# **JAIIB**



# Indian Economy & Indian Financial System

Module A: Chapter 1 **An Overview of Indian Economy** After Independence

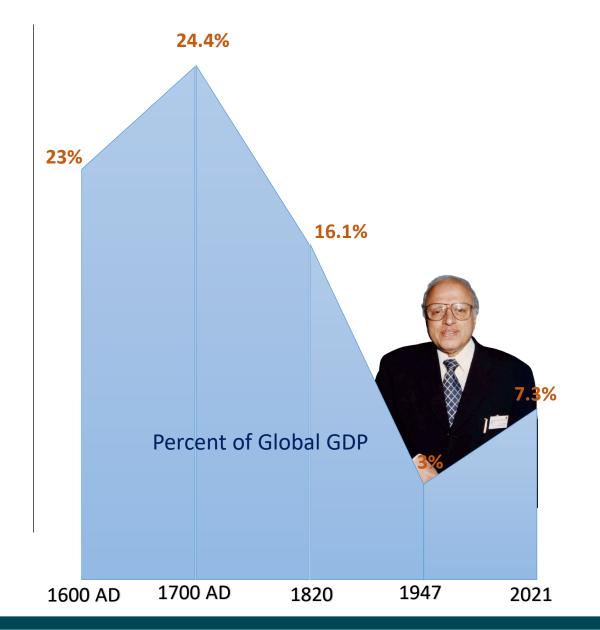


# **EVOLUTION OF INDIAN ECONOMY**



#### **Stages**

- 1. Before British rule
- 2. During British rule
- 3. After independence



- 1. Near-stagnation
- 2. Ignored industrialization
- 3. Ignored social sector
- 4. Low-quality labour market
- 5. Transport for own interests

# **EVOLUTION OF INDIAN ECONOMY**



Agri = 53.1% of GDP Services Sector = 30.3%



- Industrialisation FYPs
- Agricultural Self-sufficiency
- State Capitalism

Agri = 36.1% of GDP Sector = Services Sector = 38%

- Services sector break in 6th FYP
- Govt. spending
- Liberalised import policies 3.
- Manufacture of luxury goods

Services Sector = 60.9%

- **LPG Reforms**
- 8<sup>th</sup> FYP growth rate 6.7%
- Foreign capital
- Global economic boom
- 2002-03 to 2006-07 = 8.6% growth rate (2<sup>nd</sup> fastest)

20.1% of GDP

Agri =

- Average growth rate = 6.7%
- GDP (PPP) =  $3^{rd}$  Rank
- Per-Capita Income (2019) = \$1891
- World Bank Lower Middle Income Country (\$996-\$3895)



3%



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#### Q. 1

Indian economy is ranked \_\_\_\_\_ in the world in terms of GDP purchasing power parity (PPP)?

- 1st
- 5th
- 3rd
- 4th

Answer: Option C









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Q. 2

- Q. World Bank classifies economies considering per capita income into categories.

Answer: Option C







# Thank You

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