



CLASS –X

SUBJECT: ECONOMICS
CHAPTER -1 DEVELOPMENT

The idea of development or progress has always been with us. We have aspirations or desires about what we would like to do and how we would like to live. A beginning for understanding development. It is only through a democratic political process that these hopes and possibilities can be achieved in real life.

WHAT DEVELOPMENT PROMISES – DIFFERENT PEOPLE, DIFFERENT GOALS:

1. People seek things that are most important for them, i.e., that which can fulfill their aspirations or desires.
2. In fact, at times, two persons or groups of persons may seek things which are conflicting.
3. So two things are quite clear:
 - (i) Different persons can have different developmental goals.
 - (ii) What may be developed for one may not be developed for the other. It may even be destructive for the other.

INCOME AND OTHER GOALS

1. What people desire are regular work, better wages and decent price for their crops or other products that they produce. In other words, they want more income.
2. People also seek things like equal treatment, freedom, security, and respect for others.
3. In some cases, these may be more important than more income or more consumption because material goods are not all that you need to live.
4. Money, or material things that one can buy with it, is one of the factors on which our life depends on non-material things mentioned above.
5. There are many things that are not easily measured but they mean a lot to our lives. These are often ignored.
6. However, it would be wrong to conclude that what cannot be measured is not important.
7. Similarly, for development people look at a mix of goals. The developmental goals that people have are not only about better income but also about better income but also about other important things in life.

NATIONAL DEVELOPMENT

1. It is very important to keep in mind that different persons could have different as well as conflicting notions of a country's development.
2. National development means thinking about fair and just path for all, whether there is a better way of doing things.

HOW TO COMPARE DIFFERENT COUNTRIES OR STATES?

1. Usually, we take one or more important characteristics of persons and compare them based on these characteristics.
2. For comparing countries, their income is considered to be one of the most important attributes.
3. Countries with higher income are more developed than others with less income.
4. The income of the country is the income of all the residents of the country. This gives us the total income of the country.
5. For comparison between countries, total income is not such useful measure.
6. Hence, we compare the average income which is the country divided by its total population. The average income is also **called per capita income**.
7. In World Development Report brought out by the World Bank, this

8. Countries with per capita income of USD 12736 per annum and above in 2013, are called rich countries and those with per capita income of USD 1570 or less are **called low-income countries**.
9. India comes in the category of low middle-income countries because its per capita income in 2013 was just US\$1570 per income.

INCOME AND OTHER CRITERIA:

1. Let us compare the per capita income of Maharashtra, Kerala, and Bihar.
2. Maharashtra has the highest per capita income and Bihar is at the bottom.
3. So, if per capita income were to be used as the measure of development, Maharashtra will be considered the most developed state of the three.

PUBLIC FACILITIES:

1. Money in your pocket cannot buy all the goods and services that you may need to live well.
2. Income by itself is not a completely adequate indicator of material goods and services that citizens are able to use.
3. Normally, your money cannot buy the pollution-free environment or ensure that you get unadulterated medicines unless you can afford to shift to a community that already has all these things.
4. Money may also not be able to protect you from infectious disease unless the whole of your community takes preventive steps.

HUMAN DEVELOPMENT

–Development of an individual in such a way that he can able to earn and fulfill his materialistic desire.

SUSTAINABILITY OF DEVELOPMENTS:

1. Since the second half of the twentieth century, a number of scientists have been warning that the present type, and levels, of development are not sustainable.
2. Resources are replenished by nature as in the case of crops and plants.
3. In the case of groundwater, if we use more than what is being replenished by rain then we would be overusing this resources.
4. Consequences of environmental degradation do not respect national or state boundaries; this issue is no longer region or nation-specific.
5. Sustainability of developments comparatively a new area of knowledge in which scientists, economists, philosophers and other social scientists are working together.



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SUBJECT: ECONIMICS

CHAPTER -1 DEVELOPMENT

Exercises questions and answers:

1. Development of a country can generally be determined by

- (i) its per capita income
- (ii) its average literacy level
- (iii) health status of its people
- (iv) all the above

✓(iv) all the above

2. Which of the following neighbouring countries has better performance in terms of human development than India?

- (i) Bangladesh
- (ii) Sri Lanka
- (iii) Nepal
- (iv) Pakistan

✓(ii) Sri Lanka

3. Assume there are four families in a country. The average per capita income of these families is Rs 5000. If the income of three families is Rs 4000, Rs 7000 and Rs 3000 respectively, what is the income of the fourth family?

