

**CBSE Test Paper-05**  
**Chapter 10 Human Capital Formation in India**

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1. Which programme started in 1994 **(1)**
  - a. Kasturba Gandhi Balika Vidyalaya
  - b. Sarva Siksha Abhiyan
  - c. District Primary Education Programme
  - d. Mid-day meal
2. Education cess is levied on: **(1)**
  - a. Sales Tax
  - b. State Taxes
  - c. Union Taxes
  - d. Income tax
3. By 2005 , 1% of the world population in the age group 15-49 was affected by **(1)**
  - a. Cholera
  - b. HIV/AIDS
  - c. Diarrhoea
  - d. Cough
4. It controls and guides higher education **(1)**
  - a. IGNOU
  - b. None
  - c. UGC
  - d. NCERT
5. NCERT stands for: **(1)**
  - a. National Career in Education, Research and Training
  - b. National Council for Entertainment, Refreshment and Teaching
  - c. National Council of Educational Research and Training

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d. National Council for Education, Research and Training

6. Match the following. Options are **(1)**

a. Longevity of life	I. Percentage of students enrolled at primary, secondary and tertiary level
b. Adult literacy rate	Percentage of people aged between 15 and above
c. Gross enrollment ratio	III. Life expectancy at birth

1. a(iii), b(i), c(ii)
2. a(ii), b(iii), c(i)
3. a(iii), b(ii), c(i)
4. a(i), b(ii), c(iii)

7. How is human development a broader term as compared to human capital? **(3)**
8. Why and how do firms give on-the-job-training to their workers? **(3)**
9. Give an account of report published by World Bank on Indian economy as a knowledge economy. **(4)**
10. What are the differences between education and literacy? **(4)**
11. How do government organisations facilitate the functioning of schools and hospitals in India? **(4)**
12. What should be the goals of education? **(6)**
13. What is human capital formation? Differentiate between human capital and physical capital. **(6)**
14. Discuss the need for promoting women education in India. **(6)**
15. "More people mean more resources". Comment. **(6)**

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**Answer**

1. c. District Primary Education Programme

**Explanation:** The District Primary Education Program is sponsored by the Central Government of India with an objective to revitalise and universalise the primary education. It was initiated in 1994.

2. c. Union Taxes

**Explanation:** Education cess is levied on all union taxes. At present Govt. of India has levied 2% education cess on all union taxes.

3. b. HIV/AIDS

**Explanation:** HIV is a virus that attacks the human immune system and makes it susceptible to infections and diseases. Preventive measures can be taken to reduce the spread of AIDS.

4. c. UGC

**Explanation:** University Grants Commission was established in November 1956 by the Government of India through an act of Parliament for the coordination, determination and maintenance of standards of university education in India.

5. c. National Council of Educational Research and Training

**Explanation:** NCERT stands for National Council of Educational Research and Training. The National Council of Educational Research and Training is an autonomous organisation of the Government of India that was established on 1 September 1961 as a literary, scientific and charitable Society under the Societies' Registration Act.

6. c. a(iii),b(ii),c(i)

**Explanation:** These indicators are collectively used in HDI. Adult literacy is literacy of adults which include of age 15 and above. Gross enrollment implies enrollment at each stage of education and life expectancy at birth means how many years can we expect a baby to live on an average.

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7. Human capital considers education and health as a means to increase labour productivity. Human development is based on the idea that education and health are integral to human well-being because only when people have the ability to read and write and the ability to lead a long and healthy life, they will be able to make other choices they value. In human capital view, any investment in education and health is unproductive, if it does not enhance output of goods and services. In the human development perspective, human beings are ends in themselves. So, human capital is a part of human development.

8. **On-the-job-training is given to workers because of following reasons:**

- i. To enhance labour productivity many organisations provide on-the-job training.
- ii. Firms give on-the-job-training to their workers to enhance their productive skills so as to enable them to absorb new technologies and modern ideas.

**It can be given in two forms**

- i. Training given within the office premises.
- ii. Training given outside the office premises.

