NCERT QUESTIONS WITH SOLUTIONS

1. How are economic activities different from non-economic activities?

Ans.

Basis	Economic activities	Non - economic activities
Meaning	Economic activities are those activities which are performed to earn a livelihood.	Non-economic activities are those activities which are performed out of love, sympathy, sentiments, etc.
Aim	The main aim of these activities is to earn profits.	The main aim of these activities is satisfaction.
End result	The result of these activities is to satisfy human need.	The result of these activities is mental satisfaction of the person performing them.
Examples	A teacher, a carpenter, a doctor, an artist.	A teacher teaching her own son, a doctor treating poor patients without charging any fees.

2. What kind of economic activities do people engage in? Illustrate with examples.

Ans. People engage in different economic activities to earn their livelihood—Farming, fishing, poultry farming and mining. Some workers engage in manufacturing activities like the production of cars, cement, steel, clothes and shoes. People also engage in services, such as Doctors, Architects, Lawyers, Journalists, etc.

3. There is great value attached to people who are engaged in community service activities. Comment on this statement.

Ans. People engage in various community service activities in the form of Sewa which can be seen in temples, gurudwaras, churches and mosques. Langar at Gurudwaras serve food to every visitor for free. These practices foster a sense of satisfaction and gratitude for what we have, and they are also a way of contributing to society without expecting anything in return.

4. What are the various ways in which people are compensated for various economic activities? Give some examples.

Ans. People are compensated in different ways while performing an economic activity. These are:

(a) Wages: The type of cash payment made to workers for working for – a short period of time.

(b) Salaries: The type of payment made to permanent workers on monthly basis is called Salary.

(c) Fee: The type of payment made to an individual or an organisation in exchange of professional advice or service. For example: fee charged by a tutor, doctor or a lawyer.

(d) Payment in Kind is the non-cash payment given for a small work. For example, giving part of farm output to the labourer working in the farm.

(e) Profits: Big companies earn profits from running a business.

(f) Rent: Landowners earn rent on the land owned by them.