- (i) Rs 7500
- (ii) Rs 3000
- (iii) Rs 2000
- (iv) Rs 6000

✓(iv) Rs 6000

4. What is the main criterion used by the World Bank in classifying different countries? What are the limitations of this criterion, if any?

Answer

Per Capita Income is the main criterion used by the World Bank in classifying different countries. The limitation of this criterion are:

- It doesn't show distribution of income.
- It also ignores other factors such as infant mortality rate, literacy level, healthcare, etc.

5. In what respects is the criterion used by the UNDP for measuring development different from the one used by the World Bank?

Answer

World bank only uses per capita income for measuring development while UNDP uses many other factors like infant mortality, healthcare facility education level which help in improving the quality of life and helps in making the citizens more productive.

6. Why do we use averages? Are there any limitations to their use? Illustrate with your own examples related to development.

Answer

We use averages because they are useful for comparing differing quantities of the same category. For example, to compute the per capita income of a country, averages have to be used because there are differences in the incomes of diverse people. However, there are limitations to the use of averages. This does not show distribution of thing between people. For an example, if a country has very high per capita income then we can't say that citizen living in that country are very rich because we are not knowing about the distribution of wealth in that country. Some people might be richer while other people are very poorer in that country.

7. Kerala, with lower per capita income has a better human development ranking than Punjab. Hence, per capita income is not a useful criterion at all and should not be used to compare states. Do you agree? Discuss.

Answer

No, I do not agree with the statement that per capita income is not a useful criterion at all. Kerala, with lower per capita income has a better human development ranking than Punjab because, human development ranking is determined using a combination of factors such as health, education, and income. So, this does not imply that per capita income is not useful. Rather, per capita income is one of the development factors and can not be neglected. The World Bank uses per capita income as the criterion for measuring development and comparing states. But this criterion has certain limitations because of which determination of Human Development Index (HDI) is done using this criterion along with some other development factors like health, education etc.

8. Find out the present sources of energy that are used by the people in India. What could be the other possibilities fifty years from now?

Answer

The present sources of energy that are used by the people of India are electricity, coal, crude oil, cow dung and solar energy. Other possibilities fifty years from now, could include ethanol, bio-diesel, nuclear energy and a better utilisation of wind energy, especially with the imminent danger of oil resources running out.

9. Why is the issue of sustainability important for development?

Answer

The issue of sustainability is important for development because development must be in tandem

with the future. If natural resources are not sustained, then development will stagnate after a point of time. Exploiting resources unethically will ultimately undo the development that a country may have achieved. This is because in the future, those resources will not be available for further progress.

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Answer

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11. “The Earth has enough resources to meet the needs of all but not enough to satisfy the greed of even one person”. How is this statement relevant to the discussion of development? Discuss.

Answer

“The Earth has enough resources to meet the needs of all but not enough to satisfy the greed of even one person”. This statement is relevant to the discussion of development since both resources and development go hand in hand. For the sustainability of development, the maintenance of resources is also crucial. As the statement claims, the Earth has enough resources- renewable and non-renewable to satisfy everyone’s needs; however, these need to be used with a view to keep the environment protected and clean so that a balance of production and use is maintained, and shortages are avoided.

12. List a few examples of environmental degradation that you may have observed around you.

Answer

Few examples of environmental degradation:

- Deforestation
- Soil erosion
- Falling levels of ground water
- Depletion of the ozone layer and combustion from automobiles causing extreme air pollution
- Water Pollution

13. For each of the items given in Table 1.6, find out which country is at the top and which is at the bottom.

TABLE 1.6 SOME DATA REGARDING INDIA AND ITS NEIGHBOURS FOR 2004

Country	Per Capita Income in US\$	Life Expectancy at birth	Literacy Rate for 15+ yrs population	Gross Enrolment Ratio for three levels	HDI Rank in the world
Sri Lanka	4390	74	91	69	93
India	3139	64	61	60	126

