



INDIAN SCHOOL AL WADI AL KABIR

Class: X	Department: Social Science	Sub: ECONOMICS
Chapter-2 Question Bank. No: 2	Topic: Sectors of the Indian Economy	Year: 2024-25

1	<p>Differentiate between the Economic and Non-Economic activities.</p> <p>Ans.</p> <table border="1"><thead><tr><th>ECONOMIC ACTIVITIES</th><th>NON-ECONOMIC ACTIVITIES</th></tr></thead><tbody><tr><td>These activities give an income in return</td><td>These activities do not give any income in return</td></tr><tr><td>These are done to earn a livelihood</td><td>These are done out of love and care</td></tr><tr><td>For example: People going for work in factories, farms, banks etc.</td><td>For example: Doing social work, helping the poor</td></tr></tbody></table>	ECONOMIC ACTIVITIES	NON-ECONOMIC ACTIVITIES	These activities give an income in return	These activities do not give any income in return	These are done to earn a livelihood	These are done out of love and care	For example: People going for work in factories, farms, banks etc.	For example: Doing social work, helping the poor
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2	<p>How are the economic activities classified in various sectors based on the nature of activity?</p> <p>OR</p> <p>“Sectors are classified into three based on their nature of activity”. Which are they? Explain</p> <p>OR</p> <p>‘Tertiary sector is different from other sectors.’ Justify the statement with suitable arguments.</p> <p>[Ans. Refer: Point (iii) only]</p> <p>Ans.</p> <p>i. <u>Primary Sector</u></p> <ul style="list-style-type: none">• It includes activities that are undertaken by directly using natural resources. For example, the cultivation of cotton.• These activities depend mainly, but not entirely, on natural factors like rainfall, sunshine and climate etc.• It forms the base for all other products that we subsequently make.• Since most of the natural products come from agriculture, dairy, fishing, forestry, this sector is also called Agriculture and related sector. <p>ii. <u>Secondary Sector</u></p> <ul style="list-style-type: none">• The secondary sector covers activities in which natural products are changed into other forms through ways of manufacturing that are associated with industrial activity.• Since this sector is associated with different kinds of industries, it is also called as Industrial sector.• Example: Spin yarn and weave cloth by using cotton fibre, make sugar or gur by using sugarcane as a raw material.								

iii. Tertiary Sector

- The tertiary sector is different from other sectors because the other two sectors produce goods but this sector does not produce goods by itself.
- Tertiary activities help in the development of the primary and secondary sectors.
- These activities are an aid and support for the production process.
- Since these activities generate services rather than goods, the tertiary sector is also called the **Service sector**.
- Example: Transport, storage, communication, banking, trade etc.

3 **“Economic activities, though grouped into three different categories, are highly interdependent”. Justify.**

Ans.

All the three sectors, primary, secondary and tertiary, are interdependent to each other in the following ways.

- Raw materials are produced in the primary sector and processed into finished items in the secondary sector. Assistance is provided by the tertiary sector to these two activities.
For example: -
- Primary sector makes possible the extraction of natural resources like iron. This iron is then taken to the secondary sector through the transportation system like trucks.
- The secondary sector is changing the natural resource iron into other forms through the process of manufacturing. Manufacturing again needs the support of the service sector in the form of engineers, electricians, etc. Iron is changed into iron sheets and then into vehicles for transportation.
- Once manufactured, the vehicles are sold through various trading agencies. These vehicles are used for providing services in the tertiary sector and at the same time support the primary and the secondary sectors to carry out their processes.

(Refer table 2.1, page number 21, for more examples)

4 **Define Gross Domestic Product. Who undertakes the task of measuring GDP in India?**

Ans.

- Gross Domestic Product (GDP) is the value of all final goods and services produced in the three sectors within a country during a particular year.
- In India, the mammoth task of measuring GDP is undertaken by a Central government ministry. This Ministry, with the help of various government departments of all the Indian states and union territories collects information relating to total volume of goods and services and their prices and then estimates the GDP.

