 **NITI Aayog**

- 1** **NITI Aayog** (National Institution for **Transforming** India) replaced the Planning Commission on **1 January 2015** by a Cabinet resolution. It is a **policy think tank**: it advises but cannot allocate funds.
- 2** The **Prime Minister** is its chairperson. It has a Vice-Chairperson (first: Arvind Panagariya), a CEO (first: Sindhushree Khullar), full-time members and a **Governing Council** of all Chief Ministers and Lieutenant Governors. It promotes **cooperative and competitive federalism** through indices that rank States.

Planning Commission vs NITI Aayog

Point	Planning Commission	NITI Aayog
Set up	15 March 1950, Cabinet resolution	1 January 2015, Cabinet resolution
Nature	Neither constitutional nor statutory	Neither constitutional nor statutory; a policy think tank
Chairperson	Prime Minister (Nehru first)	Prime Minister
Second-in-command	Deputy Chairman (first: Gulzarilal Nanda)	Vice-Chairperson (first: Arvind Panagariya)
Approach	Top-down; made five-year plans	Bottom-up; 'cooperative federalism' with States
Funds	Allocated plan funds to States	No power to allocate funds
States' forum	National Development Council	Governing Council (all CMs and LGs)

NITI = National Institution for Transforming India. Its first CEO was Sindhushree Khullar; it also has full-time members and Regional Councils.

As of October 2026:

- **NITI Aayog Vice-Chairperson:** Ashok Kumar Lahiri (appointed April 2026, succeeding Suman K. Bery).
- **NITI Aayog CEO:** Anurag Jain (appointed July 2026).
- **11th Governing Council meeting:** 11 June 2026, theme "Inclusive Human Development for Viksit Bharat @2047". The 10th was held on 24 May 2025.

2.5 The 1991 crisis and reforms

- 1 From the 1950s to the 1980s growth averaged about 3.5% a year, which **Raj Krishna** called the "**Hindu rate of growth**".
- 2 In 1991 India faced a **balance of payments crisis**: foreign exchange reserves could pay for only about two weeks of imports and India could not meet its foreign debt payments. Gold was pledged abroad and loans were taken from the IMF and World Bank.
- 3 PM **P. V. Narasimha Rao** and Finance Minister **Manmohan Singh** launched the **New Economic Policy** (July 1991), known as **LPG: liberalisation** (licence raj ended for all but a few industries, rupee devalued), **privatisation** (fewer reserved public sector industries, disinvestment) and **globalisation** (lower tariffs, foreign investment; FERA replaced by FEMA in 1999).



P. V. Narasimha Rao, Prime Minister during the 1991 reforms.



Finance Minister **Manmohan Singh** with RBI officials, New Delhi, 10 August 1991.

The 1991 reforms: LPG

The crisis

Balance of payments crisis in 1991: reserves enough for only about two weeks of imports; gold pledged abroad; loans from the IMF and World Bank

Leaders

PM P. V. Narasimha Rao, Finance Minister Manmohan Singh; New Industrial Policy and Budget of 24 July 1991

Liberalisation

Industrial licensing abolished for all but a few industries; MRTP asset limit removed; rupee devalued (July 1991)

Privatisation

Fewer industries reserved for the public sector; disinvestment of PSU shares

Globalisation

Lower import duties, foreign investment allowed; FERA (1973) replaced by FEMA (1999); WTO member from 1995

Reform committees

Narasimham (banking, 1991) · Raja Chelliah (tax, 1991) · R. N. Malhotra (insurance, 1993)

Before 1991, growth of about 3.5% a year was called the 'Hindu rate of growth', a term coined by Raj Krishna. The reforms are also called the New Economic Policy.

