INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet: 1	Topic: Human Capital Formation

1. In India, which authority regulates the education sector?
   a) Ministry of Health
   b) NCERT, UGC, and AICTE
   c) Ministry of Finance
   d) NITI Aayog

2. Which of the following is a characteristic of human capital?
   a) It is tangible and can be sold in the market
   b) It is intangible and intangible
   c) It is separate from the owner
   d) It depreciates only due to wear and tear

3. Human Capital Formation acts as an important determinant of economic growth because it:
   a) Improves technical skill
   b) Increases efficiency
   c) Enhances productivity
   d) All of the above

4. Which of the following is a source of human capital formation?
   a) Investment in education
   b) Investment in machines
   c) Investment in land
   d) Investment in infrastructure only

5. Brain drain refers to:
   a) Migration of unskilled labour
   b) Migration of skilled labour to other countries
   c) Loss of natural resources
   d) Decline in population

6. Which sector is most directly related to human capital formation?
   a) Primary sector
   b) Secondary sector
   c) Tertiary sector
   d) Education and health sector

7. Investment in health leads to:
   a) Increase in mortality rate
   b) Decrease in productivity
   c) Increase in efficiency of workers

d) Decrease in life expectancy

8. Which of the following is an indicator of human capital formation?
   a) Literacy rate
   b) Life expectancy
   c) Skill development
   d) All of the above

9. Human capital formation helps in:
   a) Economic growth
   b) Reducing poverty
   c) Technological advancement
   d) All of the above

10. Expenditure on education is considered as:
   a) Consumption expenditure
   b) Investment expenditure
   c) Revenue expenditure
   d) Wasteful expenditure

QUESTIONS:

1. Explain any four sources of human capital formation.
2. Distinguish between Human Capital and Physical Capital
3. Explain the role of education in human capital formation.
4. "Human capital formation is the key to economic growth." Discuss.
5. Compare Human Capital and Human Development.
6. "Education is considered as an important investment in human capital formation." Explain.
7. How does 'Investment in Human Capital' contribute to the growth of an economy?
8. "Explain how on-the-job training contributes to human capital formation."
9. "State any two problems of human capital formation in India."
10. India spends heavily on education and health, yet some states show poor human development outcomes. Analyze why high expenditure does not always translate into better human capital formation
11. A government increases spending on health, but productivity does not improve significantly. What could be the possible reasons?
12. Evaluate the role of skill development programs in improving human capital formation in India

CASE BASED QUESTIONS

Read the following case study paragraph carefully and answer the questions on the basis of the same.

India has recognized the importance of investing in human capital to achieve long-term economic growth. Over the years, the government has increased spending on education and health sectors. Programs like skill development initiatives, mid-day meal schemes, and digital education have improved access to learning. At the same time, healthcare facilities have expanded, leading to better life expectancy and productivity.

However, challenges still remain. A significant section of the population lacks access to quality education and healthcare, especially in rural areas. Additionally, the problem of brain drain continues, as many skilled professionals migrate abroad in search of better opportunities.

1. Define human capital formation
2. Identify any two sources of human capital formation mentioned in the case.
3. Explain one benefit of investment in health
4. “Human capital formation is essential for economic growth.” Justify the statement with one point.