

NCERT QUESTIONS WITH SOLUTIONS

1. Fill in the blanks

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

- Ans.** (i) has not
 (ii) tertiary
 (iii) organised
 (iv) large
 (v) natural, manufactured
 (vi) interdependent

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

Ans. (iii) Ownership of enterprises

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

- (i) primary
- (ii) secondary
- (iii) tertiary
- (iv) information technology

Ans. (i) primary

(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

Ans. (ii) All final goods and services

(d) In terms of GDP the share of tertiary sector in 2013-14 is between _____ per cent.

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

Ans. (iii) between 50 to 60 percent

3. Match the following

Column I		Column II	
(A)	Unirrigated land	(i)	Setting up agro-based mills
(B)	Low prices of crops soon after harvest	(ii)	cooperative marketing societies local
(C)	Debt burden government	(iii)	Procurement of food grains by
(D)	No jobs in the off season	(iv)	Construction of canals by the government
(E)	Compelled to sell their grain to the	(v)	Banks to provide credit with low interest

Ans. (A)-(iv), (B)-(iii), (C)-(v), (D)-(i), (E)-(ii)

4. 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 formal licence		15
People working on the street, construction workers, domestic workers		20
Working in small workshops usually not registered with the government		

What is the proportion of workers in the unorganised sector in this city (in percent)?

Ans. In the organised sector there is $15 + 15 = 30\%$ people.

In the unorganised sector there are $20 + 50 = 70\%$ people.

5. Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain now.

Ans. It helps the economists to understand the problems and opportunities in an economy in a better way.

The government can utilise the information to bring various welfare

programmes and supportive measures to grow the economy so that there would be better employment generation.

6. 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.

Ans. GDP mainly gives a summarised picture of the economy and contribution by various sectors. It helps giving the policy makers a ready-reference. Therefore, GDP, in terms of economic performance has its own importance in while analysis. All the economic activities are done with the sole purpose of earning livelihood and hence, data regarding employment generation are important. Apart from this information, we also need to look at the growth pattern in various sectors; on different parameters.

7. 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.

Ans.

Nature of work	Nature of activity	Sector
Bank Clerk	Tertiary	Organised
Construction worker	Tertiary	Unorganised
Farmer	Primary	Unorganised
DTC Bus Conductor	Tertiary	Organised
Free lancer	Tertiary	Unorganised
Public sector Factory worker	Secondary	Organised
Own Tailoring Shop	Tertiary	Unorganised

We have classified them according to the nature of activity and according to their sector. This is a useful process as it is an easier way to layout the information.

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

Ans. The other sectors provide a product whereas the tertiary sectors do not produce a good but they are an aid or support forth production process. For example, goods that are produced in the primary and secondary sector would need to be transported by trucks or trains and then sold the wholesale and retail shops. Transport, storage, communication, banking and trade are few examples of tertiary activities. Since these activities generate services rather than goods the tertiary sector is also known as the service sector.

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

Ans. Disguised unemployment is a type of unemployment where more people are employed or working ' than necessary and where they are made to work less than their potential. This situation is also known as Hidden unemployment. For Example : In a Rural Area, a family of nine members work on the same agricultural plot, even if four of them are withdrawn from the work, there would be no reduction in the output from the plot. Thus, each one is doing some work but no one is fully employed.

In Urban Areas : This type of unemployment could be seen mostly in service sector. A famliy has all its

member working in one shop or a small business, but it could actually be managed by few members.

10. Distinguish between open unemployment and disguised unemployment.

Ans. Open unemployment: It is a situation where in a large section of the labour force does not get a job that may yield them regular income. His type of unemployment can be seen and counted in terms of the number of unemployed persons.

Disguised unemployment: It exists where part of the labour force is either left without work or is working in a redundant manner where worker productivity is essentially zero. It is unemployment that does not affect aggregate output.

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

Ans. No, I do not agree with the statement. The reasons are as follows: In terms of GDP, the tertiary sector has emerged as the largest producing sector in India surpassing the other two sectors; primary and secondary. In the year 1973, the share of the tertiary sector in GDP was about 35% which increased to more than 50% in 2003. Over the past thirty years from 1973 to 2003, while the production in all the three sectors increased, tertiary sector has gained the most.

Also, the rate of growth of employment in tertiary sector between the same periods was nearly 250%. This was negligible in primary sector.

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

Ans. (i) Service Sector in India employs highly skilled and educated people in multinational companies, public sector and several private enterprisings. This sector enhances the economy of the country. They are an asset as they add up high income in the National Income of the country,

(ii) Low skilled and less educated people are also employed in service sector but most of them are uneducated. Therefore., they are; working in unorganised sector. They are employed as painters, plumbers, repair persons etc. They are doing this work because they do not have better opportunities.

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

Ans. Jobs are poorly paid. The workers in the unorganised sectors are either, illiterate, ignorant or unorganised. Apart from the daily wages, they do not get other allowances. There are no fixed working hours. The workers mainly work from 10-12 hours without being paid overtime. The rules and regulations applied by the government to protect the labourers are not followed in their case. As they are poor, they are mainly in under heavy debt. Thus, it becomes easier for others to exploit them on lower wages.

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

Ans. They are mainly classified in two types :
Organised : The enterprises or place of work where the terms of employment are regular and therefore, people have assured work. 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. Workers enjoy security of employment. They work only fixed number hours. If they work more they get paid extra. Worker enjoys benefits like paid leave, Provident fund and medical benefits.

