

CHAPTER -2 SECTORS OF INDIAN ECONOMY

Economics

Chapter-2 Sectors of Indian Economy

Ques 1 How is the tertiary sector different from other sectors?

Ans 1 i) The other sectors provide a product whereas the tertiary sectors do not produce a good but they are an aid or support for production process.

ii) eg. goods that are produced in the primary and secondary sector would need to be transported by trucks or trains and then sold in the wholesale and retail shops.

Ques 2 What do you understand by disguised unemployment?

Ans 2 i) It is a type of unemployment where more people are employed or working than necessary.

ii) eg. In rural area, a family of 7 members work on the same agricultural plot. Even if 4 of them are withdrawn from the work, there would be not reduction in the output from the plot.

iii) In urban areas this type of unemployment is mostly seen in the service sector.

eg. painters, plumbers, repair persons etc.

iv) People are working like this because they do not have better opportunities.

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Ques.3 Service sector in India employs two different kinds of people. Who are these?

- Ans.3
- i) Service sector in India employs highly skilled and educated people in multinational companies, public sector and several private businesses.
 - ii) Low skilled and less educated people are also employed in service sector. These people work as small shopkeepers, repair persons etc. These people barely manage to earn a living and yet perform these services because no alternative opportunities for work are available.

Ques.4. Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain how?

Ans.4 Yes, the classification of economic activities is useful. This is because —

- i) It tells us clearly about the share of each sector in the Gross Domestic Product of the country.
- ii) It gives an idea about employment opportunities created by each sector and number of people engaged in different sectors.
- iii) It also helps to understand how the different sectors are interdependent on each other.
- iv) It also helps us to know the developmental level of a country.

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Ques.5 Explain the objective of implementing NREGA 2005.

Ans.5 Following are the objectives of NREGA 2005-

- i) All those who are able to and are in need of work have been guaranteed 100 days of employment in a year by the government.
- ii) If the government fails in its duty to provide employment, it will give unemployment allowances to the people.
- iii) The types of work that would in future help to increase the production from land will be given preference under the act.

Ques.6 Define the following terms :-

- i) Gross Domestic Product [GDP]
- ii) Secondary sector
- iii) Primary sector
- iv) Final goods
- v) Organised sector

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Ques. 7. Distinguish between open ^{or} employment and disguised unemployment.

Ans. 7. Open unemployment

- ① when a person has no work and does not earn anything at all.
- ② It is clearly visible
- ③ This type of unemployment is generally found in the industrial sector.
- ④ For example - when workers working in a factory are laid off due to closure.

Disguised Unemployment

when people seem to be working but all of them are made to work less than their potential.

It is hidden.

This type of unemployment is generally found in agricultural sector.

For example -

When 5 people are working in a field where 3 people are required.

Ques. 8. Service sector in India employs two different kinds of people. Who are they?

- Ans. 8
- a) There are highly-skilled and educated workers such as teachers and doctors.
 - b) On the other hand, a large number of workers such as small shopkeepers and repair persons are engaged in services who barely manage to earn a living.

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Ques. 9. Compare the employment conditions prevailing in the organised and unorganised sector

Ans. 9	<u>Organised Sector</u>	<u>Unorganised Sector</u>
1) It is registered with the government.	It is not registered with the government.	
2) Workers have job security.	Workers do not have job security.	
3) Workers get regular monthly salary.	Workers get daily wages.	
4) Rules and regulations are followed.	Rules and regulations are not followed.	
5) Working hours are fixed.	Working hours are not fixed.	
6) Workers get benefits like provident fund, paid leave, medical benefits, etc.	Workers don't get any such benefits.	
7) Working conditions are favourable.	Working Conditions are not favourable.	

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Ques.10 Distinguish between Public sector and Private sector.

Ans. Public Sector

- 1) The government owns most of the assets and provides all the services.
- 2) This sector aims at increasing the facilities for public welfare.
- 3) Government raises money through taxes and other ways to meet expenses.
- 4) This sector provides basic facilities like education, health, food and security to people.
- 5) Examples - Indian Railways and Post office.

Private Sector

- The ownership of assets and delivery of services is in the hands of private individuals or companies.
- This sector aims at earning maximum profit.
- To get services of this sector consumer have to pay money.
- This sector provides consumer goods to the people.
- Examples - TISCO and Reliance Industries Limited.

CHAPTER -2 SECTORS OF INDIAN ECONOMY

ques.11 Explain how public sector contributes to the economic development of a nation.

ans.11 Public sector contributes to the economic development of a nation in the following ways :-

- 1) The purpose of the public sector is not just to earn profits, but welfare of the society.
- 2) Through its investment in education and health public sector improves quality of lives.
- 3) Provisions of safe drinking, houses for poor, food and nutrition for children also nurtures fundamental rights, which later result in great economic development.
- 4) Some activities need spending large sums of money, which is beyond the capacity of the private sector. For example :- construction of roads, bridges, dams, generating electricity etc.
- 5) There are some activities, which the government has to support.
For example :- selling electricity to small scale units at lower rates. Government has to bear part of the cost.

CHAPTER -2 SECTORS OF INDIAN ECONOMY

Ques.12 What are the steps involved in the estimation of GDP? Who conducts this process?

Ans.12 Steps involved in the estimation of GDP are as follows :-

- i) The total production of each sector is calculated by adding the values of final goods and services produced in that sector in a year.
- ii) Then the production of all the 3 sectors is added, the sum of which is called the Gross Domestic Product (GDP).

GDP in India is measured by central government ministry with the help of various governments of states and union territories.

Ques.13 How can more employment opportunities be created in the rural areas?

Ans.13 [Write any 10 ways from Page 28 and 29]