



SOCIAL STUDIES

Class 10th

(ECONOMICS)

Chapter 2: Sector of Indian Economy



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EXERCISES

Que 1: Fill in the blanks using the correct option given in the bracket:

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

Que 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 sector.

(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 the tertiary sector in 2013-14 is between _____ percent.

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

Ans:(iii) 50 to 60

Que 3: Match the following:

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

Ans:

Problems faced by farming sector	Some possible measures
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Que 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, Jet Airways, All India Radio

Ans:

- (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 belongs to the unorganised sector while the rest belong to the organised sector.
- (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) **Jet Airways:** It belongs to the private sector, while the rest are public sector.

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

Place of work	Nature of employment In offices and factories registered with Organized	Percentage of working people
In offices and factories registered with Organized the government	Organised	15
Own shops, office, clinics in marketplaces with 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 unorganized sector in this city?

Ans:

Place of work	Nature of employment In offices and factories registered with Organized	Percentage of working people
In offices and factories registered with Organized the government	Organised	15
Own shops, office, clinics in marketplaces with 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%.

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

Ans: Yes, it is very useful to divide economic activities into primary, secondary and tertiary sectors.

1. It helps economists to understand the real state of the economy.
2. It provides employment status in all the three sectors.
3. It provides necessary data for the implementation of economic reforms.
4. It helps to know the area in which economic cooperation is needed.
5. It gives an indicator of which sector is the most popular and which sector is becoming unpopular

Que 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.

Ans: For each of the sectors that we came across in this chapter, one should focus on employment and GDP because

1. Both employment and GDP are of great importance for economic development.
2. The GDP of all the three sectors gives a complete picture of the economy.
3. Employment figures reveal the health of the economy.
4. Future plans are prepared from the data of GDP and employment.
5. These components decide the extent of the economy of a country and the stipulation of the economy.

Que 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.

Ans: Some Samples of Work People Do and Their Classification

Nature of work	Nature of Economic Activity	Organized and unorganised	Terms of Ownership
Bank Clerk	Tertiary	Organised	Public
Freelance Cartoonist	Tertiary	Unorganised	Private
Construction Worker	Secondary	Unorganised	Private
Doctor in AIIMS	Tertiary	Organised	Public
DTC Bus Driver	Tertiary	Organised	Public
Farmer	Primary	Unorganised	Private
Guest House Receptionist	Tertiary	Unorganised	Public
Mine Worker	Primary	Unorganised	Private
Own Tailor Shop	Tertiary	Unorganised	Private
Factory Supervisor	Secondary	Organized	Private
Government Teachers	Tertiary	Organized	Public
Lawyers	Tertiary	Organized	Public
Postman	Tertiary	Organized	Public
Fishermen	Primary	Unorganized	Private
Mali	Primary	Unorganized	Private
Call center Employee	Tertiary	Organized	Private
Mahajan	Tertiary	Unorganized	Private
Beekeepers	Primary	Unorganized	Private
Priest	Tertiary	Unorganized	Private
Pottery	Secondary	Unorganized	Private
Basket Weavers	Primary	Unorganized	Private
Courier Delivery	Tertiary	Unorganized	Private
Floriculture	Primary	Unorganized	Private
Matchbox Workers	Secondary	Organized	Private
Astronaut	tertiary	organized	Private
Dairy sellers	Primary	Unorganized	Private

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

Ans: Tertiary sector different from other sectors because

1. In the tertiary sector no goods are produced but services are provided whereas in other sectors a commodity is manufactured.
2. Tertiary sector activities help in the development of primary and secondary sector. For example, transport, banking, telephone, insurance companies.
3. The tertiary sector also includes some personal services such as teachers, doctors, washermen, barbers, lawyers, etc

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

Ans: Disguised unemployment refers to such unemployment in which people are directly seen to be working but in reality, they are unemployed. This is called hidden unemployment.

For example, in villages, more people work in agriculture than they need. Others are working because they haven't any work. Similarly, in small shops in cities, all the members of the family are working whereas only one or two is needed.

Que 11: Distinguish between open unemployment and disguised unemployment.

Ans: Open Unemployment: The situation in which there are many working people but they are not getting work, it is called open unemployment.

Disguised unemployment: Unemployment in which people appear to be working directly but are actually unemployed. This is called hidden unemployment. For example, in villages, more people work in agriculture than they need.

