

CBSE 10th Class - Economy - Chapter 2

Sectors of INDIAN Economy

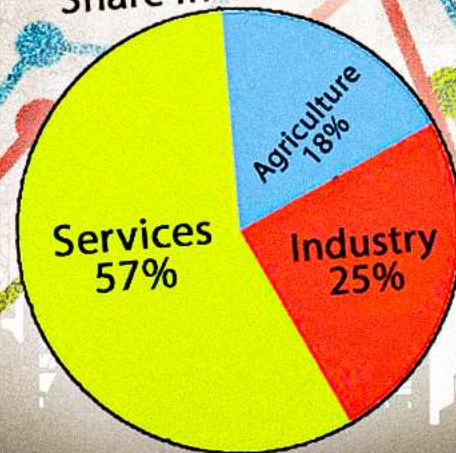
Q&A

GDP

Agriculture



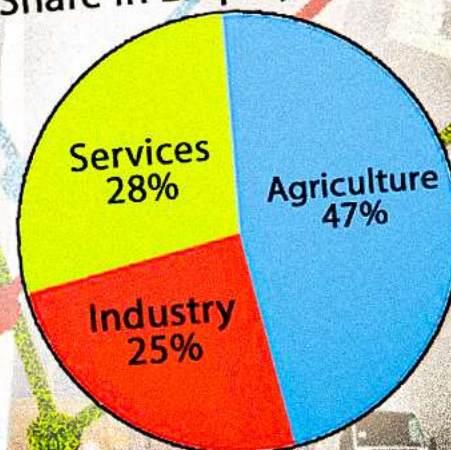
Share in GDP (%)



Service



Share in Employment (%)



Q1. Fill in the blanks using the correct option given in the bracket:

- (i) Employment in the service sector has not increased to the same extent as production. (has / has not)
- (ii) Workers in the tertiary sector do not produce goods. (tertiary / agricultural).
- (iii) Most of the workers in the organized sector enjoy job security. (organized / unorganized)
- (iv) A large proportion of labourers in India are working in the unorganized sector. (large / small).
- (v) Cotton is a natural product and cloth is a manufactured product. (natural / manufactured)
- (vi) The activities in primary, secondary and tertiary sectors are interdependent. (independent / interdependent)

Q2. Choose the most appropriate answer:

Q. The sectors are classified into public and private sector on the basis of:

- (i) employment conditions
- (ii) the nature of economic activity
- (iii) ownership of enterprises
- (iv) number of workers employed in the enterprise

Q. Production of a commodity, mostly through the natural process, is an activity in _____ sector.

- (i) primary
- (ii) secondary
- (iii) tertiary
- (iv) information technology

Q. GDP is the total value of _____ produced during a particular year.

- (i) all goods and services
- (ii) all final goods and services
- (iii) all intermediate goods and services
- (iv) all intermediate and final goods and services



Q. In terms of GDP the share of tertiary sector in 2017–18 was between _____ percent.

- (i) 20 to 30
- (ii) 30 to 40
- (iii) 50 to 60
- (iv) 60 to 70

Q3. Match the following:

<i>Problems faced by farming sector</i>	<i>Some possible measures</i>
1. Unirrigated land	(a) Setting up Agro-based mills
2. Low prices for crops	(b) Cooperative marketing societies
3. Debt burden	(c) Procurement of food grains by government
4. No job in the off season	(d) Construction of canals by the government
5. Compelled to sell their grains to the local traders soon after harvest	(e) Banks to provide credit with low interest

Answer: 1(d), 2(c), 3(e), 4(a), 5(b)

Q4. Find the odd one out and say why?

- (i) Tourist guide, dhobi, tailor, potter
- (ii) Teacher, doctor, vegetable vendor, lawyer
- (iii) Postman, cobbler, soldier, police constable
- (iv) MTNL, Indian Railways, Air India, Jet Airways, All India Radio.

- i. Potter, because only the potter belongs to the secondary sector.
- ii. Vegetable vendor, since only this directly helps in the production of goods.
- iii. Cobbler because the only cobbler falls in the private sector.
- iv. Jet Airways as this is only a private sector company in the group.



Q5. A research scholar looked at the working people in the city of Surat and found the following.

<i>Place of work</i>	<i>Nature of employment</i>	<i>Percentage of working people</i>
<i>In offices and factories registered with the government</i>	<i>Organised</i>	<i>15</i>
<i>Own shops, office, clinics in marketplaces with formal license</i>	<i>Organised</i>	<i>15</i>
<i>People working on the street, construction workers, domestic workers</i>	<i>Unorganised</i>	<i>20</i>
<i>Working in small workshops usually not registered with the government</i>	<i>Unorganised</i>	<i>50</i>

Complete the table. What is the percentage of workers in the unorganized sector in this city?

