

SUMMARY

Classification of Sectors in Indian Economy-

(a) On the basis of nature of activity: **Primary, Secondary and Tertiary Sectors**. All three sectors are **inter- dependent**.

(b) On the basis of ownership – Private and Public Sectors.

(c) Division of sectors as organized and unorganized sectors.

Economic- Activities and Non- Economic Activities.

The value of all final goods and services produced within a country (in all the three sectors) during a particular year is referred to as the Gross Domestic Product. (GDP).

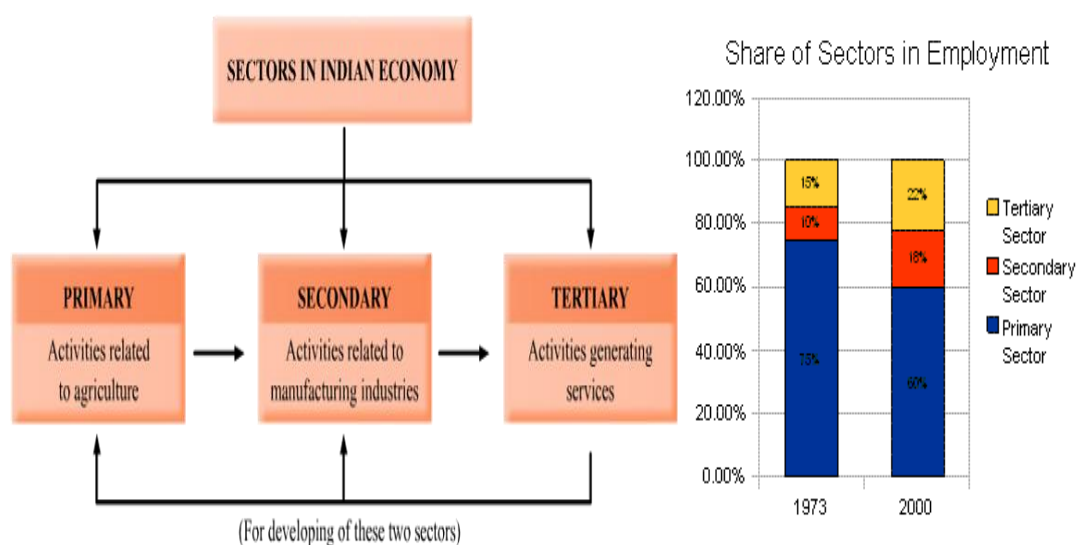
The role of **National Rural Employment Guarantee Act 2005** in alleviating Unemployment.

Why is protection and support to **workers of unorganized sector** necessary?

How the **public sector contributes to the economic development** of a Nation?

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Explain the meaning of Primary sector of economic activities using examples.

1. There are many activities that are undertaken **by directly using natural resources**. Take, **for example**, the cultivation of cotton. **When we produce a good by exploiting natural resources; it is an activity of the primary sector.**
2. Since most of the natural products we get are from **agriculture, dairy, fishing, forestry**, **this sector is also called agriculture and related sector.**
3. This is called Primary Sector because **it forms the base for all other products that we subsequently make.**