5 **Differentiate between the Final and the Intermediate goods.**

Ans.

FINAL GOODS	INTERMEDIATE GOODS
Goods which are used by the consumers for final use	Goods which are not ready for final consumption and are used as raw materials for further production.
The value of final goods is included in National Income	The value of intermediate goods is not included in National Income to prevent double counting
These goods directly satisfy human needs	These goods indirectly satisfy human needs
Example: - Computer, Car, Pen, biscuit etc.	Example: - Flour, cotton, steel etc.

6 **What precaution should be taken while estimating total production of each sector?**

Ans.

The following precaution should be taken while estimating total production of each sectors: -

- While estimating total production, not every goods and services that are produced and sold needs to be counted, only the value of final goods and services are taken.
- If we include the value of intermediate goods separately it will lead to **double counting** (counting the value of the same things a number of times).
- For instance, a farmer who sells wheat to a flour mill for Rs 20 per kg. The mill grinds the wheat and sells the flour to a biscuit company for Rs 25 per kg. The biscuit company uses the flour and things such as sugar and oil to make four packets of biscuits. It sells biscuits in the market to the consumers for Rs 120 (Rs 30 per packet). Biscuits are the final goods.
- In this example, the value of Rs 30 for the biscuits (final good) already includes the value of flour (Rs 25) and all other intermediate goods that are used in making the final good. Therefore, counting the value of the flour and wheat separately is not correct because it will lead to double counting.

7 **What does the history of developed countries indicate about the shifts that have taken place between sectors?**

OR

“When a country develops, the contribution of primary sector declines and the contribution of secondary and tertiary sectors will increase.” Analyse the statement.

Ans.

- In the initial stages of development, the primary sector was the most important sector.
- Due to improved methods of farming, the agriculture sector began to prosper, it produced much more food than before. Many people could do other activities such as trading, transport, army, administration etc. However, at this stage, most of the goods produced were natural products from the primary sector and most people were also employed in this sector.
- Over a long time (more than hundred years), and especially because new methods of manufacturing were introduced, factories came up and started expanding. People began to use many more goods that were produced in factories at cheap rates. Secondary sector

	<p>gradually became the most important in total production and employment.</p> <ul style="list-style-type: none"> • In the past 100 years, there has been a further shift from secondary sector to tertiary sector in developed countries. Tertiary sector became most important in terms of production and employs the maximum number of people. • In short, there has been a shift from primary to secondary and then to tertiary sector in the developed countries.
8	<p>Compare and contrast the changes in India with the pattern that was observed for developed countries. What kind of changes between sectors were desired but did not happen in India?</p> <p>Ans.</p> <ul style="list-style-type: none"> • In the case of developed countries, the evolution of the economy happened in the most logical pattern. Growth in the primary sector was followed by a growth in the secondary sector. After that, the growth of the tertiary sector followed. • The employment generation also kept pace with related changes in different sectors. • The case of India is somewhat different. The growth of the primary sector was not followed by the growth of the secondary sector, rather it was the tertiary sector which took the lead. • The primary sector continues to be the largest employer even now. • A remarkable fact about India is that while there has been a change in the share of the three sectors in GDP, a similar shift has not taken place in employment.
9	<p>Why does the primary sector in India continue to be the largest employer in 1977-78 as well as in 2017-18?</p> <p style="text-align: center;">OR</p> <p>Explain the contribution of the primary sector in the context of employment in India.</p> <p>Ans.</p> <ul style="list-style-type: none"> • The primary sector continues to be the largest employer because not enough jobs were created in the secondary and tertiary sectors. • Industrial output or the production of goods went up by more than nine times during the period, employment in the industry went up by around three times. While production in the service sector rose by 14 times, employment in the service sector rose around five times. • The primary sector, mainly in agriculture, still employs about more than half of the workers in the country. But producing only about one sixth of the GDP. • The secondary and tertiary sectors produce the rest of the produce whereas they employ less about half the people. • Both the secondary and tertiary sectors offer a limited number of services which employ highly skilled and educated workers.
10	<p>Explain the reasons behind the growth of the service sector in Indian Economy.</p> <p style="text-align: center;">OR</p> <p>‘Tertiary sector is playing a significant role in the development of Indian Economy’. Justify the statement.</p> <p style="text-align: center;">OR</p> <p>Why tertiary sector is more important in India?</p>

