

CBSE Test Paper - 05
Chapter - 25 Sectors of Indian Economy

1. Which of the following activity is not from the secondary sector? **(1)**
 - a. Warehousing
 - b. Making sugar
 - c. Making bricks
 - d. Production of cement
2. Which part of the population has affected most by the development of tertiary sector? **(1)**
 - a. Small shopkeepers, repair persons and transport persons, etc.
 - b. Skilled and educated workers
 - c. Farmers
 - d. Unskilled workers
3. Why does government sell food grains at lower price through ration shops? **(1)**
 - a. The quality is not good
 - b. No other market is available
 - c. To support the consumers
 - d. To earn profit
4. National Sample Survey Organisation conducts the surveys on employment and unemployment in every- **(1)**
 - a. Six years
 - b. Five years
 - c. Ten years
 - d. Seven years
5. Which of the following sector is currently the largest employer in India? **(1)**
 - a. Banking

-
- b. Primary sector
 - c. Tertiary sector
 - d. Secondary sector

6. Which sector had the highest share in GDP in 2003? **(1)**
7. Through which act is Right to Work implemented? **(1)**
8. Which sector helps in the development of the primary and secondary sector? **(1)**
9. Give full form of NREGA. **(1)**
10. What is NREGA? Explain the objectives of implementing the NREGA 2005. **(3)**
11. Classify the economic sectors on the basis of nature of activities. Mention the main feature of each. **(3)**
12. Suggest any five ways to provide more employment opportunities in rural areas. **(3)**
13. How is Tertiary sector different from other sectors? Illustrate with a few examples. **(3)**
14. How can more employment opportunities be created in rural areas? **(5)**
15. What is the role of government in the public sector? **(5)**

CBSE Test Paper - 05
Chapter - 25 Sectors of Indian Economy

Answers

1. a. Warehousing

Explanation: Warehousing is the act of storing goods that will be sold or distributed later. It is a tertiary sector activity and rest are of secondary sector.

2. a. Small shopkeepers, repair persons and transport persons, etc.

Explanation: Small shopkeepers, repair persons and transport persons barely manage to earn a living and yet they perform these services because no alternative opportunities for work are available to them. Therefore these groups are affected most by the development of the tertiary sector.

3. c. To support the consumers

Explanation: The Public Distribution System (PDS) is the key element of the Government's food security system in India. It was launched in 1944 however in current form it was launched in 1947. It is an instrument for ensuring availability of certain essential commodities at easily affordable prices especially for the poor. The Government, via the Food Corporation of India (FCI), procures and stocks food grains which are released every month for distribution through the PDS network across the country.

4. b. Five years

Explanation: The **National Sample Survey Organisation(NSSO)**, now known as **National Sample Survey Office** an organization under the Ministry of statistics of the Govt. of India was established in 1950. National Sample Survey Organization(NSSO)' has been consistently conducting 'Employment Unemployment Surveys' for an interval of every five years since 1973, which is considered to be the most credible and reliable sources of employment data in the country.

5. b. Primary sector

Explanation: Services sector contributes highest to the GDP of the country but it is the primary sector which employs almost half of the country's

population.

6. Tertiary sector had the highest share in GDP in 2003.
7. Right to Work is implemented through National Rural Employment Guarantee Act (NREGA) 2005. This act provides 100 days assured employment to the workers.
8. The Service sector helps in the development of primary and secondary sectors.
9. The full form of NREGA is National Rural Employment Guarantee Act.
10. It is National Rural Employment Guarantee Act, 2005. The Central Government in India recently made a law implementing the Right to Work. Its objectives are:
 - i. All those who are able to, and are in need of work are guaranteed 100 days of employment in a year by the government.
 - ii. If the government fails in its duty to provide employment, it will give unemployment allowance to the people
 - iii. The types of work that would in future help to increase the production from land will be given preference under the Act.
11. Classification of economic sectors on the basis of nature of activities are as follows:
 - i. **Primary sector:** When we produce goods by exploiting natural resources, it is an activity of the primary sector. Since most of the natural products we get are from agriculture, dairy, fishing, forestry, this sector is also called agriculture and related sector.
 - ii. **Secondary sector:** In this, natural products are changed into other forms through manufacturing that we associate with industrial activity. The product is not produced by nature but has to be made and therefore, some process of manufacturing is essential. For example, using cotton fibre from the plant we spin, yarn and weave cloth. Since this sector gradually became associated with the different kinds of industries that came up, it is also called as industrial sector.
 - iii. **Tertiary sector:** It helps in the development of the primary and secondary sectors. They provide aid or support for the production process. Transport, storage, communication, banking, trade are some examples of tertiary activities.

