



INDIAN SCHOOL AL WADI AL KABIR

Class: X	Department: Social Science	Sub: Economics
Chapter-2 Question Bank:2	Topic: Sectors of the Indian Economy	Year: 2023-24

1	<p>Differentiate between 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>“Sectors are classified into three based on the nature of activity”. Which are they? Explain</p> <p>Ans.</p> <p>Primary Sector</p> <ul style="list-style-type: none">• It includes activities that are undertaken by directly using natural resources.• This sector is also called Agriculture and related sector.• Example: agriculture, forestry, fishing, mining etc. <p>Secondary Sector</p> <ul style="list-style-type: none">• It covers activities in which natural products are changed into other forms through ways of manufacturing.• It is also called as Industrial sector.• Example: Industrial Sector <p>Tertiary Sector</p> <ul style="list-style-type: none">• Activities related to services.• These activities do not produce a good but they are an aid or a support for the production process.• It is also called as Service sector• Example: Transportation, trade, Education, Healthcare, Accounting etc.								
3	<p>How Tertiary sector is different from other sectors?</p> <p>Ans.</p> <ul style="list-style-type: none">• The tertiary sector is different from other sectors because the other two sectors produce goods but this sector does not produce goods by itself.• The activities under this sector help in the development of primary and secondary sectors.• These activities are an aid and support for the production process.• For example: - transport, communication, storage, banking etc.• For this reason, this sector is also known as Service Sector								

4	<p>Elucidate the significance of Secondary sector in Indian economy.</p> <p style="text-align: center;">OR</p> <p>Explain the importance of manufacturing industries.</p> <p>Ans:</p> <p>Secondary sector plays an important role in Indian economy which can be understood through the following points:</p> <ul style="list-style-type: none"> • Secondary sector involves industrial production. Industrial activities utilise the materials produced in the primary sector. • In the process, it creates massive employment at various stages. • It also induces the service sector like transport, market etc. to flourish. • 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. 										
5	<p>Economic activities, though are grouped into three different categories, are highly interdependent. Explain with suitable example.</p> <p>Ans.</p> <ul style="list-style-type: none"> • Economic activities, though grouped into three different categories, are highly interdependent. • 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. • Let's take an example of iron-ore. It is extracted in mining which is a Primary activity, then it is transported to industries for making iron and steel in Iron and Steel Plant, which is a Secondary activity. Transportation and finance services are provided to these two sectors by the tertiary sector. 										
6	<p>Differentiate between Final goods and Intermediate goods.</p> <p>Ans.</p> <table border="1" data-bbox="220 1391 1500 1778"> <thead> <tr> <th data-bbox="220 1391 858 1440">FINAL GOODS</th> <th data-bbox="858 1391 1500 1440">INTERMEDIATE GOODS</th> </tr> </thead> <tbody> <tr> <td data-bbox="220 1440 858 1570">Goods which are used by the consumers for final use</td> <td data-bbox="858 1440 1500 1570">Goods which are not ready for final consumption and are used as raw materials for further production.</td> </tr> <tr> <td data-bbox="220 1570 858 1675">The value of final goods is included in National Income</td> <td data-bbox="858 1570 1500 1675">The value of intermediate goods is not included in National Income to prevent double counting</td> </tr> <tr> <td data-bbox="220 1675 858 1731">These goods directly satisfy human needs</td> <td data-bbox="858 1675 1500 1731">These goods indirectly satisfy human needs</td> </tr> <tr> <td data-bbox="220 1731 858 1778">Example: - Computer, Car, Pen, biscuit etc.</td> <td data-bbox="858 1731 1500 1778">Example: - Flour, cotton, steel etc.</td> </tr> </tbody> </table>	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.
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7	<p>Define GDP (Gross Domestic Product).</p> <p>Ans.</p> <p>GDP is the sum total of the money value of all final goods and services produced in each sector within a country during a particular year.</p>										

8

What precaution should be taken while estimating total production of each sectors?

Ans.

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

- While estimating total production, not all goods and services that are produced and sold need to be counted.
- Only the value of final goods and services are taken instead of intermediate goods because intermediate goods (example: cotton) are used up in the production of final goods and services (example: cloth).
- Thus, the value of final goods and services already includes the value of intermediate goods. If we include the value of intermediate goods separately it will lead to double counting.
- 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. The value of Rs 80 for the biscuits (final good) already includes the value of flour (Rs 25). Therefore, counting the value of the flour and wheat separately is not correct because then we would be counting the value of the same things a number of times.

9

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 that of secondary and tertiary sector increases.” Analyse the statement.

Ans.

- In the initial stages of development, the primary sector was the most important sector.
- Due to improved methods of farming, productivity of the agriculture sector increased. Now 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.
- Secondary sector became the most important sector for production and employment, over a long period of time.
- 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.

