



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet No: 1	Topic: Human Capital Formation

1. Which 5 year plan recognised the importance of Human Capital?

- a. 8th Plan
- b. 5th Plan
- c. 4th Plan
- d. 7th Plan**

2. Who prepares the Human Development index?

- a. WB
- b. UNDP**
- c. IMF
- d. RBI

3. Who prepares the Human Development index?

- a. WB**
- b. UNDP
- c. IMF
- d. RBI

4. Which bank said that India will emerge as one among four major growth centres in the world by 2020?

- a. Asian Development Bank
- b. Reserve Bank

c. World bank

d. Deutsche Bank

5. As per census 2011, the literacy rate in rural India is:

a. 74%

b. 69%

c. 85%

d. 60%

6. Female literacy in India is:

a. 75%

b. 85%

c. 66%

d. 70%

7. Which of the following is the problem of human capital formation?

a. Brain -drain

b. Low academic standards

c. Rising population

d. All of the above

8. As per census of 2011, overall literacy rate in India is:

a. 56%

b. 65%

c. 74%

d. 60%

1 mk question:

1. What is financial capital?

A: It is paper claims against physical capital.

2. What is Brain-Drain?

A: It refers to the migration of the skilled manpower to the developed countries of the world.

3. What is on the job training?

A: It is the form of training taking place in a normal working situation.

3- 4 Mks Questions:

4. Start-ups and skill India programmes are complementary to each other. True/ False? Justify.

A: True because one programme promotes the other.

- Start Ups (New Business ventures) helps utilize the idle entrepreneurial abilities of the people. It thus promotes skill formation.
- Skill formation through education and training helps establishing the start-ups.

5. Skill formation facilitates conversion of economic growth into economic development.

A: True, because skill formation improves rate of participation or employment in the process of growth. Higher the rate of participation, faster is the conversion of growth into development.

6. Human capital formation increases the efficiency of physical capital. How?

A: This happens in 2 ways:

- Human capital formation leads to higher level of skills and expertise. Accordingly, labour force is better equipped to handle plant and machinery (physical capital). This raises the efficiency of physical capital by way of higher output per unit of input (physical capital).
- Human capital formation leads to innovations, implying new and more effective ways of doing things than before. Accordingly, efficiency/productivity increases.

6 mks questions:

7. Briefly explain the problems of human capital formation in India.

A: REFER to Qn 13 of the Notes.