Myanmar	1027	61	90	48	130
Pakistan	2225	63	50	35	134
Nepal	1490	62	50	61	138
Bangladesh	1870	63	41	53	137

Answer:

(i) Per Capita Income in US\$: Top country – Sri Lanka; Bottom country – Myanmar

(ii) Life Expectancy at birth: Top country – Sri Lanka; Bottom country – Myanmar

(iii) Literacy Rate for 15+ years population: Top country – Sri Lanka; Bottom country – Bangladesh

(iv) Gross Enrolment Ratio for three levels: Top country – Sri Lanka; Bottom country – Pakistan

(v) HDI Rank in the world: Top country – Sri Lanka; Bottom country – Nepal

14. The following table shows the proportion of undernourished adults in India. It is based on a survey of various states for the year 2001. Look at the table and answer the following questions.

State	Male (%)	Female (%)
Kerala	22	19
Karnataka	36	38
Madhya Pradesh	43	42
All States	37	46

(i) Compare the nutritional level of people in Kerala and Madhya Pradesh.

(ii) Can you guess why around 40 per cent of people in the country are undernourished even though it is argued that there is enough food in the country? Describe in your own words.

Answer

(i) The nutritional level of people of Kerala is quite higher than the people – both males and females of Madhya Pradesh. Their ratio of the under-nourished is less than that of Madhya Pradesh.

(ii) There is enough food in the country, even then 40% of the people in the country are undernourished because:

A large number of people are so poor that they cannot afford nutritious food.



CLASS –X

SUBJECT: ECONOMICS

CHAPTER -2 SECTORS OF INDIAN ECONOMY

SECTORS OF ECONOMIC ACTIVITIES:

1. There are many activities that are undertaken by directly using natural resources.
2. For example, the cultivation of cotton. It takes place within a crop season.
3. When we produce a good by exploiting the natural resources, it is an activity of primary sector.
4. This is because it forms the base for all other products that we subsequently make.
5. Since most of the natural products we get are from agriculture, dairy, fishing, forestry, this sector is also called agriculture and related sector.
6. The secondary sector covers activities in which natural products are changed into other forms through ways of manufacturing that we associate with industrial activity. It is the next step after the primary.
7. Secondary sector gradually becomes associated with the different kinds of industries that came up, it is called as industrial sector.
8. After primary and secondary, there is a third category of activities that fall under tertiary sector and is different from the above two. These are activities that help in the development of the primary and the secondary sector.
9. Transport, storage, communication, banking, trade are some examples of the tertiary sector. Since these activities generate services rather than goods, the tertiary sector is also called the services sector.

COMPARING THE THREE SECTORS:

1. The various production activities in the primary, secondary and tertiary sectors produce a very large number of goods and services.
2. Also, the three sectors have a large number of people working in them to produce these goods and services.

There is one precaution one has to take. Not every good that is produced and sold also needs to be counted.

3. It makes sense only to final goods and services.
4. For instance, a farmer who sells wheat to a flour mill for Rs. 8 per Kg. The mill grinds the wheat and sells the flour to a biscuit company for Rs. 10 per Kg.
5. Intermediate goods are used up in producing final goods and services. The value of final goods that are used in making the final goods.
6. The value of final goods and services produced in each sector during a particular year provides the total production of the sector for that year.

7. The sum of production in the three sectors gives what is called Gross Domestic Product (GDP) of the country.
8. It is the value of all final goods and services produced within a country during a particular year. GDP shows how big the economy is.

PRIMARY, SECONDARY AND TERTIARY SECTORS IN INDIA:

1. Over the forty years between 1971-72 and 2011-12, while production in all the three sectors has increased, it has increased the most in the tertiary sector.
2. As a result, in the year 2011-12 the tertiary sector has emerged as the largest producing sector in India replacing the primary sector.
3. There could be several reasons why tertiary sector becoming so important in India.
 - (i) First, in any country several services such as hospitals, educational institutions, post and telegraph services 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.
 - (ii) Second, 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.
 - (iii) Third, as income levels rise, certain sections of people start demanding many more services like eating out, tourism, shopping, private hospital, private school.
 - (iv) Fourth, over the past decade or so, certain new services such as those based on information and communication technology have become important and essential.

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.

