

CBSE Test Paper - 04

Chapter - 25 Sectors of Indian Economy

1. Which sector has emerged as the largest producing sector in India replacing the primary sector? **(1)**
 - a. IT (Information technology) sector
 - b. Manufacturing sector
 - c. Tertiary sector
 - d. Secondary sector
2. GDP is total value of – **(1)**
 - a. All final goods and services
 - b. All goods and services
 - c. All final goods
 - d. All intermediate goods and final services
3. Since no other opportunity is available, people work as **(1)**
 - a. Repair persons
 - b. Doctor
 - c. Teacher
 - d. Engineer
4. How can government increase employment in rural areas? **(1)**
 - a. building schools
 - b. building healthcare institutions
 - c. investing money in transportation and storage of crops
 - d. promoting tourism
5. In which sector the enterprises or places of work are registered by the government and have to follow its rules and regulations? **(1)**
 - a. Unorganized sector

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

6. According to Planning Commission, what is the potential of tourism sector in India? **(1)**
7. Name the sector which continued to be the largest employer even in the year 2000. **(1)**
8. Why is tertiary sector also termed as service sector? **(1)**
9. Service sector in India employs two different kinds of people. Who are these? **(1)**
10. What constitutes the unorganised sector in urban areas? Why do workers in this sector need protection? **(3)**
11. Why do people prefer to work in an organized sector? Explain. **(3)**
12. Describe the developments which changed today's developing countries from farming nations to nations depending on tertiary sectors. **(3)**
13. State the objectives of NREGA 2005. **(3)**
14. What is the significance of Secondary sector in Indian economy? **(5)**
15. There has been a big change in the three sectors of economic activities, but a similar shift has not taken place in the share of employment. Explain the above statement on the basis of facts. **(5)**

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Answers

1. c. Tertiary sector

Explanation: Tertiary sector has grown the most and is now the largest producing sector. However primary sector is still the highest job provider as it provides jobs to about half of the population.

2. a. All final goods and services

Explanation: GDP(Gross Domestic Product) is total value of final goods and services produced in each sector in a period of time.

3. a. Repair persons

Explanation: Large number of workers engaged in services such as small shopkeepers, repair persons, transport persons etc. These people barely manage to earn a living and yet they perform these services because no alternate opportunities for work are available to them. Therefore people work as repair persons when no other opportunity is available to them.

4. c. investing money in transportation and storage of crops

Explanation: If the government invests some money in transportation and storage of crops or makes better rural roads so that mini trucks reach everywhere farmers will be able to sell their produce and more people will get employed in services like trade and transport. Therefore govt. investment on transportation and storage of crops will increase the employment in rural areas.

5. c. Organized sector

Explanation: Organized sector covers those enterprises or places of work which are registered by the government and have to follow its rules and regulations which are given in various laws such as the Factories act, minimum wages act, etc. Workers in the organized sector enjoy security of employment. They work only a fixed number of hours. If they work more, they have to be paid overtime by the employer.

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6. According to Planning Commission, the tourism sector can produce additional employment for 35 lakh people.
 7. Primary sector is the sector which continued to be the largest employer even in the year 2000.
 8. The tertiary sector is termed as service sector because tertiary sector provides support service to primary sectors and secondary sectors.
 9. The service sector in India provides employment to the following two different kinds of people.
 - i. A Highly educated and skilled workforce of the country in private, public and other organised sectors.
 - ii. Semi and unskilled as well as less educated people in unorganised sectors or self-employment activities.
 10. The unorganized sector consists of all unincorporated private enterprises engaged in sales or production with less than ten total workers. In the urban areas, unorganised sector comprises workers in the small-scale industry, casual workers in construction, trade and transport, etc. It also includes street vendors, head load workers, garment makers, rag pickers, etc. Workers in this sector need protection from overexploitation, differential treatment because of belonging to SC and ST.
 11. Organized sector is preferred because of the following advantages:
 - i. People enjoy the security of employment.
 - ii. Work for fixed hours.
 - iii. If they work more, they get overtime allowances.
 - iv. These sectors are registered by the government and have to follow its rules and regulations which are given in various laws such as the Factories Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishments Act etc. Paid leaves, payment during holidays, medical benefits, safe working environment and pension after retirement.
 12.
 - i. In the last 35 years tertiary sector has achieved importance. It has emerged as single largest producing sector in India.

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- ii. This because in growing economies, certain basic services like good hospitals, schools, banks, and insurance companies required.
 - iii. With the growth of agriculture sector infrastructure facilities like transport storage is required.
 - iv. The richer people want restaurants, shopping malls, tourism etc in big cities. It has become essential service.
 - v. In developing countries, there is no shortage of skilled workers.

13. Objectives of implementing NREGA 2005:

- i. To give employment opportunities to unemployed people who live in rural areas.
- ii. According to NREGA, all those who are able to and are in need of work would be guaranteed 100 days of employment in a year by the government.
- iii. To raise the standard of living of the people.
- iv. If the government fails in its duty to provide employment, it will give unemployment allowances to the people.
- v. To implement the right to work.

14. The significance of the secondary sector in the Indian economy is as follows:

- i. Secondary sector involves industrial production. Industrial activities use up the materials produced in the Primary sector.
- ii. In the process, it creates massive employment of various scales. It also induces the service sector like transport, market etc to flourish.
- iii. The Secondary sector promotes the development of the Primary and the Tertiary sectors. As all the sectors of the economy are interdependent, the Secondary sector has a great contribution to the sustenance and growth of other sectors.
- iv. Secondary sector induces growth and productivity to Primary sector and helps in flourishing of Tertiary sector. It produces instruments and appliances that directly help the Primary sector for better production.
- v. It absorbs excess labour from the primary sector and reduces disguised unemployment.
- vi. The Secondary sector contributes more than 20% of the GDP of India. It provides employment to the people.
- vii. It also helps in creating self-sufficiency in the country. It produces goods for local

and international consumers.

15. There has been a big change in the three sectors of economic activities but a similar shift has not taken place in the share of employment due to the following reasons:
- i. There has been an increase in the industrial output by 8 times but employment in the sector has increased only by 2-5 times.
 - ii. The production of services rose by 11 times in the tertiary sector but employment in the services rose only by 3 times.
 - iii. More than 50% of workers in the country are working in the primary sector producing only one-quarter of the goods.
 - iv. Secondary and tertiary sectors produce three-fourths of the product whereas they only employ half of the country's workers.
 - v. Primary sector has disguised employment whereas workers in secondary and tertiary sectors work overtime.