

CBSE Test Paper-04
Chapter 10 Human Capital Formation in India

1. What was infant mortality rate as per 2001 census? **(1)**

- a. 63
- b. 146
- c. 110
- d. 80

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

a. NCERT	I. It takes measures for promotion and coordination of university education
b. IGNOU	II. Implementing policies in the field of school education
c. UGC	Responsible for the introduction and promotion of open university

- a. a(iii), b(ii), c(i)
- b. a(ii), b(iii), c(i)
- c. a(ii), b(iii), c(i)
- d. a(ii), b(i), c(iii)

3. Recently, Government of India has started levying a __ 'Education Cess' on all union taxes. **(1)**

- a. 3%
- b. 4%
- c. 2%
- d. 1%

4. Navodaya Vidyalaya started in **(1)**

- a. 1985-86
- b. 1989-90

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- c. 1986-1987
 - d. 1988-89

5. Why do we need to invest in human capital? **(1)**
6. Why has India not been able to achieve 100% literacy rates? **(1)**
7. Establish the need for acquiring information relating to health and education expenditure for the effective utilisation of human resources. **(1)**
8. What do you mean by human capital formation? **(1)**
9. 'India is going to be a knowledge based economy in the near future'. Discuss. **(3)**
10. Looking at the statistics, we find that more of educated people are engaged in crimes. More of educated people are committing suicide. How do you think we need to mould our education system to correct the situation? **(3)**
11. Identify how Human Development Index is calculated? What is the position of India in the World Human Development Index? **(4)**
12. 'Indian education system is considered faulty from the employment angle'. Do you agree? Explain. **(4)**
13. Why there is a need to promote women's education in India? **(4)**
14. Write a short note on Human Development Index (HDI). **(6)**
15. Explain various sources of human capital formation. **(6)**

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Answers

1. a. 63

Explanation: As per census 2001 infant mortality rate was 63 and is continuously decreasing since then. Infant mortality rate gives the number of deaths of infants under one-year-old in a given year per 1,000 live births in the same year. This rate is often used as an indicator of the level of health in a country.

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

Explanation: NCERT pertains to school education. IGNOU is an open university and UGC pertains to university education.

3. c. 2%

Explanation:

Education cess is an additional levy on the basic tax liability. Governments resort to imposition of cess for meeting specific expenditure. At present all union taxes are subjected to an education cess of 2%.

4. a. 1985-86

Explanation: Jawahar Navodaya Vidyalay are Government supported schools in Indian districts, to provide education and scope for talented children from rural areas. The idea was conceived by former Prime Minister Rajiv Gandhi and accordingly the first schools were set up in 1985-86 in two districts - Jhajjar (Haryana) and Amaravati (Maharashtra).

5. Because it develops man's ability and skill which enhances an economy.
6. The government's expenditure on education was insufficient. As a result of this, India has not been able to achieve 100% literacy.
7. People need to have information on the cost and benefit of investment in health and education. People are willing to make more expenditure when they know the benefits of their investment in these two areas. This results in more human capital formation.

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8. Human capital formation means acquiring and increasing the abilities, skills, education and experience among the people of a country over a long period of time.
 9. India is soon emerging as a knowledge bank and has the potential to become a leading knowledge-based economy with its youth population and growing information technology. The Indian software industry has been showing an impressive growth over the past decade. The use of e-mail, e-governance and development of information technology shows that India is slowly transforming itself into a knowledge-based economy.
 10. Education system is being taken by parents, students and teachers as a means to earn income. They are trying to imbibe computer skills, communication skills, body language and intellectual development amongst learners but they are ignoring value education and not teaching struggle in life. Children need to be given situations where they learn to struggle. I, as an educationist, recommend even real life situations may be given to them so that they learn and love to struggle in life. Further our attitude towards marks and grades needs to be changed. Also in my opinion the more advanced technology must be brought in India to just lesser down the burden of books and increasing the practical knowledge.
 11. The Human Development Index (HDI) is a composite statistic (composite index) of life expectancy, education, and per capita income indicators, which are used to rank countries into four tiers of human development. A country scores higher HDI when the lifespan is higher, the education level is higher, and the GDP per capita is higher. For calculating Human Development Index, three indices are used:
India ranks 131 out of 182 countries which show poor human development of the country. Value of India's HDI is 0.624.
 - i. **Longevity:** It is indicated by life expectancy at birth.
 - ii. **Knowledge:** It is measured by adult literacy rate (two third weightage) and gross enrollment ratio (GER) (one third weightage) of primary, secondary and tertiary levels taken together.
 - iii. **Standard of Living:** It is measured by real GDP per capita.
 12. Yes, I agree with this statement. The Indian education system is largely irrelevant to the needs of the Indian economy. There is no linkage between education and employment opportunities.

