

CBSE Test Paper-02

Chapter - 25 Sectors of Indian Economy

1. Find the odd one out: **(1)**
 - a. Teacher
 - b. Dairy farming
 - c. Animal husbandry
 - d. Fishing
2. While calculating GDP, we do not add the value of **(1)**
 - a. Final goods
 - b. Final services
 - c. Final goods and services
 - d. Intermediate goods
3. Which sector is not affected even If we remove lots of people from there? **(1)**
 - a. Agricultural sector
 - b. Private sector
 - c. Organized sector
 - d. Public sector
4. Which sector is also known as Industrial sector? **(1)**
 - a. Service sector
 - b. Secondary Sector
 - c. Primary sector
 - d. IT(Information technology) sector
5. Of the total population of the age group of 5-29 years, what percent of population attends educational institutions? **(1)**
 - a. 80
 - b. 70
 - c. 51
 - d. 60
6. What are final goods? **(1)**
7. Biscuits for the consumer in the market are an example of which type of goods? **(1)**

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8. State the meaning of underemployment. **(1)**
 9. What is GDP (Gross Domestic Product)? **(1)**
 10. Students in a school are often classified into Primary and Secondary or junior and senior. What is the criterion that is used? Do you think this is a useful classification? Discuss. **(3)**
 11. Calculate the value of final goods (which will become part of the GDP) in the case given below.
A cotton farmer sells his weekly output of cotton to a weaver for Rs.5,000. The weaver weaves cloth out of this and sells it to the cloth trader for Rs.6,500. The trader sells part of this cloth to a shirt maker for Rs.5,000 and the remaining cloth to a retailer for Rs.3,000. The shirt maker makes 60 shirts, each selling for Rs.150. The cloth retailer sells his cloth to the final customers for Rs.4,000. **(3)**
 12. Study the data given in the table and answer the questions that follow. **(3)**

Workers in different sector (in million)

Sector	Organised	Unorganised	Total
Primary	2	240	242
Secondary	9	54	63
Tertiary	17	76	93
Total	28	370	398

- i. Which is the most important sector which provides most jobs to people?
 - ii. What is the number of people engaged in the unorganised sector?
 - iii. Why this unorganised sector is more important?
13. Describe the contribution of three sectors in the Indian economy. **(3)**
 14. Compare the employment conditions prevailing in the organised and unorganised sectors. **(5)**
 15. 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. **(5)**

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Answers

1. a. Teacher

Explanation: Teacher provides service to the people in an economy and therefore belongs to tertiary sector and rest three belongs to primary sector.

2. d. Intermediate goods

Explanation: Intermediate goods and services, which are used in the production of final goods and services, are not included in the expenditure approach to GDP because expenditures on intermediate goods and services are included in the market value of expenditures made on final goods and services. Therefore in order to avoid double counting value of intermediate goods is not included.

3. a. Agricultural sector

Explanation: In agricultural sector we find that there are more people than required and there is a lot of underemployment or disguised unemployment. so, even if we remove lots of people from there then also the productivity is not affected. Therefore we can say that the productivity of some people working in agricultural sector is zero.

4. b. Secondary Sector

Explanation: Secondary sector is also known as industrial sector as most of the development of the sector is related to industries.

5. c. 51

Explanation: About 60 % of the population belongs to the age group of 5-29 years. Out of this only about 51% are attending educational institutions. The rest are not attending educational institutions, they may be at home or many of them may be working as child labourers in factories or anywhere else.

6. Final goods refer to such goods which are directly consumed by the consumers and are not meant for or should be subjected to further production or processing.

7. Biscuits for the consumer in the market are an example of final goods.
8. Underemployment is situation in which a worker is employed, but not in the desired capacity, whether in terms of compensation, hours, or level of skill and experience.
9. It is the market value of final goods and services produced within the domestic territory of a country in a particular period of time.
10.
 - i. Students are often classified into Primary and Secondary or junior and senior. They are classified on the basis of the class in which they study.
 - ii. Yes, I think this is a useful classification because we cannot classify all of them on the basis of age.
 - **Primary education** - Our constitution had directed the state to secure free and compulsory education to the children below 14 years. This comes under the category of Primary education.
 - **Secondary education** - Secondary level education given to the age group 14 - 18 years, prepares the student for entry into high education as well as for work.

11.

	Particulars	Amount
a.	A cotton farmer sells his weekly output of cotton to a weaver for Rs.5,000. Value added by the farmer =	Rs.5,000
b.	The weaver weaves cloth out of this and sells it to the cloth trader for Rs.6,500. Value added by the weaver = $\text{Rs.6,500} - \text{Rs.5,000} =$	Rs.1,500
c.	The trader sells part of this cloth to a shirt maker for Rs.5,000 Value added by the trader = $\text{Rs.5,000} + \text{Rs.3000} - \text{Rs.6,500} =$	Rs.1,500
d.	The trader sells remaining cloth to a retailer for Rs.3,000. Value added by the retailer = $\text{Rs.4,000} - \text{Rs.} - \text{Rs.3,000} =$	Rs.1,000
e.	The shirt maker makes 60 shirts, each selling for Rs.150. Value added by the shirt maker = $60 \times 150 - \text{Rs.5,000} =$	Rs.4,000

Calculation Total value of final goods:

= Value added by all

= Rs.(5,000 + 1,500 + 1,500 + 1,000 + 4,000)

= Rs.13,000

This is the same value as the final goods i.e. Rs.4,000 for the cloth and Rs.9,000 for the shirts.

12. i. As per the given data in the table, Unorganised sector is providing jobs to 370 millions people hence it is the most important sector which provides most jobs to people.
- ii. 370 million people are engaged in the unorganised sector.
- iii. Unorganised sector is important as it provides employment to a large number of people.
13. Primary, secondary and tertiary sectors are the three important sectors which make large contributions to the economic development of the country.
- Agriculture is the main occupation of the primary sector and has the largest share in the national income. But its share has been decreased in recent times and has contributed only 15% to national income.
- Manufacturing industries are important in the secondary sector. Its contribution has increased to about 28% in recent times because of the growing manufacturing units.
- Tertiary sector has contributed a larger share to the national income. It is able to absorb more and more people into employment. It contributes to almost half of the national income of the country.

14.

organized sector	Unorganized sector
Workers have job security.	Workers do not have job security.
Workers get a regular monthly salary.	Workers get daily wages.
Rules and regulations are followed here.	Rules and regulations are not followed here.
Workers get benefits like provident fund, paid leave, medical benefits, etc.	Workers do not get any such benefits,

Working hours are fixed here.	Working hours are not fixed here. Sometimes, workers work for 10-12 hours straight.
It is called the organized sector because it has some formal processes and procedures.	There are no formal processes and producers here.
Working conditions are favourable.	Working conditions are not favourable.
The organized sector comprises those enterprises where the terms of employment are regular. They are registered by the government.	The unorganized sector is characterized by small scattered units. They are generally outside the control of the government.

15. The common goals of the Five year plans are GDP growth and full employment and they help monitor and check the most important aspects of economic development like productivity, per capita, contribution to GDP and changes in employment rate by the three sectors of the economy. They also help to take necessary steps to improve upon and act for further development of the country's economy.

Yes, the other issues which should be examined are given below:

- i. Balanced regional development
- ii. Equitable distribution of income and wealth among people of the country
- iii. How to eradicate poverty
- iv. Modernisation of technology
- v. Self-reliance of the country
- vi. Achievement of surplus food production in the country.