Que 12: "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: We do not agree with the statement that the tertiary sector is not playing any significant role in the development of the Indian economy. In most developed countries, the majority of GDP comes from the tertiary sector. There is no doubt that the share of the tertiary sector in India's GDP has increased. Because during the planning period from 1973 to 2003, although production increased in all the sectors in 30 years, the production of the tertiary sector increased the most. During this period the share of the primary sector was 25% while that of the tertiary sector was some 50%. Similarly, on the basis of employment, the rate of growth of employment in the tertiary sector has been about 300 percent, which is much higher than the secondary and primary sector.

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

Ans: There are two different types of people employed in the service sector in India-

1. Highly Skilled and Educated Labor: Highly skilled and educated workers are engaged in the service sector because along with modernization, the service sector is growing. Due to information technology, highly skilled labor is required in the service sector.

2. Unskilled and uneducated labour: Large number of people are engaged in services like small shops, repair works, transport etc. These are unskilled and uneducated workers. These people are hardly able to make a living and they are engaged in these services because they have no other alternative opportunities.

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

Ans: Workers are exploited in the unorganized sector. We agree with this view. The workers are exploited in the following ways.

1. The workers are paid very little.
2. Workers can be removed from work without any reason.
3. No additional pay is given for working overtime.
4. Compensation amount is not given in case of accident while working.
5. There are no limitations on working hours.

Que 15: How are the activities in the economy classified on the basis of employment conditions?

Ans: On the basis of employment conditions, economic activities can be classified into two categories:- 1. Organized Sector, 2. Unorganized Sector

1. Organized Sector-

- a) The period of employment in the organized sector is regular.
- b) These sectors are registered by the government.
- c) They have to follow government rules and regulations.
- d) The employees get the benefits of employment security.
- e) If they work overtime, then they are given extra salary.
- f) Paid leave, provident fund, allowances are available in this sector.
- g) In this also get pension on retirement.

2. Unorganized Sector-

- a) The unorganized sector is made up of small and scattered units.
- b) These units are mostly outside government control.
- c) It does not follow the rules and regulations.
- d) There is no provision for working overtime.
- e) Paid leave, provident fund, allowances, sick leave are not available.
- f) There is no security of employment.

Que 16: Compare the employment conditions prevailing in the organised and unorganised sectors.

Ans: The employment conditions prevailing in the organised and unorganised sectors are completely different from one another.

1. **The Organised sector:** The organised sector mainly comprises companies registered with the government and offers job security, paid holidays, pensions, health and other benefits, fixed working hours and extra pay for overtime work.
2. **The Unorganised sector:** The unorganised sector is just the complete opposite of organised sector. 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.

Que 17: Explain the objective of implementing the NREGA 2005.

Ans: The central government has made a law to implement the right to work in 625 districts of India. This is called Mahatma Gandhi National Rural Employment Guarantee Act 2005 (NREGA 2005). It has the following objectives:

1. To end rural unemployment.
2. Poverty alleviation.
3. To end the problem of malnutrition.
4. Increasing production from land in rural areas.

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

Ans:

Public Sector:- In this, most of the assets are owned by the government. For example, Indian Railways, SAIL, BEML etc. In the public sector such goods or services are manufactured which are beneficial to the people. Their aim is not to earn private interest or profit, but their aim is public benefit. The price of goods and services in this sector is determined by the government.

Private Sector:- Those industries which are owned by private persons are called the private sector. It includes those industries which meet the needs of the general public such as industries manufacturing television, air conditioners, refrigerators, etc. These activities are done for the purpose of earning personal profit. The private sector is not bound to do welfare work. Even if he does any such work, he charges more for it like private schools charge more fees than government schools. In private sector industries, the prices of goods are determined by the market forces.

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

	Well managed organisation	Badly managed organisation
Public sector		
Private sector		

Ans:

	Well managed organisation	Badly managed organisation
Public sector	IRCTC, DMRC	BSNL
Private sector	Bharti Airtel, Reliance	Satyam, Financial Technologies

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

Ans: A few examples of public sector activities are the provision of water, electricity and some modes of transport, especially railway. The government controls these provisions because water

and power are basic necessities and are needed by everyone. If the work of providing electricity and water is handed over to private enterprises, they might exploit this opportunity and sell these at rates which the masses cannot afford. Therefore, to ensure that basic amenities like water and power are available for all, the government supplies these at low and affordable rates.