	<p>Ans.</p> <ul style="list-style-type: none"> • Expansion of Basic Services: - In any country, several services such as hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, etc. are required. These can be considered as basic services. In a developing country the government has to take responsibility for the provision of these services. • Development of Agriculture and Industrial sector: - The development of agriculture and industry leads to the development of services such as transport, trade, storage and the like, as we have already seen. Greater the development of the primary and secondary sectors, more would be the demand for such services. • Growing demand for better and leisure services: - As income levels rise, certain sections of people start demanding many more services like eating out, tourism, shopping, private hospitals, private schools, professional training etc. • Rapid expansion of Communication and Information Technology: - Over the past decade or so, certain new services such as those based on information and communication technology have become important and essential. The production of these services has been rising rapidly.
11	<p>Explain with suitable examples which part of the service sector is not growing in importance.</p> <p style="text-align: center;">OR</p> <p>Why has the entire tertiary sector not grown in importance? Explain</p> <p>Ans.</p> <ul style="list-style-type: none"> • The service sector in India employs many different kinds of people. • At one end there are a limited number of services that employ highly skilled and educated workers. • At the other end, there are a very large number of workers engaged in services such as small shopkeepers, repair persons, transport persons, etc. • These people barely manage to earn a living and yet they perform these services because no alternative opportunities for work are available to them. Hence, only a part of this sector is growing in importance.
12	<p>Explain the significance and the role of the secondary sector as a tool in the economic development of a country.</p> <p>Ans.</p> <ul style="list-style-type: none"> • The secondary sector covers activities in which natural products are changed into other forms through ways of manufacturing that are associated with industrial activity. • It absorbs excess labour from the Primary sector and reduces disguised unemployment. • It has a great contribution for the sustenance and growth of other sectors and contributes significantly to the GDP of India. • It gives employment to a large number of people. • It uses mechanical power and skilled and unskilled labour.

13	<p>“Tertiary sector has a pivotal role in the economy of the country.” Support the statement with day to day examples.</p> <p>Ans.</p> <ul style="list-style-type: none"> • Tertiary sector is the largest producing sector in India. It contributes more than 50% of the GDP of India. • In 2017-18, about 31 per cent of total employment is generated in the tertiary sector. • It provides a number of personal services like hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence etc. • It helps in the development of the primary sector by providing services like transport, trade, storage, banking and insurance etc. • It helps in the industrial development of the country by providing services like transport, banking and insurance.
14	<p>What do you understand about disguised unemployment? Explain with an example each from the urban and rural areas.</p> <p>Ans.</p> <ul style="list-style-type: none"> • It is a situation when people are apparently working but they are not actually employed and all of them are made to work less than their potentials. Each one is doing some work but no one is fully employed as their labour effort gets divided. This is the situation of underemployment. • It means that there are more people than necessary. So, even if you move a few people out, production will not be affected. In other words, workers are underemployed. • This kind of underemployment is hidden in contrast to someone who does not have a job and is clearly visible as unemployed. Hence, it is also called disguised unemployment. • In rural areas, where agriculture is the main source of income, this kind of unemployment can be seen often. For example, Laxmi, a small farmer, owning about two hectares of land and all five members of her family work in the plot throughout the year. Each one is doing some work but no one is fully employed. If two people move out, it does not affect production on their farm and at the same time, the family is now able to earn some extra income through wages. • In urban areas there are thousands of casual workers in the service sector who search for daily employment. They are employed as painters, plumbers, repair persons and others doing odd jobs. Many of them don't find work every day and spend the whole day but earn very little. They are doing this work because they do not have better opportunities.

