

Corrigendum/Explanation SFG 2026 Level 2 Test 12

Number of items taken for scoring: 49

Number of items dropped: 01 (Question no. 43)

There is 1 change in today's paper (Q.43). Q.43 has been dropped as Statement II is incomplete and there is no matching options in the question.

Q.43) A doubt was raised with respect to Statement II, which talks about the trade monopoly of the East India Company as per the Charter Act 1813.

Exp) The trade monopoly was abolished in India except for trade in tea and trade with China. The statement in the question was incomplete, as the word abolished was missing.

For Future Reference:

Q.43) In the context of Modern Indian History, consider the following statements:

Statement I: The Charter Act of 1813 is generally considered to mark the beginning of the period of Mercantilism in India.

Statement II: As per the Charter Act of 1813, the trade monopoly of the East India Company in India was abolished except for trade in tea and trade with China.

Which one of the following is correct in respect of the above statements?

- a) Both Statement I and Statement II are correct and Statement II explains Statement I.
- b) Both Statement I and Statement II are correct but Statement II does not explain Statement I.
- c) Statement I is correct but Statement II is not correct.
- d) Statement I is not correct but Statement II is correct.

Ans) d

Exp) Option d is the correct answer.

Statement I is incorrect: Marxist historians, Rajani Palme Dutt, described the Period of **Merchant Capital (Mercantilism)**, often referred to as the period of monopoly trade and direct appropriation (or the period of the East India Company's domination, **1757–1813**), as being based on two basic objectives—(i) to acquire a monopoly of trade with India, against other English or European merchants or trading companies as well as against Indian merchants; and (ii) to directly appropriate, or take over, governmental revenues through control over state power.

The Charter Act of 1813 marked the transition away from mercantilism toward the second phase of British colonialism, known as 'Industrial Capitalism' or the era of 'Free Trade.' This shift was necessitated by the Industrial Revolution in Britain, which required India to be a market for British manufactured goods rather than just a source of trade items for a single company.

Statement II is correct: Due to the growing influence of the 'laissez-faire' ideology and the demands of British merchants who were excluded from the lucrative Indian trade, the Charter Act of 1813 abolished the Company's commercial monopoly. However, the Company was allowed to

retain its monopoly in two specific areas: **the trade in tea and the trade with China**. These remaining monopolies were eventually abolished by the subsequent Charter Act of 1833.

Source:) ForumIAS Modern History Redbook

Ch: Miscellaneous Topics 1847-1947 (Pg: 216-217) And A Brief History of Modern India – Rajiv Ahir (Spectrum) Chapter 26 Constitutional, Administrative and Judicial Developments

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<https://egyankosh.ac.in/bitstream/123456789/62949/1/Block-6.pdf> (page 9)

Subject:) Modern History

Topic:) Constitutional Administrative and Judicial Developments

Subtopic:)