

CBSE Test Paper - 03
Chapter - 25 Sectors of Indian Economy

1. Government in India buys wheat and rice from farmers at fair price to **(1)**
 - a. Support the farmer
 - b. No other market is available
 - c. It is their duty
 - d. To earn profit
2. How can we increase employment in semi- rural area? **(1)**
 - a. Setting up a dal mill
 - b. Setting up an IT company
 - c. Setting up a university
 - d. Setting up hospitals
3. Which was the largest producing sector in 1973 - 74? **(1)**
 - a. Primary sector
 - b. Secondary sector
 - c. Manufacturing sector
 - d. Tertiary sector
4. Which of these sectors are classified on the basis of the nature of economic activities?
(1)
 - a. Organized and unorganized
 - b. Public and private sector
 - c. Skilled and unskilled sector
 - d. Primary sector, secondary sector and tertiary sector
5. Which sector is also known as Service sector? **(1)**
 - a. Secondary sector
 - b. Primary sector

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- c. IT (Information technology) sector
 - d. Tertiary sector

6. The Government of India has implemented the 'Right to Work', in how many districts? **(1)**
7. What is economic development? **(1)**
8. Mohan is employed as a helper in a tea shop. Suggest one measure that can improve his employment. **(1)**
9. Write one limitation of calculating the GDP of a nation. **(1)**
10. Why does disguised unemployment not help to enhance the productivity of the country? **(3)**
11. Explain how does the public sector contribute to the economic development of a nation? **(3)**
12. Suggest ways to create more employment opportunities in urban areas. **(3)**
13. How would income and employment increase if farmers were provided with irrigation and marketing facilities? **(3)**
14. Explain the meaning of disguised unemployment with the help of any two suitable examples. **(5)**
15. "Workers are exploited in the unorganised sector". Do you agree with the statement? Explain reasons in support of your answer. **(5)**

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Answers

1. a. Support the farmer

Explanation: The system of procurement is used by the Government of India to provide minimum support prices to the farmers so as to stabilise farm output and income. This helps farmers to increase their standard of living.

2. a. Setting up a dal mill

Explanation: Setting up a dal mill, opening a cold storage, starting honey collection centres or setting up industries that process vegetables and agricultural produce will provide employment in semi-rural areas. Therefore these activities will help to increase the employment in semi-rural areas.

3. a. Primary sector

Explanation: During 1973-74, GDP share by the primary sector was the largest. It also was the highest job provider during this period.

4. d. Primary sector, secondary sector and tertiary sector

Explanation: On the basis of economic activities in which the workers are engaged in, the economy is divided into three sectors which are as under: Raw Materials (Primary Sector), Manufacturing and Industry (Secondary Sector) and Service Sector (Tertiary Sector).

5. d. (d) Tertiary sector

Explanation: The activities in tertiary sector generates services rather than goods, that is why it is also called the service sector. Tertiary activities are not involved in the direct production of goods instead they mainly provides services to a society.

6. The Government of India has implemented the 'Right to Work', in 330 districts.

7. Economic development means that the rate of production must be faster than the rate of increase in population. In other words, we can say that it makes people better off by increasing their command over goods and services and the choices open to them. It

usually refers to the adoption of new technologies, the transition from agriculture-based to industry-based economy, and general improvement in living standards.

8. By Promoting small scale industries there will be more employment opportunities in urban areas where Mohan can be employed.
9. GDP does not include the earnings made or profits earned by the nationals of that country while working outside the country but includes profit/assets of foreign companies in the domestic territory.
10.
 - Disguised unemployment does not help to enhance the productivity of the country because these additional workers are actually not required for the work, without their participation the productivity would be the same, they are not employed instead as the name suggests they are disguised employees.
 - More than half of the workers in the country are working in the Primary sector, mainly in agriculture, producing only a quarter of the GDP.
 - In contrast to this, the Secondary and Tertiary sectors produce three-fourths of the product whereas they employ less than half the people. If we move a few people out of the agricultural sector, production will not be affected. These people are disguised unemployed and are not productive assets for the country.
11. The public sector contributes to the economic development of a nation in the way explained below:
 - i. The purpose of the public sector is not to earn money but to benefit the people. The public sector provides many essential things at a reasonable cost, which the private sector cannot provide.
 - ii. The public sector can set up a heavy industry which requires a lot of money.
 - iii. Public sector raises money through taxes and other ways to meet expenses on the services like construction of roads, generating electricity, bridges, railways etc. for all people of India.
 - iv. Government runs railways, shipping, aeroplanes, metro and local trains. The government undertakes heavy spending and ensure that such facilities are available for everyone.

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- v. Public sectors are controlled by the government, provide health and educational facilities.

12. Creating more employment opportunities in urban areas can be accomplished by the following means:

- i. **Strengthening the information technology sector:** This involves opening of more call centres, cyber cafes and software development units.
- ii. **Strengthening the tourism sector:** By opening more hotels, restaurants, amusement parks and similar other tourism destinations, demand for employment in this sector will increase. By promoting tourism more jobs can be created.
- iii. **Improving organised retailing:** Giving better facilities and allowing more foreign investment will give many employment opportunities in urban areas.
- iv. **By expanding the educational sector:** As more than 25 lakh jobs can be created alone for teachers.
- v. **Industrialisation:** Developing private sector industries by giving more incentives.

13.
 - i. The government can spend some money or banks can provide loans to construct wells to irrigate the land of poor farmers.
 - ii. Government can develop tourism or regional craft industries. It would encourage the small farmers to get additional income.
 - iii. Suppose a new dam is constructed and canals are dug to irrigate many farms, this could lead to lot of employment generation within the agricultural sector itself reducing the problem of underemployment.
 - iv. Poor farmers need seeds, fertilizers, and agricultural equipments. If the local banks give them credit at reasonable rate of interest, they will be able to buy them in time and cultivate their land.
 - v. Another way, by which we can tackle this problem, is to identify, promote and locate industries and services in semi-rural areas where a large number of people may be employed.

14. **Disguised unemployment:**

Disguised unemployment is also known as hidden employment. In this kind of

unemployment, more than the required people are employed in a particular field. The removal of a few people will not affect the productive capacity of that field.

In rural areas, disguised unemployment is generally found in agriculture. Mostly, all the members of a family work on a small farm. For example, if seven members of a family are working in a field measuring two hectares, then even if we remove three people from the field, the productivity of the field will not be affected.

Examples:

- i. In rural India, the agricultural field is suffering from this type of unemployment. More than half of the workers in the country are working in the primary sector mainly in agricultural activities producing only a quarter of Gross Domestic Product.
- ii. In urban areas, In urban areas, disguised unemployment is seen in the service sector among workers like painters, plumbers, repair persons, cart drivers do not find work every day or for the whole day.

15. **Unorganized Sector:** Unorganized sector is a sector which has small and scattered units largely outside the control of the government.

Yes, workers are exploited in the unorganized sector. Reasons are as follows:

- i. This sector does not follow government rules and regulations.
- ii. Jobs are low-paid and often not regular.
- iii. There is no fixed number of working hours. Also, there is no provision of overtime and no paid holidays or leave is given.
- iv. Employment is not secure. Workers can be removed at any time without assigning a reason.
- v. Some kind of work is seasonal in nature and temporary workers are employed. They become unemployed after the season is over.
- vi. The government rules and regulations like the Factories Act, Industrial Disputes Act, Minimum Wages Act, etc. are not followed. No other facilities like Provident Fund, Gratuity or sick leave are given.
- vii. Working conditions are often poor. No allowances are given.
- viii. No medical benefit is given.