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2.	<p>Explain the meaning of Secondary sector of economic activities using examples.</p> <ol style="list-style-type: none"> 1. The secondary sector covers activities in which natural products are changed into other forms through ways of manufacturing that we associate with industrial activity. 2. For example, using cotton fiber from the plant, we spin yarn and weave cloth. Using sugarcane as a raw material, we make sugar or <i>gur</i>. 3. Since this sector gradually became associated with the different kinds of industries that came up, it is also called as industrial sector. 	3
3.	<p>Explain the meaning of Tertiary sector of economic activities using examples.</p> <ol style="list-style-type: none"> 1. These are activities that help in the development of the primary and secondary sectors. 2. For example, goods that are produced in the primary or secondary sector would need to be transported by trucks or trains and then sold in wholesale and retail shops 3. Since these activities generate services rather than goods, the tertiary sector is also called the service sector. 4. Service sector also includes some essential services that may not directly helping the production of goods such as, doctors, teachers, lawyers, washer man, cobblers, people in administrative services, certain new services based Information Technology and accounting workers. 	3
4	<p>Differentiate between Final Goods and Intermediate goods.</p> <p><u>Final Goods</u>: - All goods which are meant either for consumption by consumers or for investment by firms are called final goods. They are finished goods meant for final use.</p> <p><u>Intermediate Goods</u>: - All goods which are used as raw material for further production of other goods or for resale in the same year are known as intermediate goods.</p>	3
5.	<p>What is G D P? How is G D P, calculated in India? OR Explain the Process to calculate GDP. (CBSE 2014)</p> <ol style="list-style-type: none"> 1. The value of final goods and services produced in each sector during a particular year provides the total production of the sector for that year. 2. And the sum of production in the three sectors gives what is called the Gross Domestic Product (GDP) of a country. 3. It is the value of all final goods and services produced within a country during a particular year. 4. In India, the mammoth task of measuring GDP is undertaken by a central government ministry. 5. This Ministry, with the help of various government departments of all the Indian states and union territories, collects information relating to total volume of goods and services and their prices and then estimates the GDP. 	5
6	<p>Why is that “only value of final goods and services” taken while calculating G D P?</p> <ol style="list-style-type: none"> 1. While calculating G D P, not every good or service that is produces and sold needs to be taken. It makes sense only to include the final goods and services. 2. This is because the value of final goods already includes the value of all the intermediate goods that are used in making the final goods. 3. If we count the value of the intermediate goods, then we would be counting the value of the same things a number of times. 	3

7	<p>Discuss the reasons for the increasing significance of Tertiary sector in last 30 years in India.</p> <ol style="list-style-type: none"> 1. In any country several services such as hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defense, transport, banks, insurance companies, etc. are required. These can be considered as basic services. In a developing country the government has to take responsibility for the provision of these services. 2. The development of agriculture and industry leads to the development of service such as transport, trade, storage and the like, as we have already seen. 3. Greater the development of the primary and secondary sectors more would be the demand for such services. 4. As income levels rise, certain sections of people start demanding many more services like eating out, tourism, shopping, private hospitals, private schools, professional training etc. You can see this change quite sharply in cities, especially in big cities. 5. Over the past decade or so, certain new services such as those based on information and communication technology have become important and essential. The production of these services has been rising rapidly. 	5
8	<p>“Under employment can also be seen in all other sectors”. Explain with examples.</p> <p>Note: write answer in your note book.</p>	3
9	<p>Evaluate the shifts that have taken place in different sectors of Economy during the last hundred years.</p> <p>PRIMARY: 1. Generally, it has been noted from the histories of many, now developed, countries that at initial stages of development, primary sector was the most important sector of economic activity. As the methods of farming changed and agriculture sector began to prosper, it produces much more food than before. Many people could now take up other activities.</p> <p>SECONDARY:</p> <p>2. Over a long time (more than hundred years), and especially because new methods of manufacturing were introduced, factories came up and started expanding. Those people who had earlier worked on farms now began to work in factories in large numbers.</p> <p>TERTIARY:</p> <p>3. In the past 100 years, there has been a further shift from secondary to tertiary sector in developed countries. The service sector has become the most important in terms total production. Most of the working people are also employed in the service sector. This is the general pattern observed in developed countries years.</p>	3
10	<p>Draw the Graph –I Given in text Book page No. 24 on note book and do a comparative study on the contribution of different sectors into GDP in 1973 and 2003. Answer the give questions.</p> <ol style="list-style-type: none"> 1. Which was the largest producing sector in 1973? 2. Which is the largest producing sector in 2003? 3. Which sector has grown most over the last thirty years? 4. What was the GDP of India in 2003? <p>Note:do write in note book.</p>	3
11	<p>Draw the Graph-3 given in text book page no.25 and do a comparative study on the employment generation in three sectors in 1973 and 2003. Answer the following questions.</p>	5