4. The primary sector continues to be the largest employer even now.
5. More than half of the workers in the country are working in the primary sector, mainly in agriculture, producing only a quarter of the GDP.
6. The secondary and tertiary sectors produce three-fourth of the produce whereas they employ less than half the people.
7. It means that there are more people in agriculture than is necessary. So, even if you move a few people out, production will not be affected. In other words, workers in the agricultural sector are under-employed.
8. The 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.

9. We see other people of the service sector on the street pushing a cart or selling something where they may spend the whole day but earn very little.
10. They are doing this work because they do not have better opportunities.

How to Create More Employment?

1. A way by which we can tackle this problem is to identify, promote and locate industries and a large number of people may be employed.
2. A study conducted by the Planning Commission estimates that nearly 20 lakh jobs can be created in the education sector alone.
3. Every state or region has the potential for increasing the income and employment for people in that area.
4. The same study by the Planning Commission says that if tourism as a sector is improved, every year we can give additional employment to more than 5 lakh people.
5. We must realize that some of the suggestions discussed above would take a long time to implement.
6. Recognizing this, the central government in India made a law implementing the Right to Work.
7. Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA 2005). Under MGNREGA 2005, all those who are able to, and are in need of, work are guaranteed 100 days of employment in a year by the government.
8. If the government fails in its duty to provide employment, it will give unemployment allowances to the people.

DIVISION OF SECTORS AS ORGANISED AND UNORGANISED:

1. The organized sector covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work.
2. It is called organized because it has some formal processes and procedures.
3. The unorganized sector is characterized by small and scattered units which are largely outside the control of the government.
4. Jobs here are low-paid and often not regular. Employment is not secure.
5. This sector includes a large number of people who are employed on their own doing small jobs such as selling on the street or doing repair work.

How to Protect Workers in the Unorganized Sector?

1. The organized sector offers jobs that are the most sought-after.
2. It is also common to find many organized sector enterprises in the unorganized sector.
3. Since the 1990s, it is also common to see a large number of workers losing their jobs in the organized sector.
4. In the rural areas, the unorganized sector mostly comprises of landless agriculture labourers, small

and marginal farmers, sharecroppers and artisans.

5. Nearly 80% of rural households in India are in small and marginal farmer category.
6. In the urban areas, unorganized sector comprises mainly of workers in the small-scale industry, casual workers in the construction, trade and transport etc., and those who work as street vendors, head load workers, garment makers, rag pickers etc.

SECTORS IN TERMS OF OWNERSHIP: PUBLIC AND PRIVATE SECTORS:

1. In the public sector, the government own most of the assets and provide all services.
2. In the private sector, ownership of assets and delivery of services is in the hands of private individuals or companies.
3. Activities in the private sector are guided by the motive to earn profits. The purpose of the public sector is not just to earn profits. Governments raise money through taxes and other ways to meet expenses on the services rendered by it.
4. There are several things needed by the society as a whole but which the private sector will not provide at a reasonable cost.
5. Collecting the money from thousands of people who use these facilities is not easy.
6. Even if they provide these things they would charge a high rate for their.
7. Thus, governments have to undertaken such heavy spending and ensure that these facilities are available for everyone.
8. There are some of the activities, which the government has to support.
9. The private sector may not continue their production or business unless government ensures it.
10. The government has to bear part of the cost.
11. There are a large number of activities which are the primary responsibility of the government. The government must spend on these. Providing health and education facilities for all is one example.
12. The government also needs to pay attention to aspects of human development.
13. It is also the duty of the government to take care of the poorest and most ignored regions of the country through increased spending in such areas.



CLASS –X

SUBJECT: ECONOMICS

CHAPTER -1 SECTORS OF INDIAN ECONOMY

Question 1. Fill in the blanks using the correct option given in the bracket:

- i. Employment in the service sector has not increased to the same extent as production.
(has/has not)
- ii. Workers in the tertiary sector do not produce goods. (tertiary / agricultural)
- iii. Most of the workers in the organised sector enjoy job security. (organised / unorganised)
- iv. A large proportion of labourers in India are working in the unorganised sector. (large / small)
- v. Cotton is a natural product and cloth is a manufactured product. [natural / manufactured]
- vi. The activities in primary, secondary and tertiary sectors are interdependent.
[independent / interdependent]

Question 2. Choose the most appropriate answer.