Unorganised : The enterprises or place of work are not registered by the government and does not follow any rules or regulations. There are no terms of employment Workers do not enjoy security of employment. There is no fixed number of hours. Workers do not enjoy any benefits.

15. Compare the employment conditions prevailing in the organised and unorganised sectors.

Ans. The conditions prevailing in both the sectors are vastly different. The organised sectors have companies that are registered with the government and therefore, it offers job security, pension, health and other benefits, fixed working hours. Whereas the unorganised sector consists of the opposite factors. There is no job security, no pension after retirement, no benefits of provident funds or health care, unfixed working hours and no guarantee of safe work environment.

16. Explain the objective of implementing the NREGA 2005.

Ans. The objective of implementing the NREGA 2005 are:

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

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

Ans.

Public Sector	Private Sector
The main aim of this sector is public welfare.	The main aim of this sector is to earn maximum profit.
It is controlled and managed by the government.	It is controlled and managed by an individual or group of individuals.
The sector provides basic facilities like education, health, food and security to the people, for example, post office, public health care etc.	This sector provides consumer goods to the people. For example TISCO, Reliance.

18. Discuss and fill in the following table giving one example each from your areas.

Ans.

	Well managed organisation	Badly managed organisation
Public sector	Delhi Metro Rail Corporation	Air
Private sector	Reliance Mobile	Satyam

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

Ans. AIIMS : To provide quality health services at a reasonable rate was the main purpose of the government to start this, besides medical education.

Railways : only the government can invest a large sum of money on a public project with long gestation period. And also to ensure and provide transportation at cheap rates.

Electronic Power Generation by NTPC : The government has taken this up to provide electricity at a reasonable rate to consumers.

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

Ans. In the following ways Public sector contributes to the economic development of a nation:

- (i) It promotes rapid economic development through creation and expansion of infrastructure.
- (ii) It creates employment opportunities.
- (iii) It generates financial resources for development.
- (iv) It ensures equality of income, wealth and thus, a balanced regional development.

- (v) It encourages development of small, medium and cottage industries.
- (vi) It ensures easy availability of goods at moderate rates.
- (vii) Contributes to community development i.e., to the Human Development Index (HDI) via health and educational services.

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

Ans. The unorganised sector is characterised by small and scattered units which are largely outside the control of the government. There is no provision for overtime, paid leave Here employment is subject to high degree of insecurity. A large number of people doing small jobs such as selling on the street or doing repair work come under the unorganised sector.

Wages : They are low and irregular. There is also no provision for overtime, paid leave, etc.

Safety : Construction workers could get injured while working and they need to work under safety

Health : Long working hours and unhygienic working environment affect the health of the workers

22. 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 ₹ 60,000 million. Out of this ₹ 32,000 million was generated in the organised sector. Present this data as a table. What kind of ways should be through of for generating more employment in the city?

Ans.

	Organised Sector	Un organised Sector	Total
No. of workers	4,00,000	11,00,000	15,00,000
Income	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, government should introduce some incentives so that more industries could be opened up in the organized sector.

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

Year	Primary	Secondary	Tertiary
2000	52,000	48,500	1,33,500
2013	800500	10, 74, 000	38,68,000

- (i) Calculate the share of the three sectors in GDP for 2000 and 2013
- (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?

Ans. Share for 2000

(i) Primary Sector = $\frac{52,000}{2,34,000} \times 100 = 22.2\%$

(ii) Secondary Sector = $\frac{48,500}{2,34,000} \times 100 = 20.72\%$

(iii) Tertiary Sector = $\frac{1,33,500}{2,34,000} \times 100 = 57.05\%$

GDP (in ₹ crore)

Year	Primary	Secondary	Tertiary	Total
2000	52,000	48,500	1,33,500	2,34,000
2013	8,00,500	10,74,000	38,68,000	57,42,500

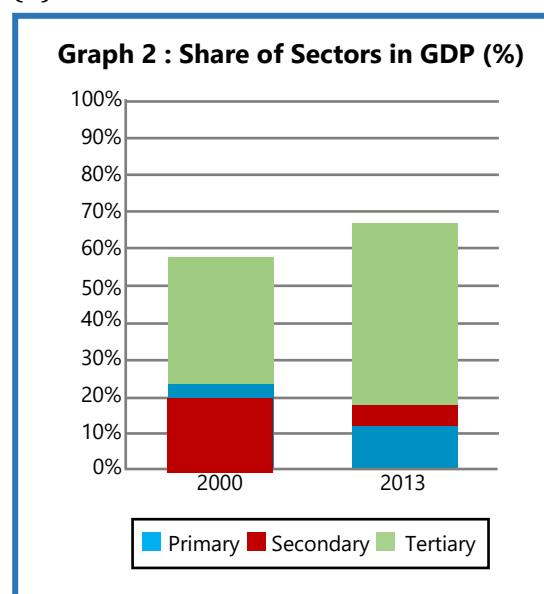
Share for 2013

Primary Sector = $\frac{8,00,500}{57,42,500} \times 100 = 13.93\%$

Secondary Sector = $\frac{10,74,000}{57,42,500} \times 100 = 18.70\%$

Tertiary Sector = $\frac{38,68,000}{57,42,500} \times 100 = 67.35\%$

(ii)



(iii) We can draw the conclusion that the share of the tertiary sector in the GDP has increased, while that of the primary sector has declined. The secondary sector has grown by about 13% in the last six decades.