10	<p>Explain the reasons behind the growth of 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 is the tertiary sector becoming more important in India? Explain.</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 Industry support service 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>Why does the primary sector in India continue to be the largest employer in 1977-78 as well as in 2017-18?</p> <p>Ans.</p> <p>The primary sector in India continue to be the largest employer because of the following reasons:</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 still employs about more than half of the workers in the country. But producing only a quarter 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.

12

Compare Tables 'A' & 'B' and answer the question given below.

Table- A

Share of Sectors in GDP in %			
Year	Tertiary	Secondary	Primary
1973-74	50	10	40
2013-14	68	21	11

Table B

Share of sectors in employment in %			
Year	Tertiary	Secondary	Primary
1977-78	18	11	71
2017-18	31	25	44

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. Why didn't a similar shift out of primary sector happen in case of employment? Substantiate your answer.

Ans.

Substantial shift in employment in primary Sector hasn't happened because of the following reasons.

- **Insufficient job creation in the secondary and tertiary sectors: -**
The growth of industrial output and service sector production has been significant, but the corresponding increase in employment opportunities has been comparatively lower.
- **Underemployment in the agricultural sector: -**
The primary sector, particularly agriculture, suffers from underemployment, with more people engaged in farming than necessary. This indicates that workers in the agricultural sector are not fully utilized, leading to a lower productivity level.
- **Share of Sectors in Employment: -**
Even though industrial output 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.
- **Share of sectors in GDP: -**
More than half of the workers in the country are working in the primary sector, mainly in agriculture, producing only about one sixth of the GDP. In contrast to this, the secondary and tertiary sectors produce the rest of the produce whereas they employ less about half the people.

13

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?

Ans.

- 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.

	<ul style="list-style-type: none"> • 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. But employment generation in either the secondary or tertiary sector could not keep pace. • Still a larger number of people depend on the primary sector for employment; compared to the other two sectors. • This shows a disturbing trend because the primary sector is beset with the problem of hidden unemployment.
14	<p>What do you understand by 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. • 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. If a piece of land requires only three people to work on it and instead five people are working on it, then the two extra people are said to be in a situation of disguised unemployment. • 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>Mr. Pawan, a village head wanted to create more job opportunities to increase the income of the people of his village. suggest any few activities, so that Mr. Pawan could initiate in his village.</p> <p style="text-align: center;">OR</p> <p>How can more employment opportunities be created in the rural areas?</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>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:** Building of roads, store houses, bridges, etc. will not only create new jobs but also add to the income of the farmers and landless labourers.
- **Setting up of cottage and small-scale industries:** These small industrial units will provide employment in those seasons when there is no work on agricultural farms.
- **Promotion of local and agro-based industries:** Industries such as dal mill, cold storage, honey collection centers and processing of vegetables should be set up in rural or semi-rural areas. Such industries will get raw materials from the rural areas and will create more employment opportunities for the rural people.
- **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,
- **Construction of school buildings, hospitals, community centres, etc.:** These works generate more employment opportunities as well as contribute to human development.
- **Promotion of other activities:** Promotion of other activities like tourism, regional crafts, information, etc. will certainly lead to creation of new employment opportunities.

16 **Explain the objectives of implementing the MGNREGA 2005.**

OR

Why do you think MGNREGA 2005 is referred to as 'Right to Work'?

Ans.

- The MGNREGA is an employment generation scheme of the government of India for rural areas. Central government in India made a law implementing the Right to Work in about 625 districts of India.
- It provides 100 days of wage employment every year to every rural household.
- One - third of the proposed jobs have been reserved for women.
- If an applicant is not provided employment within fifteen days, he or she will be entitled to unemployment allowance.
- 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.**

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 **A worker in an urban area, who was working in a small factory, was not paid his wages properly, he was forced to work extra hours under poor working conditions, there was no job security, recently he lost his job and was found selling electrical items in a pushcart. Analyze the role of the government in protecting the workers working in an Unorganized sector.**

Ans:

The following are the ways in which the workers in the unorganized sector can be protected by the government.

- The small factories must be 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.
- The government can provide loans to help unemployed educated youth to start their own business.
- The workers are supposed to get medical benefits and, under the laws, the factory manager has to ensure facilities like drinking water and a safe working

19 **Distinguish between Public and Private sector with examples.**

Ans.

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.

20 **How far is it correct to say that several services which cannot be provided by the private sector can be provided by 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:

- These activities require a huge amount of money which is beyond the capacity of the private sector.
- Private sector may charge a high rate for their use.
- It is difficult for the private sector to collect money from thousands of people who use these facilities.
- Sometimes the government in order to support the private sector has to take up activities like selling electricity at generation cost.
- Spending on health and education is necessary as it is the primary responsibility of the government.