	<p>What was the share of Primary sector in employment in 1973?</p> <ol style="list-style-type: none"> 1. What was the share of Secondary sectors in employment in 1973? 2. What was the share of Tertiary sectors in employment in 1973? 3. What is the share of Tertiary sector in employment in 2003? 4. Which sector provides the largest share of employment both in 1973 and 2003? <p>Note:do write in note book.</p>	
12	<p>What does 'Under employment' or 'Disguised Unemployment' mean? OR</p> <p>What is 'Under employment'? Explain with an example. <u>CBSE (October-2012)</u></p> <ol style="list-style-type: none"> 1. Under employment is a situation where everyone is working, none remains idle, but in actual fact their labour effort gets divided. 2. Each one is doing some work but no one is fully employed. This is the situation of underemployment, where people are apparently working but all of them are made to work less than their potential. 3. This kind of underemployment is hidden in contrast to someone who does not have Job and is clearly visible as unemployed. Hence, it is also called disguised unemployment. 	3
13	<p>In what ways can employment be increased in urban areas?</p> <ol style="list-style-type: none"> 1. A few ways to increase employment opportunities other than large-scale industries in India are: 2. A study conducted by the Planning Commission estimates that nearly 20 lakh jobs could be created in the education sector alone. Similarly, if we are to improve the health situation, we need many more doctors, nurses, health workers etc. These are some ways by which jobs would be created. 3. Every state or region has potential for increasing the income and employment for people in that area. It could be tourism, or regional craft industry, or new services like IT. Some of these would require proper planning and support from the government. 	3
14	<p>Compare the three sectors of economy on the basis of the Supply of employment.</p> <p>ANS. Sectors of Indian economy on the basis of supply of employment.</p> <ol style="list-style-type: none"> 1. A remarkable fact about India is that while there has been a change in the share of the three sectors in GDP, a similar shift has not taken place in employment. The primary sector continues to be the largest employer even in the year 2000. 2. It is because not enough jobs were created in the secondary and tertiary sectors. Even though industrial output or the production of goods went up by eight times during the period, employment in the industry went up by only 2.5 times. 3. While production in the service sector rose by 11 times, employment in the service sector rose less than three times. 	3
15	<p>Suggest a few methods by which employment opportunities could be created in rural areas. OR In which three ways can employment be increased in rural areas? Explain with examples. <u>CBSE (October-2012)</u></p> <ol style="list-style-type: none"> 1. By spending some money or bank loan to construct a well for family to irrigate the land which would help farmer to grow more than one crop in a year. 2. Construct dam and canals to irrigate many farms and this could create lot of employment within the agriculture. 3. By investing on transportation and storage of crops or making rural roads, would encourage farmers to grow more and sell crops and also provide employment in services like transport or trade. 4. Local Banks loan at reasonable rate of interest to buy seeds fertilizers, agricultural equipment and pump sets to draw water would help to cultivate land more 5. By identifying, promoting and locating industries and services in Semi-rural areas whereby employ large number of people. E.g. Setting Dal Mill to procure and process pulse crops and sell in the cities. 	5
16	<p>Suggest the role of National Rural Employment Guarantee Act 2005 in alleviating Unemployment. OR Describe the provisions of NREGA 2005. (CBSE 2014)</p> <ol style="list-style-type: none"> 1. The central government in India recently made a law implementing the Right to work in 200 districts 	5/3