Rule box

Memorise these 10

MUST KNOW

1	Drain of wealth: Dadabhai Naoroji	CGL 2024
2	Bombay Plan = 'A Plan of Economic Development for India' (1944)	CGL 2023
3	First Plan: Harrod-Domar; agriculture	NTPC 2025
4	Second Plan: Mahalanobis; heavy and basic industries	CGL 2025
5	Plan holiday: 1966–69	CHSL 2024
6	Planning Commission 1950; first Deputy Chairman Gulzarilal Nanda	Grp D 2022
7	Eleventh Plan: inclusive growth; Twelfth: last plan	CPO 2017
8	NITI Aayog (2015) replaced Planning Commission; PM chairs	CGL 2022
9	1991: BoP crisis → New Economic Policy (LPG)	CHSL 2025
10	'Hindu rate of growth': Raj Krishna	CGL 2020

Shortcuts & exam tricks

H before M

Harrod-Domar (1st, agriculture) comes before Mahalanobis (2nd, heavy industry), as in the alphabet.

Plan breaks

1966–69 plan holiday · 1978–80 rolling plan · 1990–92 annual plans. Three gaps between twelve plans.

Slogans

5th: Garibi Hatao · 9th: social justice and equity ·
11th: inclusive · 12th: inclusive + sustainable.

1944 twins

Bombay Plan (industrialists) and Gandhian Plan (S. N. Agarwal) both in 1944; People's Plan (M. N. Roy) 1945.

Two dates, one office

Planning Commission 15 March 1950 → NITI
Aayog 1 January 2015. Both by Cabinet
resolution.

1991 pair

Rao (PM) + Manmohan (FM) = LPG. Bank
nationalisation (1969) is the opposite direction.

5

PART 5

Common mistakes & traps

WATCH OUT

- | | |
|--|--|
| ✗ The First Plan used the Mahalanobis model. | ✓ First: Harrod-Domar. Second: Mahalanobis. |
| ✗ The Planning Commission was a constitutional body. | ✓ Set up by Cabinet resolution; so was NITI Aayog. |
| ✗ Nehru was the first Deputy Chairman. | ✓ Nehru was Chairman; Gulzarilal Nanda was Deputy Chairman. |
| ✗ NITI Aayog allocates funds to States. | ✓ It only advises; funds go through the Finance Ministry and Finance Commission. |
| ✗ The Gandhian Plan was by Mahatma Gandhi. | ✓ It was drafted by Shriman Narayan Agarwal (1944). |

Previous year questions

27 SSC and RRB questions with their official tags and wording. The correct option is highlighted and the solution follows. Cover the solution and attempt each question first.

SSC CGL Plans, drain, NITI, 1991 · 2020–2026

SSC CGL 2025 Tier 2

19 Jan 2026

The Second Five Year Plan (1956-1961), often associated with the Mahalanobis Model, marked a significant shift in India's development strategy. What was the primary focus of this plan?

(a) Rapid industrialization with a particular emphasis on the development of basic and heavy industries.

(b) Establishing an export-oriented economy to integrate rapidly with global trade markets.

(c) Achieving immediate self-sufficiency in food grain production through the Green Revolution.

(d) Maximizing the role of the private sector in the 'commanding heights' of the economy.

Solution: The Second Plan (Mahalanobis model) gave priority to heavy and basic industries under the public sector; steel plants at Bhilai, Durgapur and Rourkela date from it.

SSC CGL 2025 Tier 1

20 Sep 2025 · Shift 3

In the context of Five Year Plans, what does the term "plan holiday" refer to?

(a) Emergency loan disbursements

(b) Suspension of annual budgets

(c) Discontinuity in five-year planning

(d) Switch from socialism to capitalism

Solution: After the Third Plan failed (wars of 1962 and 1965, drought), three annual plans were run in 1966-69 instead of a five-year plan.

SSC CGL 2025 Tier 1

25 Sep 2025 · Shift 1

The economic policy reforms of 1991 are popularly known as:

(a) Five-Year Plan

(b) New Fiscal Policy

(c) New Economic Policy

(d) Economic Reconstruction Plan

Solution: The New Economic Policy of 1991 (LPG reforms) under PM P. V. Narasimha Rao and Finance Minister Manmohan Singh.

SSC CGL 2024 Tier 1

25 Sep 2024 · Shift 2

'Drain of Wealth', a critique of the colonial exploitation, was given by which of the following nationalist leaders?

(a) Dadabhai Naoroji

(b) Rajendra Prasad

(c) Chakravarti Rajagopalachari

(d) Sardar Vallabhbhai Patel

Solution: Dadabhai Naoroji, in 'Poverty and Un-British Rule in India' (1901); R. C. Dutt also wrote on the drain.