15	<p>In what ways Government can increase employment opportunities in the rural sector?</p> <p style="text-align: center;">OR</p> <p>‘Underemployment continues to be rampant in the rural areas’ . Suggest some ways through which employment for rural people can be generated.</p> <p style="text-align: center;">OR</p> <p>How can we create more employment opportunities in secondary and tertiary sectors in rural India?</p> <p>Ans.</p> <p>The following steps can be taken to create more employment opportunities in the rural areas.</p> <ul style="list-style-type: none"> • Create a strong infrastructure: Construction of dams and canals for irrigation purposes in rural India will generate millions of new jobs. Besides, this will make agriculture more productive. Farmers could be able to grow the second crop during the year, i.e., they will remain employed all the year round. • Expansion of transport, communication network and trade: If the government invests some money in transportation and storage of crops, or makes better rural roads, it can provide productive employment to not just farmers but also others such as those in services like transport or trade. • Provision of cheap and easy credit facilities: If the farmers are provided cheap and easy loans, they would be in a position to buy necessary agriculture inputs such as HYV seeds, fertilizers, pesticides, agricultural equipment, etc. A prosperous agriculture will generate new employment avenues. • Promotion of local and agro-based industries: Identify, promote and locate industries and services in semi-rural areas where a large number of people may be employed. For instance, opening a cold storage could give an opportunity for farmers to store their products like potatoes and onions and sell them when the price is good. Similarly, in villages near forest areas, we can start honey collection centres where farmers can come and sell wild honey. • Construction of school buildings, hospitals, community centres, etc.: A study conducted by the Planning Commission (now known as NITI Aayog) estimates that nearly 20 lakh jobs can be created in the education sector alone. Similarly, the improve of health situation, need many more doctors, nurses, health workers etc. to work. These are some ways by which jobs would be created and we would also be able to address the important aspects of development • Promotion of other activities like tourism, regional crafts, information, etc. will certainly lead to creation of new employment opportunities. For example, the study by the Planning Commission says that if tourism as a sector is improved, every year we can give additional employment to more than 35 lakh people.
16	<p>Explain the objectives of implementing the MGNREGA 2005.</p> <p style="text-align: center;">OR</p> <p>Why do you think MGNREGA 2005 is referred to as ‘Right to Work’?</p>

Ans.

- Central government in India made a law implementing the Right to Work in about 625 districts of India. It is called Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) - 2005
- Under MGNREGA 2005, all those who are able to, and are in need of, work in rural areas are guaranteed **100 days of employment** in a year by the government.
- If the government fails in its duty to provide employment, it will give unemployment allowances to the people.
- The types of work that would in future help to increase the production from land will be given preference under the Act.

17

Distinguish between organized and unorganized sector.

OR

Workers are exploited in the unorganised sector. Do you agree ? Give reasons

(Ans. Write the points given in the column of Unorganised sector)

OR

Explain the advantages of working in an organised sector?

(Ans. Write the points given in the column of Organised sector)

Ans.

ORGANISED SECTOR	UNORGANISED SECTOR
It covers those enterprises or places of work where the terms of employment are regular	It is characterised by small and scattered units which are largely outside the control of the government.
Assured job work	Jobs are low-paid and often not regular. Employment is not secure.
They are registered by the government and have to follow its rules and regulations which are given in various laws such as the Factories Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishments Act etc.	There are rules and regulations but these are not followed.
It includes formal processes and procedures	No formal processes and procedures
Fixed number of working hours.	No fixed number of working hours.
Overtime money for extra work	There is no provision for overtime, paid leave, holidays, leave due to sickness etc.
Getting annual increment and other allowances like provident fund, gratuity, paid leave, payment during holidays etc.	Not getting annual increment and other allowances.
Ensure facilities like drinking water, safe working environment etc.	No such facilities

