

Chapter 10

Production

Questions and Answers

I. Choose the correct Answer:

Question 1.

Production refers to

- a) destruction of utility
- b) creation of utilities
- c) exchange value
- d) none of these

Answer:

- b) creation of utilities

Question 2.

Utilities are in the nature of

- a) form utility
- b) time utility
- c) place utility
- d) all of these

Answer:

- d) all of these

Question 3.

Primary factors are

- a) land, capital
- b) capital, labour
- c) land, labour
- d) none of these

Answer:

- c) land, labour

Question 4.

The entrepreneur is also called

- a) exchanger
- b) Agent
- c) organizer

d) communicator

Answer:

c) organizer

II. Fill in the blanks:

1. means want satisfying power of a product.

Answer:

Utility

2. Derived factors are and

Answer:

Capital, Organisation

3. is a fixed in supply.

Answer:

Land

4. is the human input into the production process.

Answer:

Labour

5. is the man made physical goods used to produce other goods and services.

Answer:

Capital

III. Match the following:

Question

1. Primary production	a) Adam Smith
2. Time utility	b) fishing, mining
3. Wealth of nation	c) entrepreneur
4. Human capital	d) stored for future
5. Innovator	e) education, health

Answer:

1. Primary production	b) fishing, mining
2. Time utility	d) stored for future
3. Wealth of nation	a) Adam Smith
4. Human capital	e) education, health
5. Innovator	c) entrepreneur

IV. Give a short Answer:

Question 1.

What is production?

Answer:

Production is a process of combining various material inputs and immaterial inputs in order to make something for consumption.

Question 2.

What is utility?

Answer:

Utility means want satisfying power of a product.

Question 3.

Name the types of utility.

Answer:

Utilities are in the nature of form utility, time utility, and place utility.

Question 4.

What are the factors of production?

Answer:

The factors of production

1. Land
2. Labour
3. Capital
4. Organization

Question 5.

Define Labour.

Answer:

Alfred Marshall defines labour as, 'the use of body or mind, partly or wholly, with a view to secure an income apart from the pleasure derived from the work'.

Question 6.

Define Division of labour.

Answer:

Division of labour means dividing the process of production into distinct and several component processes and assigning each component in the hands of labour or a set of labourers, who are specialists in that particular process.

Question 7.

Write the forms of capital.

Answer:

1. Physical Capital or Material Resources, Ex. Machinery, tools, buildings, etc.
2. Money capital or Monetary resources, Ex. Bank deposits, shares and securities, etc.
3. Human capital or Human Resources Ex. Investments in education, training, and health

Question 8.

Write the three characteristics of an entrepreneur?

Answer:

- Identifying profitable investible opportunities.
- Deciding the location of the production unit.
- Making Innovations
- Deciding the reward payment.
- Taking risks and facing uncertainties.

V.Give brief Answer:

Question 1.

Explain the types of production?

Answer:

There are three types of production

1. Primary production

2. Secondary production
3. Tertiary or service production

1. Primary Production:

- Primary production is industries that are extracting the gifts of nature from the earth's surface and oceans.
- Ex: fishing, mining, agriculture.

2. Secondary Production:

- It is the manufacturing industry, conversion of raw material into finished good.
- Ex: Manufacture of clothes, cars and chemicals.

3. Tertiary production:

- In the tertiary sector, all those services enable the finished goods to be put in the hands of consumers.
- Ex: Banking, transport, and communications.

Question 2.

What is the land? What are the characteristics of land?

Answer:

Land is a factor of production and natural resource.

Characteristics of Land:

Land is a Free Gift of Nature:

- Land is not the outcome of human labour.
- It existed even long before the evolution of man.

Land is fixed in supply:

- The land quantity does not undergo any change and no alteration can be made.
- It is limited, increased or decreased by human efforts.

Land is imperishable

The land is not destructible and imperishable.

Land is a primary factor of production

In any kind of production process, start with land. Land provides raw materials and crops for industry.

Land is immovable:

Land cannot be transported from one place to another place.

Land has some original Indestructible powers

The indestructible powers of land cannot be destroyed by man.

Land Differs in Fertility:

- Fertility of land differs on different places of land.
- One piece of land may produce more and the other less.

Question 3.

Explain the merits and demerits of division of labour.

Answer:

Merits of the division of labour

- Division of Labour improves the efficiency of Labour.
- Time and Materials are put to the best and most efficient use.
- Use of Machinery in production, resulting in inventions.