SSC CGL 2023 Tier 1

21 Jul 2023 · Shift 3

'A Plan of Economic Development for India' is also known as _____.

(a) Delhi Plan

(b) Gujarat Plan

(c) Surat Plan

(d) Bombay Plan

Solution: The Bombay Plan (1944) was drafted by leading industrialists including J. R. D. Tata and G. D. Birla.

SSC CGL 2022 Tier 1

13 Dec 2022 · Shift 1

Who is the Ex-officio Chairman of NITI Aayog?

(a) President

(b) Prime Minister

(c) Home Minister

(d) Finance Minister

Solution: The Prime Minister chairs NITI Aayog, as he chaired the Planning Commission.

SSC CGL 2022 Tier 1

1 Dec 2022 · Shift 2

Choose the correct pair from the following options.

(a) Third Five-year Plan - Rapid industrialisation and basic industries

(b) Fourth Five-year Plan - Family planning programme

(c) First Five-year Plan - Mahalanobis model

(d) Second Five-year Plan - Focus on agriculture

Solution: Family planning got special emphasis in the Fourth Plan. Rapid industrialisation and the Mahalanobis model belong to the Second Plan; agriculture to the First.

SSC CGL 2020 Tier 1

13 Aug 2021 · Shift 3

Who among the following economist coined the terminology 'Hindu Rate of Growth'?

(a) Vijay Kelkar

(b) Bimal Jalan

(c) Raj Krishna

(d) Amiya Kumar Bagchi

Solution: Raj Krishna, for India's slow growth of about 3.5% a year from the 1950s to the 1980s.

SSC CHSL Plans and the 1991 crisis · 2018–2025

SSC CHSL 2025 Tier 1

17 Nov 2025 · Shift 2

What was the primary cause of India's 1991 economic crisis?

(a) A major natural disaster.

(b) The government inability to repay foreign borrowings.

(c) The state government inefficiency to not contribute to national economy.

(d) High level of illegal migration from Pakistan and Bangladesh.

Solution: A balance of payments crisis: foreign exchange reserves had fallen so low that India could not meet its foreign debt payments.

SSC CHSL 2024 Tier 1

4 Jul 2024 · Shift 3

Which of the following years were considered plan holidays in Independent India?

(a) 1964 - 1967

(b) 1985 - 1987

(c) 1969 - 1972

(d) 1966 - 1969

Solution: 1966-69: three annual plans between the Third and Fourth Plans.

SSC CHSL 2024 Tier 1

3 Jul 2024 · Shift 1

Which of the following statements are true? i. The First Five-Year Plan was based on the PC Mahalanobis model. ii. The First Five-Year Plan laid emphasis on agriculture development. iii. The Five-Year planning model in India was borrowed from Russia.

(a) i, ii and iii

(b) Only i and iii

(c) Only ii and iii

(d) Only i and ii

Solution: The First Plan used the Harrod-Domar model; Mahalanobis was the Second. Five-year planning followed the Soviet model.

SSC CHSL 2017 Tier 1

27 Mar 2018 · Shift 3

Which Five Year Plan had an objective of 'Rapid industrialization with particular emphasis on the development of basic and heavy industries'?

(a) First

(b) Second

(c) Third

(d) Fourth

Solution: The Second Plan (1956-61), based on the Mahalanobis model.

RRB

NTPC, Group D · 2021–2026

RRB NTPC Graduate CBT 1

22 Mar 2026 · Shift 2

According to the Second Five Year Plan (1956), which sectors of the economy did the Indian government decide to develop and manage directly?

(a) Service sector

(b) Small businesses

(c) Agricultural sector

(d) Heavy industries

Solution: Heavy and basic industries were placed under the public sector (Industrial Policy Resolution, 1956).

RRB NTPC UG CBT 1

9 Sep 2025 · Shift 2

What three-part economic strategy defined India's policy changes in the 1990s?