(a) The sectors are classified into public and private sector on the basis of:

- (i) employment conditions
- (ii) the nature of economic activity
- (iii) ownership of enterprises
- (iv) number of workers employed in the enterprise

Answer: (iii) ownership of enterprises

Explanation: In public sector, ownership is with the government and in private sector ownership is in the hands of private individuals.

(b) Production of a commodity, mostly through the natural process, is an activity in _____ sector.

- (i) primary
- (ii) secondary
- (iii) tertiary

information technology **Answer:** (i) primary

Explanation: Primary sector forms a base for all the products we subsequently make and we take the raw material from natural sources.

(c) GDP is the total value of _____ produced during a particular year.

- (i) all goods and services
- (ii) all final goods and services
- (iii) all intermediate goods and services
- (iv) all intermediate and final goods and services

Answer: (ii) all final goods and services

Explanation: Sum of production in the three sectors is called GDP.

(d) In terms of GDP the share of tertiary sector in 2010-11 is _____

- (i) between 20 to 30 per cent
- (ii) between 30 to 40 per cent
- (iii) between 50 to 60 per cent
- (iv) 70 per cent

Answer: (iii) between 50 per cent to 60 per cent

Explanation: The tertiary sector has emerged as the largest producing sector in India replacing the primary sector.

Question 3. Match the following:

Problems faced by farming sector	Some possible measures
1. Un- irrigated land	(a) Setting up agro-based mills
2. Low prices for crops	(b) Cooperative marketing societies
3. Debt burden	(c) Procurement of food grains by government
4. No job in the offseason	(d) Construction of canals by the government
5. Compelled to sell their grains to the local traders soon after harvest	(e) Banks to provide credit with low interest

Answer:

	Problems faced by farming sector		Some possible measures
1	Unirrigated land	(d)	Construction of canals by the government
2	Low prices for crops	(c)	Procurement of food grains by government

3	Debt burden	(e)	Banks to provide credit with low interest
4	No job in the off-season	(a)	Setting up agro-based mills
5	Compelled to sell their grains to the local traders soon after harvest	(b)	Cooperative marketing societies

Question 4. Find the odd one out and say why.

- i. Tourist guide, dhobi, tailor, potter
- ii. Teacher, doctor, vegetable vendor, lawyer
- iii. Postman, cobbler, soldier, police constable
- iv. MTNL, Indian Railways, Air India, SAHARA Airlines, All India Radio

Answer:

- i. Tourist guide: He is appointed by the government, while dhobi, tailor and potter belong to the private sector. Dhobi, tailor and potter are self-employed.
- ii. Vegetable vendor: He is the only profession that does not require formal education. He belongs to the private and unorganised sector while the rest are professionally qualified.
- iii. Cobbler: The rest are workers in the public sector, while his profession is part of the private sector and does not require any qualification.
- iv. SAHARA Airlines: It is a private enterprise, while the rest are government undertakings.

Question 5. A research scholar looked at the working people in the city of Surat and found the following:

Place of work	Nature of employment	Percentage of working people
In offices and factories registered with the government	Organised	15
Own shops, office, clinics in marketplaces with a formal license		15
People working on the street, construction workers, domestic workers		20
Working in small workshops usually not registered with the government		

Complete the table. What is the percentage of workers in the unorganised sector in this city?

Answer:

Place of work	Nature of employment	Percentage of working people
In offices and factories registered with the government	Organised	15
Own shops, office, clinics in marketplaces with a formal license	Organised	15
People working on the street, construction workers, domestic workers	Unorganised	20
Working in small workshops usually not registered with the government	Unorganised	50

The percentage of workers in the unorganised sector in this city is 70%. We find many organised sector enterprises in the unorganised sector because they want to evade taxes and refuse to follow the laws protecting the labourers.

Question 6. Do you think the classification of economic activities into primary, **secondary and tertiary is useful? Explain how.**

Answer: The classification of economic activities into primary, tertiary and secondary is useful on account of the information it provides on how and where the people of a country are employed. It also this helps in ascertaining as to which sector of economic activity contributes more or less to the country's GDP and per capita income. We can ascertain the sectoral share in the economy and government can make policies to promote the sector contributing less to the economy.