	Get pension after retirement	Not getting a pension.												
18	<p>‘There is a need for the protection and support of the workers in the unorganised sector’- Who are these vulnerable people who need protection? How to protect them?</p> <p style="text-align: center;">OR</p> <p>How to protect workers in the unorganized sector?</p> <p>Ans:</p> <p>The following are the ways in which the workers in the unorganized sector can be protected by the government.</p> <ul style="list-style-type: none"> • In the rural areas, the unorganised sector mostly comprises landless agricultural labourers, small and marginal farmers, sharecroppers and artisans (such as weavers, blacksmiths, carpenters and goldsmiths). These farmers need to be supported through adequate facilities for timely delivery of seeds, agricultural inputs, credit, storage facilities and marketing outlets. • In the urban areas, the unorganised sector comprises mainly of workers in small-scale industry, casual workers in construction, trade and transport etc., and those who work as street vendors, head load workers, garment makers, rag pickers etc. They need the government’s support for procuring raw material and marketing of output. • Majority of workers from scheduled castes, tribes and backward communities find themselves in the unorganised sector. Besides getting irregular and low paid work, these workers also face social discrimination. • Protection and support to the unorganised sector workers is necessary for both economic and social development. 													
19	<p>Distinguish between Public and Private sector with examples.</p> <p>Ans.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">PUBLIC SECTOR</th> <th style="text-align: center;">PRIVATE SECTOR</th> </tr> </thead> <tbody> <tr> <td>The government owns most of the assets and provides all the services</td> <td>The ownership of assets and delivery of services is in the hands of private individuals or companies.</td> </tr> <tr> <td>The purpose is not just to earn profits, increasing the facilities for public welfare.</td> <td>Activities are guided by the motive to earn profits.</td> </tr> <tr> <td>The decisions regarding production and distribution are taken by the government.</td> <td>The decisions regarding production and distribution are taken by owner or manager of the company.</td> </tr> <tr> <td>Provide basic facilities like education, health, food and security to people.</td> <td>Provides consumer goods to the people.</td> </tr> <tr> <td>Example: Railways, Post office etc.</td> <td>Example: Tata Iron and Steel Company Limited (TISCO), Reliance Industries Limited (RIL) etc.</td> </tr> </tbody> </table>		PUBLIC SECTOR	PRIVATE SECTOR	The government owns most of the assets and provides all the services	The ownership of assets and delivery of services is in the hands of private individuals or companies.	The purpose is not just to earn profits, increasing the facilities for public welfare.	Activities are guided by the motive to earn profits.	The decisions regarding production and distribution are taken by the government.	The decisions regarding production and distribution are taken by owner or manager of the company.	Provide basic facilities like education, health, food and security to people.	Provides consumer goods to the people.	Example: Railways, Post office etc.	Example: Tata Iron and Steel Company Limited (TISCO), Reliance Industries Limited (RIL) etc.
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20

How far is it correct to say that several services which cannot be provided by the private sector can be provided in the public sector? Explain.

OR

'Public sector contributes to the economic development of India.' Justify the statement.

Ans.

Reasons why government has taken up public sector activities are:

- There are some activities which require a huge amount of money which is beyond the capacity of the private sector.
- Collecting money from thousands of people who use these facilities is not easy. Even if they do provide these things they would charge a high rate for their use. Examples are construction of roads, bridges, railways, harbours, generating electricity, providing irrigation through dams etc.
- There are some activities, which the government has to support: -
For example, selling electricity at the cost of generation may push up the costs of production of goods in many industries, especially small-scale units. Here the government is producing and supplying electricity at rates which these industries can afford. Government has to bear part of the cost.
- Similarly, the Government in India buys wheat and rice from farmers at a 'fair price'. This stores in its godowns and sells at a lower price to consumers through ration shops. In this way, the government supports both farmers and consumers.
- There are a large number of activities which are the primary responsibility of the government: -
For example, providing health and education facilities, availability of safe drinking water, housing facilities for the poor and food and nutrition. It is also the duty of the government to take care of the poorest and most ignored regions of the country through increased spending in such areas.