

QUICK DRILL · CBSE CLASS 12

Human Capital Formation in India

Indian Economic Development · Chapter 5 · 15 MCQs · 20 minutes · PYQ-tagged with time budgets

DATE	TOTAL MARKS	DURATION	MARKING	TARGET
_____	15	20 min	+1 / 0	≥ 12/15

OBJECTIVES

Reinforce the four core topics of Human Capital Formation in India via 15 PYQ-derived MCQs. Identify weak sub-topics via concept-node IDs (see answer key). Build per-question time budget habit.

INSTRUCTIONS

Attempt all 15. Time budget shown per Q (use it as pacing guide). Mark answers (A/B/C/D) in the margin. Answer key + explanations on the last page. **Don't peek — score yourself honestly.**

SECTION · QUICK DRILL

Q 1-15 · 20 MIN

Q1. Human Capital is best defined as:

- (A) Total population of a country
- (B) Stock of skill, expertise and knowledge embodied in the workforce
- (C) Number of factories per capita
- (D) Total money in banks

PYQ 2019 · Delhi · 1m · 30s

Q2. Who among the following formalised Human Capital theory in 1961?

- (A) Amartya Sen
- (B) Theodore Schultz
- (C) Mahbub-ul-Haq
- (D) John Maynard Keynes

PYQ 2020 · OD · 1m · 30s

Q3. Which of the following is NOT a source of human capital formation?

- (A) Expenditure on health
- (B) Migration
- (C) Expenditure on luxury goods
- (D) On-the-job training

PYQ 2018 · Delhi · 1m · 30s

Q4. The Kothari Commission recommended that India spend ___ of its GDP on education.

- (A) 3%
- (B) 4%
- (C) 6%
- (D) 10%

PYQ 2021 · Delhi · 1m · 30s

Q5. Article 21A of the Constitution makes education a fundamental right for children aged:

- (A) 3 to 8 years
- (B) 6 to 14 years
- (C) 6 to 18 years
- (D) 14 to 18 years

PYQ 2019 · OD · 1m · 30s

Q6. Which thinker is most associated with the HUMAN DEVELOPMENT approach?

- (A) Theodore Schultz
- (B) Gary Becker
- (C) Amartya Sen
- (D) Jacob Mincer

PYQ 2022 · Delhi · 1m · 30s

Q7. India's literacy rate in 1951 was approximately:

- (A) 8%
- (B) 18%
- (C) 30%
- (D) 45%

PYQ 2020 · Delhi · 1m · 30s

Q8. PM-JAY (Ayushman Bharat) was launched in:

- (A) 2014
- (B) 2016
- (C) 2018
- (D) 2020

PYQ 2023 · Delhi · 1m · 30s

Q9. Education is considered a 'positive externality' because:

- (A) It is taxed by the government
- (B) Its social benefit exceeds its private benefit
- (C) Only the rich can afford it
- (D) It produces marketable goods

PYQ 2019 · Delhi · 1m · 35s

Q10. Gross Enrolment Ratio (GER) measures:

(A) Number of literate people / total population

(B) Enrolled students / population of relevant age-group

(C) Pass percentage in board exams

(D) Drop-out rate

PYQ 2021 · OD · 1m · 35s

Q11. The NEP 2020 reaffirms the target of spending ____ of GDP on education.

(A) 3%

(B) 4.5%

(C) 6%

(D) 8%

PYQ 2023 · OD · 1m · 30s

Q12. Public health expenditure in India is approximately:

(A) 0.5% of GDP

(B) 1.3% of GDP

(C) 3% of GDP

(D) 6% of GDP

PYQ 2022 · OD · 1m · 30s

Q13. 'Brain drain' refers to:

(A) Mental fatigue from over-study

(B) Loss of skilled labour to foreign countries

(C) Decline in IQ scores

(D) Rural-to-urban migration within India

PYQ 2018 · OD · 1m · 30s

Q14. Which body provides infrastructure loans to higher-education institutions in India?

(A) RBI

(B) NABARD

(C) HEFA

(D) SEBI

PYQ 2023 · Delhi · 1m · 30s

Q15. Which of the following BEST captures the difference between Human Capital and Human Development?

(A) HC is for men; HD is for women

(B) HC treats people as MEANS; HD treats people as ENDS

(C) HC is rural; HD is urban

(D) There is no real difference

PYQ 2024 · Delhi · 1m · 35s

ANSWER KEY & EXPLANATIONS

Q 1-15 · MARK YOUR SCORE

Q1. Answer: B

HC is the productive SKILL-STOCK, not the headcount or financial assets.

Q2. Answer: B

Schultz (1961) and Becker formalised HC theory; Sen and Mahbub-ul-Haq are HUMAN DEVELOPMENT thinkers.

Q3. Answer: C

Luxury consumption is not investment in skill-stock. The six sources are education, health, on-the-job training, adult programmes, migration and information.

Q4. Answer: C

Kothari Commission (1968) → 6% of GDP. Re-affirmed by NEP 2020. Still unmet (~3-4% actual).

Q5. Answer: B

Article 21A (inserted by the 86th Amendment, 2002) → free & compulsory education for ages 6-14. RTE Act (2009) operationalised it.

Q6. Answer: C

Sen (capabilities approach) and Mahbub-ul-Haq (HDI) are the HD pillars. Schultz/Becker/Mincer are HC thinkers.

Q7. Answer: B

1951 census → ~18%. Climbed to 74% by 2011 and is currently estimated ~80%.

Q8. Answer: C

PM-JAY launched September 2018 — world's largest health-assurance scheme covering 50 crore Indians.

Q9. Answer: B

Social benefit (lower crime, better civic life, healthier children) exceeds the private wage gain — markets under-supply, so state subsidy is justified.

Q10. Answer: B

GER = (students enrolled at a level / population of the age-group for that level) × 100. Can exceed 100% due to over-age/under-age enrolment.

Q11. Answer: C

NEP 2020 reaffirms the half-century-old Kothari Commission target of 6% of GDP.

Q12. Answer: B

Public health spending ~1.3% of GDP — well below the National Health Policy 2017 target of 2.5%.

Q13. Answer: B

Brain drain = emigration of doctors, engineers, scientists abroad — the home country bears the cost of educating them, the destination country reaps the productivity gains.

Q14. Answer: C

HEFA = Higher Education Financing Agency — established 2017 to fund infrastructure in centrally-funded HEIs.

Q15. Answer: B

HC = means to productivity; HD = end of policy (well-being). This MEANS-vs-ENDS framing is the gold-standard 3-mark answer.