	<p>of India. It is called National Rural Employment Guarantee Act 2005. In 2009, it has been expanded to all 604 districts of India.</p> <ol style="list-style-type: none"> Under NREGA 2005, all those who are able to, and are in need of, work have been guaranteed 100 days of employment in a year by the government. If the government fails in its duty to provide employment, it will give unemployment allowances to the people. The types of work that would in future help to increase the production from land will be given 	
17	<p>Distinguish between Organized and Unorganized Sectors of employment.</p> <p><u>Organized Sectors of Employment:</u></p> <ol style="list-style-type: none"> Organized sector covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work. . They 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. Workers in the organized sector enjoy security of employment. <p><u>Unorganized Sector of Employment</u></p> <ol style="list-style-type: none"> The unorganized sector is characterized by small and scattered units, which are largely outside the control of the government. There are rules and regulations but these are not followed. Jobs here are low-paid and often not regular. There is no provision for overtime, paid leave, holidays, leave due to sickness etc. Employment is not secure. People are asked to leave without any reason. 	5
18	<p>Why is protection and support to workers of unorganized necessary?</p> <ol style="list-style-type: none"> Unorganized sector jobs, which pay a very low salary. They are often exploited and not paid a fair wage. Their earnings are low and not regular. These jobs are not secure and have no other benefits. Besides getting the irregular and low paid work, these workers also face social discrimination (especially S T and S Cs and backward communities form this sector) 	3
19	<p>How to protect workers in the Unorganized Sector?</p> <p><u>In the rural areas</u>, the unorganized sector mostly comprises of landless agricultural labourers, small and marginal farmers, sharecroppers and artisans. These farmers need to be supported through adequate facility for timely delivery of seeds, agricultural inputs, credit, storage facilities and marketing outlets.</p> <p><u>In the urban areas</u>, unorganized sector comprises mainly of workers in small-scale industry, casual workers in construction, trade and transport etc., and those who work as street vendors, head load workers, garment makers, rag pickers. Small-scale industry also needs governments support for procuring raw material and marketing of output.</p>	3
20	<p>How would you classify economic activities on the basis of 'ownership'?</p> <p>Economic activities are classified into Public Sector and Private Sector on the basis of ownership.</p> <p><u>Public Sector</u>:-In the public sector, the government owns most of the assets and provides all the services. Railways or post office is an example of the public sector. The purpose of the public sector is not just to earn profits. Governments raise money through taxes and other ways to meet expenses on the services rendered by it. E.g. Indian Railway.</p> <p><u>Private Sector</u>: - In the private sector, ownership of assets and delivery of services is in the hands of private individuals or companies. Whereas companies like Tata Iron and Steel Company Limited (TISCO) or Reliance Industries Limited (RIL) are privately owned. Activities in the private sector are guided by the motive to earn profits. To get such services we have to pay money to these individuals and companies.</p>	3