(a) Liberalisation, Privatisation and Globalisation

(b) Urbanisation, Industrialisation and Digitalisation

(c) Nationalisation, Regulation and Protectionism

(d) Devolution, Decentralisation and Deregulation

Solution: LPG: liberalisation, privatisation and globalisation.

RRB NTPC UG CBT 1

4 Sep 2025 · Shift 2

Which of the following was NOT a part of the New Economic Policy reforms introduced in 1991?

(a) Liberalisation

(b) Globalisation

(c) Privatisation

(d) Nationalisation
of banks

Solution: Bank nationalisation happened in 1969 and 1980; the 1991 reforms moved the other way.

RRB NTPC UG CBT 1

4 Sep 2025 · Shift 1

In which year did India officially start economic liberalisation?

(a) 1995

(b) 2000

(c) 1985

(d) 1991

Solution: July 1991: the New Industrial Policy and the Union Budget of 24 July 1991.

RRB NTPC UG CBT 1

29 Aug 2025 · Shift 2

Which of the following Five-Year Plans was based on the Harrod-Domar Model?

(a) First

(b) Third

(c) Fifth

(d) Seventh

Solution: The First Plan (1951-56) used the Harrod-Domar model and focused on agriculture and irrigation.

RRB NTPC UG CBT 1

13 Aug 2025 · Shift 2

Prime Minister Narendra Modi chaired which edition of the Governing Council meeting of NITI Aayog at Bharat Mandapam, New Delhi on 24 May 2025?

(a) 11th

(b) 9th

(c) 8th

(d) 10th

Solution: The 10th meeting (24 May 2025). Update: the 11th meeting was held on 11 June 2026 on 'Inclusive Human Development for Viksit Bharat @2047'.

RRB NTPC CBT 2 Level 3

14 Jun 2022 · Shift 2

What was the formal name of the Bombay Plan which was published in 1944-45?

(a) A plan of economic development for India

(b) A plan of industrial development of India

(c) A plan of infrastructure development of India

(d) A plan of strategic development of India

Solution: 'A Plan of Economic Development for India', by eight leading industrialists.

RRB NTPC CBT 1

18 Jan 2021 · Shift 2

NITI Aayog is a policy Think Tank of the Government of India. It replaced:

(a) National Development Council

(b) Finance Commission of India

(c) Planning Commission of India

(d) Election Commission of India

Solution: NITI Aayog replaced the Planning Commission on 1 January 2015.

RRB NTPC CBT 1

4 Jan 2021 · Shift 1

The main focus of the First Five-Year Plan was on the _____.

(a) service sector

(b) agricultural and industrial sector

(c) agricultural sector

(d) industrial sector

Solution: Agriculture, irrigation and power; it beat its 2.1% growth target with 3.6%.

RRB Group D 2022

26 Aug 2022 · Shift 3

Who was the first Deputy Chairman of the Planning Commission of India?

(a) Vallabhbhai Jhaverbhai Patel

(b) Gulzarilal Nanda

(c) KC Neogy

(d) Jawaharlal Nehru

Solution: Gulzarilal Nanda; Jawaharlal Nehru was the first Chairman.

SSC CPO 2017 Tier 1

4 Jul 2017 · Shift 1

Who among the following gave the 'Gandhian Plan' in 1944?

(a) D. D. Dhar

(b) S. N. Aggarwal

(c) M. N. Roy

(d) J. P. Narayan

Solution: Shriman Narayan Agarwal (1944). M. N. Roy gave the People's Plan (1945); J. P. Narayan the Sarvodaya Plan (1950).

SSC CPO 2017 Tier 1

5 Jul 2017 · Shift 1

'Inclusive Growth' was the objective of which Five Year Plan?

(a) Tenth

(b) Eleventh

(c) Twelfth

(d) Ninth

Solution: The Eleventh Plan (2007–12): 'Towards faster and more inclusive growth'.

SSC GD 2022

7 Feb 2023 · Shift 4

Aim of last (twelfth) five year plan was:

**(a) Faster,
Sustainable, and
More Inclusive
Growth**(b) Double per
capita income

(c) Clean India

(d) Creeping Growth

Solution: The Twelfth Plan (2012–17), the last five-year plan.