Demerits:

- Repetition of the same work makes labour to feel monotonous and stale.
- Narrow Specialization reduces to find alternative avenues of employment. This results in increased unemployment.
- Reduce the growth of handicrafts and the worker loses satisfaction.

Question 4.

Describe the characteristics of capital.

Answer:

- Capital is a passive factor of production
- Capital is manmade
- Capital is not an indispensable factor of production
- Capital has the highest mobility
- Capital is productivity
- Capital lasts over time.
- Capital involves a present sacrifice to get future benefits.

Questions and Answers

I. Choose the Correct Answer:

Question 1.

Banking comes under which production?

- a) Primary
- b) Secondary
- c) tertiary
- d) mixed

Answer:

Tertiary

Question 2.

The father of Economics is

- a) Adam Smith
- b) John Marshall
- c) Malthus
- d) John Renier

Answer:

- a) Adam Smith

Question 3.

A wealth of Nations book written in the year

- a) 1770
- b) 1774
- c) 1776.
- d) 1789

Answer:

- c) 1776

Question 4.

The concept Division of Labour was introduced by

- a) Adam Smith
- b) John Marshall
- c) M.N Roy
- d) Dadabhai Nauroji

Answer:

- a) Adam Smith

Question 5.

Most of the Gross Domestic Product of our country is contributed by the

- a) Primary sector
- b) Secondary sector

- c) Tertiary sector
- d) mixed sector

Answer:

- c) tertiary sector

II.Fill in the blanks:

- 1. There are two kinds of people and**

Answer:

producers, consumers

- 2. Indian Economy is a economy.**

Answer:

mixed

- 3. of Land differs in different places of the land.**

Answer:

Fertility

- 4. Capital means**

Answer:

money

- 5. The entrepreneur is also called**

Answer:

organizer

- 6.are called factors of production.**

Answer:

Inputs

- 7. The concept 'Division of labour' was introduced by**

Answer:

Adam Smith

- 8. The factors for production are,,**

Answer:

land, labour, capital

9.means want satisfying power of a product.

Answer:

utility.

10. In the Secondary production getting more importance.

Answer:

Manufacturing

11. Secondary production is also known as

Answer:

Construction

12. Tertiary production is also known as

Answer:

Service production

13. cannot be separate for the labourer.

Answer:

labour

14. is a passive factor of production.

Answer:

Capital

15. Sugarcane is aplant.

Answer:

money

III. Match the following:

Question

1. Secondary production

a) Time utility

2. Tertiary Production	b) Conversion of flour into bread
3. Money capital	c) Making clothes
4. wheat	d) Transport
5. Cotton Industry	e) Monetary Resources

Answer:

1. Secondary production	b) Conversion of flour into bread
2. Tertiary Production	d) transport
3. Money capital	e) Monetary Resources
4. wheat	a) Time utility
5. Cotton Industry	c) Making clothes

IV.True of False:

Question 1.

The total quantity of land does not undergo any change.

Answer:

True

Question 2.

Manufacture of cars comes under the primary sector.

Answer

False

V. Consider the following statements: Tick (✓) the appropriate Answer:

1. Land is movable
2. Land differs infertility.
3. Land has some original Indestructible powers.
4. Land is perishable.

Question a)

Consider which of the above

- a) 1 and 2
- b) 2 and 3
- c) 3 and 4
- d) 4 and 1

Answer:

- b) 2 and 3

VI. Give a short Answer:**Question 1.**

What is place utility? Give example.

Answer:

- Place utility is the commodity transported from one place to another.
- So the utility may increase.
- Ex: If rice is transported to Tamil Nadu from Kerala, its utility will be more.

Question 2.

What is the mixed economy?

Answer:

- The private and public sectors are existing together is known as a Mixed Economy.
- Ex: Indian Economy.

Question 3.

Point out the feature of form utility.

Answer:

- The physical form of a commodity is changed, its utility also increases.
- Ex: Cotton increases, if it is converted into clothes.

VII. Give a brief Answer:**Question 1.**

Explain the factors of production?

Answer:

There are two kinds of factors responsible for production.

1. Primary factors
2. Derived Factors

Primary Factors:

The primary Factors are land and labour. These are naturally given and without them, no goods can be produced.

Derived Factors:

Derived factors are capital and organization. These derived factors, when combined with the primary factors of production raise total production.

Question 2.

Describe the characteristics of Labour.

Answer:

- Labour is not homogenous. Skill and dexterity vary from person to person.
- Labour cannot be separated from labourer.
- Labour is like mobile moving from one place to another for occupation.
- Individual labour has only limited bargaining power. In the Trade union, Labour power increases.