If the tertiary sector is developing much faster than the primary sector, then it implies that agriculture is depleting, and the government must take measures to rectify this. The knowledge that the agricultural profession is becoming unpopular or regressive can only come if we know which sector it belongs to. Hence it is necessary to classify economic activities into these three sectors for smooth economic administration and development.

Question 7. For each of the sectors that we came across in this chapter why should one focus on

employment and GDP? Could there be other issues which should be examined? Discuss.

Answer: For each of the sectors that we came across in this chapter, one should focus on employment and GDP because these determine the size of a country's economy and the condition of the economy. A focus on employment and GDP helps determine two important things- per capita income and productivity. Hence, in each of the three sectors, employment rate and status, as well as its contribution to the GDP help us understand how that particular sector is functioning and what needs to be done to initiate further growth in it.

Yes, the other issues which should be examined are –

- Balanced regional development.
- Equality in income and wealth among the people of the country. How to eradicate poverty?
- Modernization of technology. Self-reliance of the country.
- How to achieve surplus food production in the country?

Question 8. Make a long list of all kinds of work that you find adults around you doing for a living. In what way can you classify them? Explain your choice.

Answer: Some Samples of Work People Do and Their Classification

S. No.	Nature of work	Nature of Activity	Sector
1	Bank Clerk	Tertiary	Organized
2	Freelance Cartoonist	Tertiary	Unorganized
3	Construction Worker	Secondary	Unorganized
4	Doctor in AIIMS	Tertiary	Organized
5	DTC Bus Driver	Tertiary	Organized
6	Farmer	Primary	Unorganized
7	Guest House Receptionist	Tertiary	Unorganized
8	Mine Worker	Primary	Unorganized
9	Own Tailoring Shop	Tertiary	Unorganized
10	Public Sector Factory Supervisor	Secondary	Organized

Question 9. How is the tertiary sector different from other sectors? Illustrate with a few examples.

Answer: The tertiary sector is different from the other two sectors. This is because the other two sectors produce goods but, this sector produces services rather than goods. The activities under this sector help in the development of the primary and secondary sectors. Therefore, it is also known as the service sector. These services are an aid or support for the production process. For example, goods produced in the primary or secondary sector use transportation service for movements of goods from one place to another, banking and communication services to deal with payment for goods, etc. Similarly, doctors, teachers, lawyers, tailors, etc., come under the tertiary sector as they provide services rather than material goods. In recent times, certain new services based on information technology such as internet cafes, ATM booths, call centers, software companies etc have become important.

Question 10. What do you understand by disguised unemployment? Explain with an example each from the urban and rural areas.

Answer: Disguised Unemployment is an important feature of a joint family business and a situation of underemployment in which more than the required persons are engaged in a production activity. In this, people who are visibly employed but are actually unemployed. This is a situation of underemployment, where people are apparently working but all of them are made to work less than their potential. This situation is also known as Hidden Unemployment.

For example:

- In rural areas, this type of unemployment is generally found in the agricultural sector like - in a family of 9 people all are engaged in the same agricultural plot. But if 4 people are withdrawn from it there will be no reduction in output. So, these 4 people are actually disguisedly employed.
- In urban areas, this type of unemployment can be seen mostly in service sectors such as in a family all members are engaged in one petty shop or a small business which can be managed by less number of persons.

Question 11. Distinguish between open unemployment and disguised unemployment. Answer:

Open Unemployment	Disguised unemployment
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When a country's labour force does not get opportunities for adequate employment, this situation is called open unemployment.	This is a kind of unemployment in which there are people who are visibly employed but actually they don't have full employment. In such a situation more people are engaged in work than required.
This type of unemployment is generally found in the industrial sector of our country. This is also found among the landless agricultural labourers in rural areas.	This type of unemployment is generally found in unorganized sector where either work is not constantly available or too many people are employed for the same work that does not require so many hands.
This kind of unemployment exists due to lack of resources.	The absence of alternative employment opportunities leads to this situation.