SSC GD 2019

11 Feb 2019 · Shift 2

When was the Planning Commission set up?

(a) 2019

(b) 2000

(c) 1947

(d) 1950

Solution: 15 March 1950, by a Cabinet resolution (not a constitutional or statutory body).

SSC CPO 2019 Tier 1

11 Dec 2019 · Shift 2

In the context of NITI Aayog, what does 'T' stand for in NITI?

(a) Transforming

(b) Travelling

(c) Training

(d) Transferring

Solution: NITI: National Institution for Transforming India.

Trend: Every recent paper has a planning question: SSC CGL 2025 (Tier 1 and Tier 2) asked the Second Plan, the plan holiday and the New Economic Policy; CHSL 2024–2025 asked the First Plan, plan holidays and the 1991 crisis; RRB NTPC 2025–26 asked four questions on the 1991 reforms and the Harrod-Domar model. NITI Aayog's Governing Council meetings appear as current affairs.



PART 7

Practice MCQs

Level 1 • Basic

Q1–Q7 · 15 sec each

Level 2 • Standard

Q8–Q14 · 25 sec each

Level 3 • Exam traps

Q15–Q20 · 35 sec each

Level 1

Q1 The First Five-Year Plan was based on the:

- (a) Harrod-Domar model
- (b) Mahalanobis model
- (c) Gadgil formula
- (d) Lewis model

Q2 The Second Five-Year Plan was based on the model of:

- (a) Harrod and Domar
- (b) P. C. Mahalanobis
- (c) D. R. Gadgil
- (d) K. N. Raj

Q3 The Planning Commission of India was set up in:

- (a) 1947
- (b) 1951
- (c) 1950
- (d) 1952

Q4 NITI Aayog came into existence on:

- (a) 15 August 2014
- (b) 26 January 2015
- (c) 1 April 2015
- (d) 1 January 2015

Q5 The chairperson of NITI Aayog is the:

- (a) Prime Minister
- (b) President
- (c) Finance Minister
- (d) Vice-Chairperson

Q6 'Planned Economy for India' (1934) was written by:

- (a) Jawaharlal Nehru
- (b) M. Visvesvaraya
- (c) M. N. Roy
- (d) Dadabhai Naoroji

- Q7** The slogan 'Garibi Hatao' is linked with the:
- (a) Third Five-Year Plan
 - (b) Fourth Five-Year Plan
 - (c) Fifth Five-Year Plan
 - (d) Sixth Five-Year Plan

Level 2

- Q8** The period of 'plan holiday' in India was:
- (a) 1962–65
 - (b) 1978–80
 - (c) 1990–92
 - (d) 1966–69

- Q9** The 'rolling plan' (1978–80) was introduced by the:
- (a) Janata government
 - (b) Congress government under Indira Gandhi
 - (c) National Front government
 - (d) Planning Commission under Nehru

- Q10** Which of these industrialists signed the Bombay Plan (1944)?
- (a) M. N. Roy
 - (b) J. R. D. Tata
 - (c) S. N. Agarwal
 - (d) Jayaprakash Narayan

- Q11** The People's Plan (1945) was drafted by:
- (a) Shriman Narayan Agarwal
 - (b) Jayaprakash Narayan
 - (c) M. N. Roy
 - (d) M. Visvesvaraya

- Q12** The last Five-Year Plan in India was the:
- (a) Tenth Plan (2002–07)
 - (b) Eleventh Plan (2007–12)
 - (c) Thirteenth Plan (2017–22)
 - (d) Twelfth Plan (2012–17)

- Q13** The economic crisis of 1991 was mainly a:
- (a) Balance of payments crisis
 - (b) Banking crisis
 - (c) Food crisis
 - (d) Stock market crash

- Q14** The Finance Minister who presented the July 1991 Budget was:
- (a) P. Chidambaram
 - (b) Manmohan Singh
 - (c) Yashwant Sinha
 - (d) Pranab Mukherjee

Level 3

Q15 Consider: 1. The Planning Commission was a statutory body. 2. NITI Aayog was set up by a Cabinet resolution. 3. The National Development Council included all Chief Ministers. Which are correct?