After completing their school and college education, for a number of years, men and women remain unemployed because they do not have practical training and useful skills. Most of the students do not gain any occupational and vocational training. They are not ready to be absorbed by the industry. So along with the quantitative expansion of education, we also need qualitative improvement in it. We urgently need large investments in public sector institutions of higher learning and fundamental reform of the curriculum. Hence, the Indian education system is considered faulty from the employment angle.

13. Women's education need to be promoted because:

- i. They can become economically independent.
- ii. Women education makes favorable impact on fertility rate and health care of women and children.
- iii. Women education is essential for empowering them to save them from exploitation and domestic violence.
- iv. Women education is essential in order to raise the social status of women so that the quality of life of women can be improved.

- 14.
- Human development is a process of enlarging the range of people's choices, increasing their opportunities for education, health care, income and empowerment and covering the full range of human choices from a sound physical environment to economic, social and political freedom.
 - Human Development Index (HDI) is a composite statistic of life expectancy, education and income indices used to rank countries in four groups of human development. It was created by a Pakistani economist Mahbub Ul Haq and Indian economist Amartya Sen in 1990 and it was published by United Nation Development Programme (UNDP).
 - Human development is the process which includes:
 1. Improving the standard of living.
 2. Increasing the freedom of choices available to people.
 - The HDI is a summary measure of average achievements in key dimensions of human development; a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of the following three dimensions:
 - i. Life expectancy at birth

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- ii. Adult literacy and combined gross enrolment ratio
 - iii. Standard of living measured at gross national income per capita
 - All the three indicators are given equal weight i.e. 1/3. Out of 187 countries, India ranks at 130 in terms of HDI with a value of 0.609.

15. Various sources of human capital formation are briefly explained below:

- a. **Expenditure on education:** Monetary benefit of higher earnings after getting education far exceed the cost of education. Moreover, education makes him a better citizen, more hygienic, well informed consumer and in many ways adds to his quality of life and thereby in human capital formation.
- b. **Expenditure on Health:** Certainly a healthy person can earn more than an unhealthy worker. Quality of life will also be better for a healthy person rather than unhealthy one. Therefore, the money spent on health services in order to ensure the well being of individuals in a society is very essential in order to attain growth.
- c. **Expenditure on Information:** In order to acquire information about equity markets, labour markets, education, health and other related markets, people have to spend. For example, in order to know the salaries of various positions in various institutions and if the educational institutions are providing the kind of education to ensure employability etc an expense is incurred. Information is very important while making decisions regarding investments in human capital. Expense is also incurred for the efficient utilization of the acquired stock of human capital. The money spent on obtaining information related to any kind of markets is a source of formation of human capital. Information related to job markets and educational institutions helps a person to get a suitable job and acquire proper skills. It increases his efficiency and productivity and thereby adds to human capital formation.
- d. **On-the-job training:** Firms spend on-the-job training of their workers because the benefits they get in terms of higher productivity and raised efficiency exceed much above the cost involved. Hence, on-the-job training also adds to human capital formation.
- e. **Migration:** It facilitates shifting of workers from low paid area to high paid area and thereby increases their worth as human capital. But it is to be noted that migration may be good at individual level but at the whole economy level it may create problem of brain-drain.