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

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

1. It focuses on infrastructural development and promotes rapid economic development.
2. It creates employment opportunities so that more people can find suitable jobs.
3. It generates financial resources for development.
4. It ensures equal distribution of income and wealth to maintain equilibrium in all regions.
5. It encourages sustainable development of small, medium and cottage industries so that they can contribute toward economic development.
6. It ensures easy availability of goods and commodities at moderate rates.
7. Contributes to overall development i.e. to the Human Development Index (HDI) via health and educational services.

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

Ans: The workers in the unorganised sector need protection:

- **Wages:** Labourers who are employed as a repair person, vegetable vendor etc. do not have fixed income. They somehow manage to earn their living. They are not employed throughout the year.
- **Safety:** Workers in the unorganized sector have to deal with hazards and are not provided with safe drinking water or a clean environment, E.g.. Working in the mining, chemical industries is hazardous.
- **Health:** Proper medication is not available and leaves are not granted in case of sickness. No medical infrastructure available E.g. Construction workers.

Que 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 260,000 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 thought of for generating more employment in the city?

Ans:

	Organised sector	Unorganised 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 evident that while a larger proportion of workers are working in the unorganized sector, therefore per capita earning of those in the organized sector is more. The government should make policies to encourage the entrepreneurs in the unorganized sector to change them into the

organized sector. Moreover, the government should come up with incentives so that more industries could be opened up in the organized sector.

Que 24: 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	8,00,500	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?

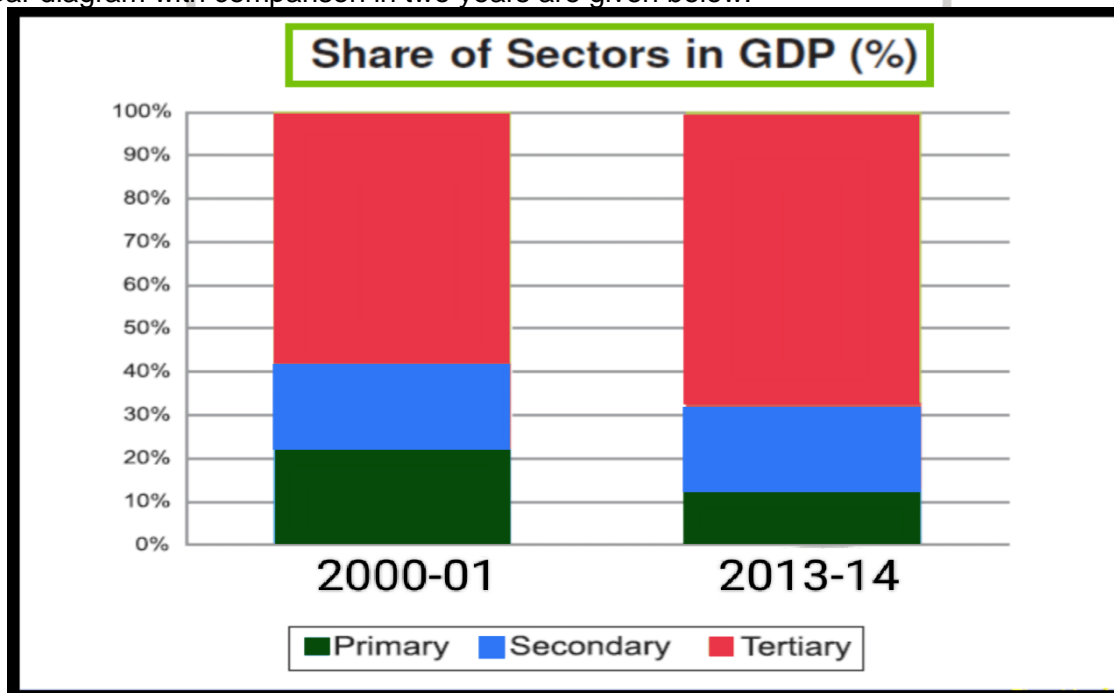
Ans: (i) share of the three sectors in GDP for 2000 is:

primary sector = 22.22%
 secondary sector = 20.72%
 tertiary sector = 57.06%.

share of the three sectors in GDP for 2013 is:

primary sector = 13.94%
 secondary sector = 18.70%
 tertiary sector = 67.36%

(ii) Bar diagram with comparison in two years are given below:



(iii) We can draw the conclusion that the share of the tertiary sector in the GDP has increased by 10% and in primary sector reduced by 10%, but in secondary sector it remains almost same.