

## CHAPTER -2 PEOPLE AS RESOURCE

### ECONOMICS

### PEOPLE AS RESOURCE

**Q1. What does ‘ people as a resource’ mean?**

**Ans.** People as resource is a way of referring to country's working population in terms of their existing productive skills and abilities.

**Q2. What is human capital formation?**

**Ans.** When the existing human resource is further developed by education and health, we call it human capital formation. It adds to the productive power of the country.

**Q3. How countries like Japan have become rich and developed?**

**Ans.**

- These countries have invested on people especially in the field of education and health.
- These people have made efficient use of other resources like land and capital and developed technology for development.

**Q4. How is human resource different from other resources like land and physical capital?**

**Ans.** Human resource is different in the following ways:

- a) Land and other resources are fixed (limited).
- b) Human resource can be nurtured through education and health.
- c) Human resource can bring change in other resources while other resources cannot change or effect human resource.
- d) Human resources can make use of land and capital. Land and capital cannot become useful on its own.

**Q5. What is the role of education in human capital formation?**

**Ans.** Education helps in the human capital formation in the following ways:

- a) Investment in education of human resource results in the formation of human capital.
- b) One can earn higher income because of higher productivity due to education and better training .
- c) Investment in human resource by education gives higher return in the future.

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**Q6. What is the role of health in human capital formation?**

**Ans.**

- a) Health sector development can prove useful for the economy .
- b) Healthy people can work more and produce more.
- c) Healthy person's capacity to work increases and he becomes more productive and therefore earns more.

**Q7. Is it true that educated parents invest more on their children's education and why ?**

**Ans.** Yes. This is because :

- a) Educated parents have realised the importance of education for themselves and their children.
- b) They are also conscious of the proper nutrition and hygiene.
- c) They look after their children's need for education and school and good health.

**Q8. What is the role of health in the working life of an individual?**

**Ans.**

- a) The health of a person makes him realise his potential and ability to fight illness.
- b) An unhealthy person becomes a liability for an organisation and country.
- c) Health is an important basis for realising one's own well-being.

**Q9. Classify various activities into primary secondary and tertiary sectors.**

**Ans.** Various activities are classified into the following three main sectors of the economy:

- a) Primary sector: It includes agriculture, forestry, animal husbandry, fishing poultry farming, mining etc.
- b) Secondary sector: It includes all type of manufacturing industries
- c) Tertiary sector: It includes trade, transport, communication, banking

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education, health, tourism , insurance sector etc.

**Q8. What is the difference between market and non- market activities?**

**Ans.**

MARKET ACTIVITIES	NON-MARKET ACTIVITIES
a) They are done to earn money or profit.	They are not done to earn money.
b) These are socially useful activities which includes the production and consumption of goods.	These activities include production for self consumption.
c) For example: Teacher teaching in a school, worker working in a factory.	For example: Teacher teaching her children, subsistence farming .

**Q9. Why are women employed in low paid work?**

**Ans.**

- Women are paid for their work when they enter the labour market.
- Their earning, like that of their male counterpart, is determined on the basis of education and skill.
- A majority of the women have meagre education and low skill formation and hence women are paid low compared to men.
- Most women work where job security is not there.

**Q10. Which capital would you consider the best — land, labour, physical capital and human capital? Why?**

**Ans.**

The capital I consider the best is Human Capital.

**Reason:-**

- There are countries like Japan that have invested in human resource as they did not have any natural resource.
- These countries are developed and rich countries.
- They import the natural resource needed in their country.
- They have invested on people especially in the field of education and

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health.

- e) These people have made efficient use of other resource like land and capital.
- f) Efficiency and the technology evolved by people have made these countries rich and developed.