INDIAN SCHOOL AL WADI AL KABIR

IED – 4. HUMAN CAPITAL FORMATION

1. What is Preventive medicine?
   a) Vaccination
   b) Providing proper medical facilities
   c) Removing shortage of medicine in hospital
   d) None of these.

2. In India, Expenditure on education and health is the responsibility:
   a. Union Government
   b. State Government
   c. Local Governments
   d. All the above

3. One of the most urgent reasons for rural-urban migration in India is
   a) Unemployment
   b) Lack of education facilities
   c) Lack of medical facilities
   d) None of these

4. ----- is the outcome of investment in education, health, on the job training, migration and information.
   a) Human Capital Formation
   b) Physical Capital Formation
   c) Working Capital Formation
   d) None of these

5. The two major sources of human capital in a country are-------
   a) Investment in Education and health
   b) Investment in Education and on the job training
   c) Investment in Education and migration
   d) Investment in education and information

6. Economic growth requires_____
   a) Human capital
   b) Physical capital
   c) Both a) and b)
   d) Neither a) nor b)

7. Expenditure on education is _____
   a) Wasteful
   b) Investment
   c) Skill
   d) Not required

8. ----- major source of human capital.
   a) Taxes
   b) Subsidies

c) Health
d) All the above

9. ________is better indicator of development.
   a) National output
   b) Per capita income
   c) Real per capita income
   d) National income.

10. Which five year's plans recognized the importance of human capital?
    a) 8th plan
    b) 5th plan
    c) 4th plan
    d) 7th plan

QUESTIONS:

1. What factors contribute to human capital formation?
2. Explain expenditure on health as a source of human capital formation.
3. State, giving valid reasons whether the following statement is true or false.
4. Human Capital Formation gives birth to innovation, invention, and technological improvements.
5. Differentiate between physical capital and human capital.
6. State whether the following statements are true/false, with valid arguments:
   a) Human Capital and Human Development are one and the same thing.
   b) India has a poor stock of technical manpower.
7. Bring out the differences between human capital and human development.
8. In your view, is it essential for the government to regulate the fee structure in education and healthcare institutions? If so, why?
9. What are the main problems of human capital formation in India?
10. Define human Capital?
11. What are the two major sources of Human Capital in-country?
12. Explain the importance of Human capital formation?
13. Explain how the following can be the reasons for poor human capital formation.
    a. Insufficient Resources
    b. High growth of population
    c. High poverty levels
    d. Lack of proper manpower planning
14. Discuss the problems or weaknesses in the education sector?
15. Briefly explain primary education schemes?
16. What factors contribute to human capital formation?
17. Discuss the following as a source of human capital formation:
    a. Health infrastructure
    b. Expenditure on migration.
18. Examine the role of education in the economic development of a nation?
19. What is the meaning of 'brain drain'?
20. State the institutions responsible for education and medical concerns in India?

CASE STUDY:

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

Human capital can be defined as the body of knowledge possessed by the population and the capacity of the population to use the knowledge effectively. Until the late 1950s, no economist and any other social scientist did pay much attention to the role of investment in human beings as an important determinant of economic development. The birth of this idea can be dated from the presidential address of Prof. Theodore W. Schultze to the American Economic Association in December 1960. As a result, the concept of human capital formation came to the limelight. A circular relationship between human development and economic growth has come to be established. Economic growth creates conditions for better health and education facilities; which in turn spur economic growth.

1. Human Capital Formation came into existence in ------
   a) 1950
   b) 1960
   c) 1970
   d) 1980
2. Economists say that the main key player of economic development is __
   a) Human capital
   b) Physical Capital
   c) Real Capital
   d) None of these
3. In ------ Five-year Plan, India emphasized on human capital formation.
   a) 2nd
   b) 3rd
   c) 5th
   d) 7th
4. ------ means an improvement in the quality of life and living standards, e.g., measures of literacy, life expectancy, and health care.
   a) Economic growth
   b) Economic development
   c) Investment
   d) None of these