Question 12. "Tertiary sector is not playing any significant role in the development of the Indian economy." Do you agree? Give reasons in support of your answer. Answer:

No, I do not agree with the statement that tertiary sector is not playing any significant role in the development of Indian economy. Over the last four decades (1970

-2010), tertiary sector has emerged as the largest producing sector. The growth in the service sector can be attributed to various factors such as:

- Need for basic services like health, education, security, finance etc.
- Introduction of new services like IT.
- Development of primary and secondary activities.
- Increase demand for services due to increase in per capita income.

The GDP share of the tertiary sector has grown from around 40% in 1973 to more than 50% in 2003.

Question 13. Service sector in India employs two different kinds of people. Who are these?

Answer: The service sector in India employs the following two different kinds of people. They are:

- The people involved in the services that may directly help in the production of goods. For example, people involved in the transportation, storage, communication, finance etc.
- The people involved in such services that may not directly help in the production of goods or themselves employed. e.g. teachers, doctors, barbers, cobblers, lawyers etc. They may be

termed as ancillary workers mean those who give services to the primary service providers.

Question 14. Workers are exploited in the unorganised sector. Do you agree with this view? Give reasons in support of your answer.

Answer: Yes, workers are exploited in the unorganized sector. This would be clear from the following points:

- No rules and regulation followed.
- There is no fixed number of working hours. The workers normally work 10 - 12 hours without paid overtime. They do not get other allowances apart from the daily wages.
- Government rules and regulations to protect the labourers are not followed there. There is no job security.
- Jobs are low paid the workers in this sector are generally illiterate, ignorant and unorganized. So they are not in a position to bargain or secure good wages.
- Being very poor they are always heavily in debt. So, they can be easily made to accept lower wages.
- Social discrimination.

Question 15. How are the activities in the economy classified on the basis of employment conditions?

Answer: On the basis of employment conditions, the activities in the economy are classified into organized and unorganized sectors:

- **Organized Sector** -This sector covers those enterprises which are registered by the government and have to follow its rules and regulations which are given in the various laws such as the Factory Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishment Act etc. Workers in the organised sector enjoy the security of employment. They are expected to work only a fixed number of hours. If they work more, they have to be paid overtime by the employer. They get paid leave, payment during holidays, provident fund, gratuity etc. For example, Reliance Industries Ltd., GAIL etc.
- **Unorganized Sector** -It includes those small and scattered units which are largely outside the control of the government. Though there are rules and regulations, these are never followed here. For example, casual workers in construction, shops etc. Jobs here are low paid and often not regular. There is no provision for overtime, paid leave, holidays, leave

due to sickness etc. There is In this sector there is no job security and the conditions of employment are also very tough. People can be asked to leave without prior information or reason.

Question 16. Compare the employment conditions prevailing in the organised and unorganized sectors.

Answer: The employment conditions prevailing in the organised and unorganised sectors are vastly different.

The Organised sector: The organised sector has companies registered with the government and hence, it offers job security, paid holidays, pensions, health and other benefits, fixed working hours and extra pay for overtime work.

The Unorganised sector: The unorganised sector is a host of opposites. There is no job security, no paid holidays or pensions on retirement, no benefits of provident fund or health insurance, unfixed working hours and no guarantee of a safe work environment.

Question 17. Explain the objective of implementing the NREGA 2005.

Answer: The objective of implementing the NREGA 2005 are:

- To increase the income and employment of people.
- Every state/region can develop tourism, regional craft, IT etc. for additional employment.
- The central government made a law implementing the right to work in 200 districts. NREGA
- aims to provide employment of 100 days. If it fails to do so, it will give unemployment allowances to the people.

Question 18. Using examples from your area compare and contrast that activities and functions of private and public sectors.

Answer: Some Samples of Work People Do and Their Classification

S. No.	Nature of work	Nature of Activity	Sector
1	Bank Clerk	Tertiary	Public
2	Freelance Cartoonist	Tertiary	Private
3	Construction Worker	Secondary	Private

4	Doctor in AIIMS	Tertiary	Public
5	DTC Bus Driver	Tertiary	Public
6	Farmer	Primary	Private
7	Guest House Receptionist	Tertiary	Private
8	Mine Worker	Primary	Private
9	Own Tailoring Shop	Tertiary	Private
10	Public Sector Factory Supervisor	Secondary	Public

Question 19. Discuss and fill the following table giving one example each from your area.