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Q16 Match List I with List II:

List I	List II
P. Bombay Plan	1. JP Narayan
Q. Gandhian Plan	2. SN Agarwal
R. People's Plan	3. MN Roy
S. Sarvodaya Plan	4. Eight industrialists

- (a) P-4, Q-3, R-2, S-1
- (b) P-2, Q-4, R-3, S-1
- (c) P-4, Q-2, R-1, S-3
- (d) P-4, Q-2, R-3, S-1

Q17 The term 'Hindu rate of growth' was coined by:

- (a) Raj Krishna
- (b) Amartya Sen
- (c) Jagdish Bhagwati
- (d) K. N. Raj

Q18 Which pair is INCORRECTLY matched?

- (a) Fifth Plan – Garibi Hatao
- (b) Second Plan – Harrod-Domar model
- (c) Eleventh Plan – Inclusive growth
- (d) First Plan – Agriculture

Q19 As of October 2026, the Vice-Chairperson of NITI Aayog is:

- (a) Suman K. Bery
- (b) Arvind Panagariya
- (c) Ashok Kumar Lahiri
- (d) Rajiv Kumar

Q20 FERA was replaced by FEMA in:

- (a) 1991
- (b) 1995
- (c) 2002
- (d) 1999

Score yourself: ____ / 20 · Time taken: ____ min

7.1 Answer key

1 A	2 B	3 C	4 D	5 A	6 B	7 C	8 D	9 A	10 B
11 C	12 D	13 A	14 B	15 C	16 D	17 A	18 B	19 C	20 D

Q1 It focused on agriculture, irrigation and power.

Q2 It stressed heavy and basic industries.

Q3 On 15 March 1950 by a Cabinet resolution.

Q4 It replaced the Planning Commission.

Q5	The PM also chaired the Planning Commission.	Q6	He is called the father of economic planning in India.
Q7	1974–78; it ended a year early.	Q8	Three annual plans after the Third Plan.
Q9	It replaced the Fifth Plan a year early.	Q10	Eight industrialists, including G. D. Birla, drafted it.
Q11	Agarwal: Gandhian Plan; JP: Sarvodaya Plan.	Q12	NITI Aayog replaced plans with longer-term documents.
Q13	Reserves covered only about two weeks of imports.	Q14	Under PM P. V. Narasimha Rao.
Q15	The Planning Commission was also set up by a Cabinet resolution.	Q16	1944, 1944, 1945 and 1950.
Q17	For India's slow growth of about 3.5% a year from the 1950s to the 1980s.	Q18	The Second Plan followed the Mahalanobis model.
Q19	Appointed in April 2026, succeeding Suman Bery.	Q20	FEMA came into force on 1 June 2000.

Night-before sheet · Pre-1947 Economy, Planning, NITI Aayog & 1991 Reforms

EC-05

TOP 10 POINTS

1. Drain: Naoroji; R. C. Dutt (1901–03).
2. Visvesvaraya 1934 · NPC 1938 (Nehru).
3. Bombay & Gandhian 1944 · People's 1945.
4. Planning Commission 15 Mar 1950; NDC 1952.
5. 1st: Harrod-Domar, agriculture.
6. 2nd: Mahalanobis, heavy industry.
7. Holiday 1966–69 · rolling 1978–80.
8. 11th inclusive · 12th last (2012–17).
9. NITI Aayog 1 Jan 2015 · PM chairs.
10. 1991: BoP crisis · Rao–Manmohan · LPG.

H (1st) before M (2nd)

TOP 3 TRAPS

- Nanda, not Nehru, was Deputy Chairman.
- Neither body was constitutional.
- Gandhian Plan by S. N. Agarwal.

SELF-CHECK

- ☐ Twelve plans: years and themes
- ☐ Planning Commission vs NITI in 5 points
- ☐ Three parts of LPG with one step each

Term	Meaning	Term	Meaning
Plan holiday	Annual plans instead of a 5-year plan	Rolling plan	Plan revised every year (1978–80)
Licence raj	Permit needed to start or expand industry	Disinvestment	Selling government shares in PSUs
NDC	National Development Council (1952)	FEMA	Foreign Exchange Management Act, 1999

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