21	<p>Give a few examples of Public sector activities and explain why the Government has taken them up. Or Explain how the public sector contributes to the economic development of a Nation. (CBSE Questions (October-2012))OR What is the rationale behind the government managing the public sector?</p> <p>1. There are several things needed by the society as a whole but which the private sector will not provide at a reasonable cost. Some of these need spending large sums of money, which is beyond the capacity of the private sector. Also, collecting money from thousands of people who use these facilities is not easy</p> <p>2. Even if they (private sector) do provide these things they would charge a high rate for their use. Examples are, construction of roads, bridges, railways, harbors, generating electricity, providing irrigation through dams etc.</p> <p>3. Public Sector is owned and operated by Government. There are some activities, which the government has to support. The private sector may not continue their production or business unless Government encourages it. For example, selling electricity at the cost of generation may push up the costs of production of industries. Many units, especially small-scale units, might have to shut down.</p> <p>4. The government in India buys wheat and rice from farmers at a 'fair price'. This it stores in its godowns and sells at a lower price to consumers through ration shops.</p> <p>5. There are a large number of activities, which are the primary responsibility of the government. The government must spend on providing health and education facilities for all-one example. Similarly, nearly half of India's children are malnourished and a quarter of them are critically ill. Government also needs to pay attention to aspects of human development such as availability of safe drinking water, housing facilities for the poor and food and nutrition.</p> <div><p>Loans to Farmers by Private Sector Banks (During April-December 2009-10, Rs. in crore)</p><table><tr><td>HDFC Bank</td><td>10,604</td></tr><tr><td>Axis Bank</td><td>10,485</td></tr><tr><td>ICICI Bank</td><td>6,556</td></tr><tr><td>Yes Bank</td><td>2,322</td></tr><tr><td>South Indian Bank</td><td>2,171</td></tr><tr><td>Kotak Mahindra</td><td>2,144</td></tr><tr><td>Federal Bank</td><td>1,468</td></tr><tr><td>Indusind Bank</td><td>1,368</td></tr><tr><td>Karur Vysya Bank</td><td>1,084</td></tr><tr><td>Development Credit</td><td>665</td></tr><tr><td>Bank of Rajasthan</td><td>507</td></tr><tr><td>City Union</td><td>411</td></tr><tr><td>ING Vysya Bank</td><td>372</td></tr><tr><td>Karnataka Bank</td><td>365</td></tr><tr><td>Dhanalakshmi</td><td>314</td></tr><tr><td>Tamilnadu Mercantile</td><td>103</td></tr><tr><td>Lakshmi Vilas Bank</td><td>102</td></tr><tr><td>Ratnakar Bank</td><td>38</td></tr><tr><td>Nainital Bank</td><td>23</td></tr></table><p>The total flow of credit from private sector banks to the farm sector amounted to Rs. 41,100 crore during April-Dec 2009-10</p><p>Source: Ministry of Finance</p><p>KBK</p></div>	HDFC Bank	10,604	Axis Bank	10,485	ICICI Bank	6,556	Yes Bank	2,322	South Indian Bank	2,171	Kotak Mahindra	2,144	Federal Bank	1,468	Indusind Bank	1,368	Karur Vysya Bank	1,084	Development Credit	665	Bank of Rajasthan	507	City Union	411	ING Vysya Bank	372	Karnataka Bank	365	Dhanalakshmi	314	Tamilnadu Mercantile	103	Lakshmi Vilas Bank	102	Ratnakar Bank	38	Nainital Bank	23	5
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8	Which one of the following sectors provides us with raw materials for Industry? a) Agricultural sector b) Primary sector c) Tertiary sector d) Secondary sector.	1

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8	Which one of the following sectors provides us with raw materials for Industry? a) Agricultural sector b) Primary sector c) Tertiary sector d) Secondary sector.	1
24	<u>CBSE Questions (October-2012)</u> Which one of the following gives the correct meaning of GDP? a) It is the value of final goods and services. b) It is the value of imports and exports. c) It is the value of all finished products. d) It is the value of all goods and services plus income from abroad.	1
25	<u>CBSE Questions (October-2013)</u> 1) "All of the service sector is not growing equally well in India." Justify the statement with three arguments. 2) "There are several things needed by the society as a whole". In the light of this statement explain as to who can provide them at a reasonable cost, the private or public sector and why? 3) Explain any three causes of unemployment in India. Suggest any two measures to reduce unemployment in India. 4) A study by the ----- estimates that 20 lakhs jobs can be created in the education sector alone. a) Ministry of affairs b) Planning Commission c) Human development Index d) State Government.	1
26	<u>CBSE Questions (October-2014)</u>	

	<p>1. What does comprise the unorganized sector in the rural Areas? (1)</p> <p>2. Give one example of an economic activity. (1)</p> <p>3. Which occupation belongs to the primary sector / Mention any one. (1)</p> <p>4. How are the workers benefited in the organized sectors? Explain. (3)</p> <p>5. How does the service sector help in the development of Primary and Secondary sectors? Explain with examples. (5)</p>	
27	<p><u>CBSE Questions (October-2015)</u></p> <p>1. Which is the largest producing sector in 2003?(1)</p> <p>2. Explain the significance of public sector in the development of India.(3)</p> <p>3. Compare the service conditions of organized sector with the unorganized sector.(3)</p> <p>4. Analyze the characteristics of jobs in the unorganized sector.(5)</p> <p><u>(Note: Q. No. 10, 11, 12, 14, 18, 21 & CBSE Questions must be written in the note book.)</u></p>	

Share of agri and allied activities in GDP (%)