Well-managed organisation	Badly-managed organisation
Public sector	
Private sector	

Answer:

	Well-managed organisation	Badly-managed organisation
Public sector	Delhi Metro Rail Corporation	Milk Co-operative society
Private sector	Reliance Mobile	Satyam

Question 20. Give a few examples of public sector activities and explain why the government has taken them up.

Answer: A few examples of public sector activities are the provision of water, electricity and some modes of transport, especially railway. The government has taken these up because water and power are needed by everyone. If the work of providing electricity and water is left to private enterprises, the latter might exploit this opportunity and sell these at rates which the masses cannot afford. Hence, to ensure that basic amenities like water and power are available for all, the government supplies these at low and affordable rates.

Question 21. Explain how public sector contributes to the economic development of a nation.

Answer: In the following ways Public sector contributes to the economic development of a

nation:

- It promotes rapid economic development through the creation and expansion of infrastructure. It creates employment opportunities.
- It generates financial resources for development.
- It ensures equality of income and wealth, thus a balanced regional development. It encourages development of small, medium and cottage industries.
- It ensures easy availability of goods at moderate rates.

Contributes to community development i.e. to the Human Development Index (HDI) via health and educational services.

Question 22. The workers in the unorganised sector need protection on the following issues: wages, safety and health. Explain with examples.

Answer: The workers in the unorganised sector need protection:

- **Wages:** Labourers who are employed as a repair person, vendor etc. do not have fixed income. They nearly manage to earn their living. They are not employed all through the year.
- **Safety:** Workers in unorganized sector are not provided with safe drinking water or a clean environment. Eg., Working in mining, chemical industries is hazardous.
- **Health:** Leave not granted in case of sickness. Medical facilities are not offered, E.g. Construction workers.

Question 23. A study in Ahmedabad found that out of 15,00,000 workers in the city, 11,00,000 worked in the unorganised sector. The total income of the city in this year (1997-1998) was Rs 60,000 million. Out of this Rs 32,000 million was generated in the organised sector. Present this data as a table. What kind of ways should be thought of for generating more employment in the city?

Answer:

	Organised Sector	Unorganised Sector	Total
No. of workers	4,00,000	11,00,000	15,00,000
Income (Rs)	32,000 million	28,000 million	60,000 million

It is clear that while a larger portion of workers is working in the unorganized sector, the per capita earning of those in the organized sector is more. The government should encourage

the entrepreneurs in the unorganized sector to change them into the organized sector. Moreover, the government should introduce some incentives so that more industries could be opened up in the organized sector.

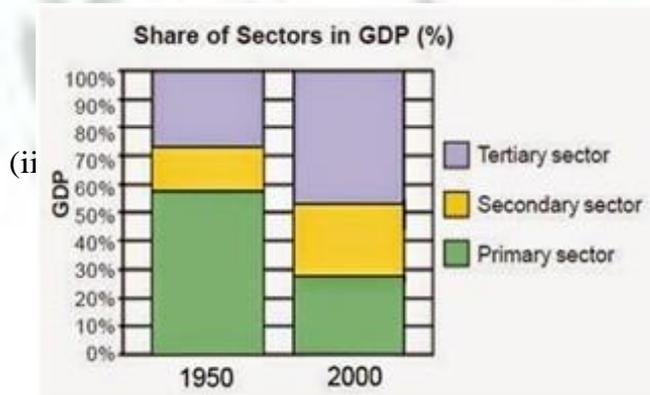
Question 24. The following table gives the GDP in Rupees (Crores) by the three sectors:

Year	Primary	Secondary	Tertiary
1950	80,000	19,000	39,000
2011	8,65,000	13,70,000	30,10,000

- i. Calculate the share of the three sectors in GDP for 1950 and 2011.
- ii. Show the data as a bar diagram similar to Graph 2 in the chapter.
- iii. What conclusions can we draw from the bar graph?

Answer: (i) In 1950 : primary sector = 57.97%, secondary sector = 13.77%, tertiary sector = 28.26%.

In 200 : primary sector = 27.33%, secondary sector = 24.37%, tertiary sector = 48.30%



(iii) We can draw the conclusion that the share of the tertiary sector in the GDP has almost doubled, while that of the primary sector has almost halved. The secondary sector has grown by about 10% in the last five years.