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**CBSE Test Paper 03**  
**Ch-7 Tertiary and Quaternary Activities**

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1. What are tertiary activities?
2. Who is an empowered worker?
3. Give any two examples of tertiary activities.
4. Write any two jobs that involve mental work.
5. State a few important features of quinary activities.
6. What is medical tourism? Explain the scope of medical services for overseas patients in India.
7. Which sector do you think can create good opportunities for India without much effort and why?
8. Explain the scope of tourism.
9. Differentiate the following:
  - i. Business Processing Outsourcing (BPO) and Knowledge Processing Outsourcing (KPO).
  - ii. Communication and Telecommunication.
10. Discuss the merits and demerits of outsourcing.

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**Answer**

1. The tertiary sector or service sector is the third of the three economic sectors of the three-sector theory. Commercial output and exchange of services are called tertiary activities.  
Tertiary activities include both production and exchange. All services which require special skill of theoretical knowledge and practical training and are provided in exchange of payments is included in tertiary sector.
2. Empowered workers are people who are engaged in re-arrangement and interpretation and the use and evaluation of new technologies. They come under the category of quinary activities.
3. Examples of tertiary activities are:
  - i. Trade and commerce
  - ii. Transport
4. The two jobs that involve mental work are Teaching and Doctor.
5. Quaternary activities involve some of the following: the collection, production and dissemination of information or even the production of information. Its features are:
  - i. It includes special and highly paid skills.
  - ii. Services of senior business executives, government officials, research scientists, financial and legal consultants, etc. are included in it.
  - iii. Quinary activities are services that focus on the creation, re-arrangement and interpretation of new and existing ideas, data and technologies.
6. When medical treatment is combined with international tourism activity, it lends itself to what is commonly known as medical tourism. The scope of medical tourism for overseas patients in India is as follows:
  - i. In 2005, about 55,000 patients from the USA visited India for treatment. In this

way, India has emerged as the leading country of medical tourism in the world.

- ii. It brings foreign currency to India.
- iii. World-class hospitals with the latest technology are located in metropolitan cities of India. These hospitals cater to patients all over the world.
- iv. This kind of tourism brings abundant benefits to developing countries like India.

7. Tourism can really benefit a lot to Indian economy because:

- i. It does not require huge investment or technological advancement.
- ii. It is a labour-intensive industry and can create employment opportunities.
- iii. Indian culture and civilisation is one of the oldest in the world and therefore India provides an immense opportunity for tourists who desire to visit it.
- iv. There are many world heritage sites in India. Most important is Taj Mahal. India climate is also suitable for all types of people and has lot of cultural, traditional, ethnic and heritage diversity.

8. Tourism is travel undertaken for the purposes of recreation rather than business. Tourism is the most dominating activity in tertiary sector. It provides jobs to 250 million people and contributes 40% to world GDP. Tourists get attracted by climate, landscape, history, art, culture and economy. Besides, many local persons, are employed to provide services like accommodation, meals, transport, entertainment and special shops serving the tourists. Tourism fosters the growth of infrastructure industries, retail trading, and craft industries (souvenirs). In some regions, tourism is seasonal because the vacation period is dependent on favourable weather conditions, but many regions attract visitors all the year-round.

9. i.

<b>BPO</b>	<b>KPO</b>
BPO is the outsourcing of business activities such as customer care.	It is information-driven Knowledge Outsourcing.
The BPO industry involves relatively less high skilled workers as compared to	The KPO industry involves higher-skilled workers.

KPO.	
BPO enables companies to reduce cost and increase efficiency.	KPO enables companies to create additional business opportunities.
Examples of BPO, include data processing, accounting services, call centers and customer support.	Examples of KPOs include research and development (R and D) activities, e-learning, business research, intellectual property (IP), research, the legal profession and the banking sector.

ii.

<b>Communication</b>	<b>Telecommunication</b>
It refers to the transmitting of messages, facts and ideas either by words-oral or written or through body or paralanguage.	It refers to communication using electronic technology.
It can be in two forms-visual or audio. It has not made much progress.	It has made great progress due to the improvement in technology.
These were actually carried by hand, boat, animals, road, rail and air. Therefore, all lines of transport are also called lines of communication.	They are carried through satellites and has reduced the time of communication from minutes to seconds and then to instantaneous.
It includes mail, telephonic conversations and face to face conversation.	It includes radio, television, newspapers, etc.
It takes more time.	It is less time-consuming.
It is used for personal and business purposes.	It is used for marketing, public awareness and entertainment.

10. Outsourcing has emerged as a way of doing business due to global competitive pressures for higher quality products at lower costs, ever-demanding customers and

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emerging technologies. Need for outsourcing can be understood from the benefits which are discussed below:

1. **Focusing of Attention:** Business firms are realising the importance of focusing on core areas where they have distinct ability and core competence and contracting out the rest of the activities to their outsourcing partners. A business organisation needs to decide its core areas and non-core areas. Once they outsource non-core areas, they can focus their attention on selected activities. It will increase efficiency and effectiveness.
2. **Quest for Excellence:** Outsourcing enables the firms to attain excellence in two ways-
  - By focusing on activities selected, their excellence in those activities increases,
  - They excel by extending their capabilities through contracting out the remaining activities to them who excel in them.
3. **Cost Reduction:** In this age of globalisation, cost reduction is of vital importance to survive in the market. Division of labour not only enhances quality but also reduces cost. For example, India is preferred as an outsourcing destination because of cost factors.
4. **Growth through alliance:** When some activities are outsourced then these alliance partners invest for the outsourced activities. Business can be expanded by same amount of investible funds as now these funds are to be invested in limited number of activities.
5. **Fillip to Economic Development:** Outsourcing stimulates entrepreneurship, employment and exports in the host countries. For example, in India there has been remarkable growth in entrepreneurship, employment and exports that today India is an undisputed leader in software development and IT enable services.

But outsourcing is not an unmixed blessing. It has its own limitations. Some of which are discussed below:

- i. **Confidentiality:** When a business opts for outsourcing, it has to share a lot of vital information and knowledge. This information may be leaked by the outsourcing partner. It may be against the outsourcing firm. It is also possible that the outsourcing partner starts a business of same line after getting such information.

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- ii. **Ethical Concerns:** Many a times outsourcing makes use of child labour and violates labour laws to reduce costs. They also discriminate in wages on the basis of gender.
  - iii. **Sweat Shopping:** A firm which goes in for outsourcing actually transfer 'doing' skills rather than 'thinking' skills. Therefore, they do not create skilled manpower in developing countries but just take maximum benefit of low-cost labour by transferring non-intellectual tasks.
  - iv. **Resentment in their home countries:** Outsourcing is being disliked by people in developed countries because the jobs which they could get are being transferred to developing countries through outsourcing. The problem is still more severe if there is problem of unemployment in home country of outsourcing firm.