



CLASS - 8

SOCIAL SCIENCE



Chapter 7: Factors of Production

Questions and Activities

Que 1. How are the factors of production different from each other? What are the difficulties you faced in classifying the factors of production in the exercise given in-text?

Answer:

- The land provides natural resources.
- Labor is the work done by human beings.
- Capital is the machines, equipment and money used in production.
- Entrepreneurship does the work of production by organizing all the resources.

Difficulties:

- Some resources found it hard to put them into more than one category.
- It was difficult to distinguish between human capital and labour.
- There may be confusion between physical capital and financial capital.

Que 2. How does human capital differ from physical capital?

Answer:

Human Capital	Physical Capital
It is based on knowledge, education and skills.	Based on machines, equipment, and buildings.
It is developed through education and training.	It is bought by investment.
It increases the capacity of the person.	It increases production efficiency.

Que 3. How do you think technology is changing how people develop their skills and knowledge?

Answer:

- Technology is making learning easier.
- Online education and digital resources are available.
- Opportunities to learn new technical skills have increased.
- Information can be obtained quickly.
- This is also creating new employment opportunities.

Que 4. A skill is something you learn and practice to get better. It helps you do things well, like playing a sport, creative writing, solving math problems, cooking, or even communicating well with people. If you could learn one skill today, what would it be and why?

Answer: I would like to learn computer programming.

Causes:

- This is an important skill of the future.
- This can lead to the development of new technologies.
- There are good employment opportunities.
- The ability to solve problems develops.

Que 5. Do you think entrepreneurship is the 'driving force' of production? Why or why not?

Answer: Yes, I believe that entrepreneurship is the driving force of production because:

- The entrepreneur organizes all the factors of production.
- He brings new ideas and innovations.
- Starts a business by taking risks.
- Increases production and employment opportunities.

Que 6. Can technology replace other factors like labour? Is this good or bad? Support your answer with the help of an example.

Answer: Technology can replace labour in some tasks.

Example: Machines in factories perform many tasks automatically.

Good effects:

- Production increases.
- Saves time and cost.

Bad Effects: Some people's jobs may be affected.

Que 7. How do education and skill training affect human capital? Can they substitute for each other, or do they complement each other?

Answer:

- Education imparts knowledge.
- Skill-training develops the ability to perform tasks.
- Together, they strengthen human capital.
- They complement each other, not replace.
- Both increase employment and productivity.

Que 8. Imagine you want to start a business that produces steel water bottles. What kind of inputs are needed? How would you obtain them? Suppose one of the factors is missing; what happens to your business operations?

Answer:

Inputs Required:

- | | |
|---------------------------|---------------------|
| 1. Steel (raw material) | 4. Land for Factory |
| 2. Machines and Equipment | 5. Capital (Money) |
| 3. Workers | 6. enthusiastic |

Methods of Acquisition:

- | | |
|---|-------------------------------|
| 1. Steel will be purchased from the market. | 3. Workers will be appointed. |
| 2. A loan can be taken from the bank. | 4. Land can be rented. |

If no factors are available:

- Production will be affected.
- Costs may increase.
- The operation of the business may also come to a standstill.

Que 9. Interview an entrepreneur or founder to understand their motivation to start a business and the opportunities and challenges they saw. You can work in pairs to create a questionnaire to collect the information and share what you have learned in a report.

Answer : **Entrepreneur: Local shop owner**

Motivation:

- Desire to become self-sufficient.
- Moving the family business forward.

Opportunities:

- Growing customer base.
- Facilitate online business.

Challenges:

- Lack of capital.
- Facing competition.
- Changing customer preferences.

Que 10. Think like an economist. Let's explore what happens when things change. If you were Ratna, what would you do in the following situations? Discuss with your classmates.

I. Suppose the rent for your space suddenly doubles.

- ❖ Will you raise the price of the food served to cover the costs?
- ❖ Will you look for a cheaper location?
- ❖ How does this affect your business?

Answer:

- I will review the expenses.
- I will increase the price of food a little if needed.
- I'll look for a cheap place.
- Increasing costs can reduce profits.

II. Imagine one of your helpers quits suddenly.

- ❖ Can the remaining workers manage the same amount of work?
- ❖ Will you need to offer a higher salary to attract a new worker?

Answer:

- The remaining employees can handle the work for some time.
- I'll be hiring a new employee.
- I can pay better to attract qualified employees.

III. You receive a small loan to invest in better technology for your restaurant.

- ❖ Will this increase the production or improve quality?
- ❖ Will it help you reach more customers?

Answer:

- I'll buy new equipment.
- Both production and quality will improve.
- I will be able to serve more customers.
- Expansion of business will be possible.

IV. Suppose another restaurant opens in the neighbourhood.

- ❖ How will you attract and keep your customers?
- ❖ Will you improve your service, reduce prices, or offer something new?

Answer:

- I will improve the quality of the food.
- I will give good service to customers.
- I'll start new dishes and special offers.
- Will focus on cleanliness and customer satisfaction.

V. What government laws or rules should be changed to improve the ease of doing business?

Answer:

- The licensing process should be simplified.
- Small businesses should get affordable credit facilities.
- Tax procedures should be easy.
- The system of online permissions should be increased.
- Training and guidance should be given to new entrepreneurs.

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