Since these activities generate services rather than goods, the tertiary sector is also called the service sector.

12. The following measures can be taken to increase employment in rural areas:

- i. Improving irrigation facilities so that farmers harvest two or three crops in a year. Thus, more people can be employed. This will also help in enhancing productivity.
- ii. More dams should be built on rivers so that more water can be provided to small farmers to increase the number of crops grown annually.
- iii. Provide better roads and improve transportation and storage which will benefit small farmers and many people will be employed in these sectors.
- iv. Alternative employment such as honey collection centres and vegetable and fruit processing units should be set-up.
- v. More cottage industries and services should be promoted in rural areas with soft loans and marketing support.
- vi. By providing basic inputs. The government can increase productivity by providing modern inputs like HYV seeds, harvester etc.
- vii. By providing cheap credit-starting cooperatives or opening banks should be done. They will provide money to the farmers for the initial production cost.

13. The Tertiary sector is different from the other two sectors because the other sectors produce goods, but this sector does not produce goods by itself. Instead, the Tertiary sector provides services that help in the development of the Primary and Secondary sectors.

These activities are an aid to provide support for the production process, e.g. transport, communication, storage, banking, insurance, trade activities, etc. For this reason, this sector is also known as the Service sector. We can give the following examples for this sector.

- i. The goods produced by the primary and secondary sector needs to be transported to the market place. This service of transportation is given by the service sector without which the distribution of goods will become impossible.
- ii. Nowadays, we see so many startups coming up. They need money to start their business and to buy new machinery and equipment. This assistance is given by the banking sector as they provide loans to budding entrepreneurs.

14. The following steps can be taken to create more employment in rural areas:

- i. Loans should be provided to small farmers by the government or bank to have more irrigation facilities like wells and tube wells in order to enable them to grow the second crop.
- ii. Farmers should diversify agriculture and adopt horticulture, animal rearing, organic farming, pisciculture besides farming.
- iii. New dams and canals should be constructed. This will lead to more employment in the agricultural sector.
- iv. Transportation and storage facilities must be improved to provide productive employment to not only the farmers but also to others in services like transport and trade.
- v. Banks should provide agricultural credit to the farmers for farming to improve. Government should take necessary steps to provide loans to farmers at cheaper rates and from formal sources of credit.
- vi. Industries such as dal mill, cold storage, honey collection centres and processing of vegetables should be set up in rural or semi-rural areas. Such industries will get raw materials from rural areas and will create more employment opportunities for rural people.
- vii. Establishment and promotion of cottage and small scale industries will also increase employment opportunities in rural areas.
- viii. More schools should be opened in rural areas. This will provide jobs to about 20 lakh people in the education sector.
- ix. Making provisions health services in rural belts can also result in employment. Health services should be improved by opening dispensaries and hospitals. This will create jobs for doctors, nurses and other staff.
- x. Tourism, regional craft industry and Information Technology should be encouraged by the government to create more employment opportunities.

15. The following points sum up the role of government in the public sector:

- i. **The welfare of the people:** The modern state is a welfare state that looks after the interests of its citizens. People pay different types of taxes and expect their representatives or the government to follow policies for their welfare. Services

like railways, posts and telegraphs are run by the government for the welfare of the people.

- ii. **Large expenditure:** Some activities like construction of roads need large sums of expenditure that cannot be borne by the private sector. So, the government takes up such activities in the interest of the people in a democracy.
- iii. **Support of the government:** There are some activities that need the support of the government in the form of subsidy such as a provision of foodgrains for the poor through ration shops. The government buys wheat, paddy etc. at a higher price but sells at a lower price at ration shops.
- iv. **The duty of the government:** It is the duty of the government to raise the living standard of the people. It should make arrangements for quality education and health services in order to take care of the poorest and most ignored regions of the country through an increase in expenditure in such areas. Thus, the government takes up various activities and spends a lot of expenditure on them.
- v. **Development of infrastructure:** The pace of industrial development cannot be accelerated without the establishment of infrastructure. Its development requires huge capital investment which cannot be mobilised by the private sector. Moreover, these projects do not promise high profits.
- vi. **Other problems:** There are many other problems like malnourishment, high infant mortality rate, unsafe drinking water, lack of housing facilities, etc. which need special attention. These problems can be solved only with the help of the government.