9. Recently World Bank has published a report called ***'India and the Knowledge economy-Leveraging Strengths and opportunities'***. The report states that India should continue to leverage its strengths to become a leader in knowledge creation and use. To get the benefits from knowledge revolution, the country needs to implement the various policy and institutional changes. The report further states that if it uses its knowledge economy as much as Ireland does, then the per capital income of India will increase from a little over US 1000 in 2002 to US 3000 in 2020. It also claims that Indian economy has all the key ingredients required for making this transition like a critical mass of skilled workers, a well functioning democracy, and a diversified science and technology infrastructure.

10. Differences between education and literacy are summarized below:

- a. Education is a much wider concept as compared to literacy.
- b. Literacy refers to ability to read and write. Education includes a change in attitude along with three R's which makes them capable to bring in change in attitude

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- c. All educated people are literate but all literate people are not educated.
  - d. Literacy is about acquiring the skills and learning, while education is about applying these skills and learning for benefit of other people, Society or country.

11. The following government organisations facilitate the functioning of schools in India:

- i. **University Grants Commission (UGC):** It is the apex body for controlling the working of various universities in the country. It provides funding to the universities and formulates rules and regulations regarding higher education in the country.
- ii. **National Council of Educational Research and Training (NCERT):** This body is engaged in developing content and textbooks up to the level of senior secondary.
- iii. **All India Council of Technical Education (AICTE):** This body formulates and enforces rules and regulations related to technical (engineering) education in India.

The government organisation facilitating the functioning of hospitals in India is **Indian Council of Medical Research (ICMR)**. This body formulates and enforces rules and regulations related to medical education in India. It also regulates the health sector.

12. Education system should be such that:

- It creates good citizens.
- It facilitates development in science and technology.
- It facilitates efficient use of natural and human resources.
- It expands mental horizon of the people and thereby brings in social development.
- It makes people able to think critically.
- It helps people to work independently and with others.
- It creates moral citizens.

13. Physical capital consists of all the means of production that go towards producing goods and services. This capital can be in the form of plants and machinery, or services. The product of physical capital goes towards satisfying the needs and requirements of human beings, otherwise known as the human capital. However, to

be able to produce these goods and services, human beings must have acquired the necessary skills, experience and the technical know-how. Being the brain behind the effective use of physical capital, humans use acquired skills and expertise to produce the required output. Being the cause behind the physical output, human beings can be regarded as the human capital.

Mobility is one aspect that sets the human capital apart from physical capital. Today in the age of globalization, it has become easier to shift physical capital. Yet human capital remains tied to cultural and political boundaries, and is not that easy to move. However, the last decade, aided by advancements in transport, has seen a significant shift from this position.

<b>Physical Capital</b>	<b>Human Capital</b>
It increases physical goods.	It increases knowledge and efficiency.
Physical capital is tangible.	Human capital is intangible.
Physical capital formation can be built even through imports.	Human capital formation is to be done through conscious policy formulations.
It creates only private benefits.	It create both private as well as social benefits

14. Women have always been neglected when it comes to education in India. The access to education has always been biased towards male population due to our social system which is patriarchal. The lack of education has caused exploitation of women and has resulted in a lower social status of women in India. There is an imminent need for promoting female education in India, because of the following reasons :

- i. Women education is essential for providing them economic independence and empowering them to save them from exploitation and domestic violence.
- ii. Women education is essential in order to raise the social status of women so that the quality of life of women can be improved.
- iii. Educating woman helps in promoting family welfare programmes and thus, in population control.
- iv. Educated woman are aware of the importance of health are and thus, take proper care of their family members contributing in human capital formation.
- v. Educating a woman means educating a family. An educated woman can inculcate

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moral values in her children and can facilitate their education.

15. Having a large population is both advantageous as well as disadvantageous to a country. Following are the advantages and disadvantages of large population.

**Advantages of large population:**

1. It provides work force to produce.
2. It provides market for the products produced or we can say it increases the size of market, which enable firms to take greater advantage of economies of scale.
3. It may promote innovative ideas, division of labour and specialisation.
4. In modern world human resource is considered an important tool for economic growth.

**Disadvantages of large population:**

1. It may create unemployment particularly structural unemployment.
2. It may put pressure on means of subsistence.
3. It may put pressure on social infrastructure.
4. It may result in increased consumption and reduced savings and capital formation.
5. It may increase dependency.

Hence population can be both an asset and liability depending upon circumstances.