The percentage of workers in the unorganized sector in this city is 70%.

Q6. Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain how.

- ✓ *The classification of economic activities into primary, tertiary and secondary is very useful as the information it provides helps in understanding as to which sector of economic activity contributes more or less to the country's GDP (National Income) and per capita income.*
- ✓ *It also helps us on how and where the people of a country are employed.*
- ✓ *This classification helps in making policy decision, planning and comparing our growth and development with others countries as well as our own.*
- ✓ *If the tertiary sector is developing much faster than the primary sector, then it implies that agriculture is depleting, and the government must take measures to rectify this.*
- ✓ *Hence it is necessary to classify economic activities into these there sectors for smooth economic administration and development.*

Q7. For each of the sectors that we came across in this chapter why should one focus on employment and GDP? Could there be other issues which should be examined? Discuss.

- ✓ GDP and its sector wise distribution along with the sector wise employment helps us in understanding basic driving engine of Economy.
- ✓ One should focus on employment and GDP because these determine the size of a country's economy.
- ✓ A focus on employment and GDP helps determine important aspect like – National Income, per capita income and productivity.
- ✓ Hence, in each of the three sectors, employment rate and status as well as its contribution to the GDP help us understand how that particular sector is functioning and what needs to be done to initiate further growth in it.
- ✓ The other issues which should be examined are -
 - Balanced regional development
 - Inflation in Economy
 - Equality in income and wealth among the people of the country.
 - Poverty and Unemployment
 - Modernization of technology
 - Self-reliance of the country

Q8. Make a long list of all kinds of work that you find adults around you doing for a living. In what way can you classify them? Explain your choice.

Practical Question

Q9. How is the tertiary sector different from other sectors? Illustrate with a few examples.

- ✓ The tertiary sector is very different from other two sectors as it smoothenes the works of both primary and secondary sector.
- ✓ This is because other two sectors produce goods but, this sector does not produce goods by itself, it produces services used by other two sectors.
- ✓ The activities under this sector help in the development of the primary and secondary sectors.
- ✓ These activities are an aid or support for the production process in primary and secondary sector.
- ✓ For example, Transport, Communication, Storage, Banking, Retail, Insurance, Trade activities etc.
- ✓ For this reason this sector is also known as service sector.



Q10. What do you understand by disguised unemployment? Explain with an example each from the urban and rural areas.

Disguised Unemployment is a kind of unemployment in which there are people who are visibly employed but are actually underemployed. This situation is also known as Hidden Unemployment. In such a situation more people are engaged in a work than required.

For example:

- ✓ *In rural areas, this type of unemployment is generally found in agricultural sector like - in a family of 10 people all are engaged in the same agricultural plot. But if 5 people are withdrawn from it there will be no reduction in output. So, these 5 people are actually disguisedly employed.*
- ✓ *In urban areas, this type of unemployment can be seen mostly in service sectors such as in a family all members are engaged in one petty shop or a small business which can be managed by less number of persons.*

Q11. Distinguish between open unemployment and disguised unemployment.

Open Unemployment	Disguised unemployment
✓ <i>Open unemployment is a type of unemployment that occurs due to a lack of opportunity.</i> ✓ <i>In this unemployment people want to work however they do not get an opportunity to work.</i> ✓ <i>This kind of unemployment is clearly visible in the society.</i>	✓ <i>This is a kind of unemployment in which there are people who are visibly employed but actually they don't have full employment. In such a situation more people are engaged in a work than required.</i> ✓ <i>This type of unemployment is generally found in agriculture sector & unorganized sector where either work is not constantly available or too many people are employed for the same work that does not require so many hands.</i>

Q12. “Tertiary sector is not playing any significant role in the development of Indian economy.” Do you agree? Give reasons in support of your answer.

No, I do not agree with the statement because tertiary sector is the backbone of Indian Economy. The tertiary sector has contributed vastly to the Indian economy, especially in the last three decades. As a result, in the year 2013-14, the tertiary sector has emerged as the largest producing sector in India replacing the primary sector. This sector contributes more than 50% in total GDP.



Q13. Service sector in India employs two different kinds of people. Who are these?

Not all of the service sector is growing equally well. Service sector in India employs two different kinds of people :

- ✓ *At one end there are a limited number of services that employ highly skilled and educated workers.*
- ✓ *At the other end, there are a very large number of unorganized 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 alternative opportunities for work are available to them.*

OR

- *One kind of people involved in the services that may directly help in the production of goods. For example, people involved in the transportation, storage, communication, finance etc.*
- *Other people involved in such services that may not directly help in the production of goods e.g. teachers, doctors, barbers, cobblers, lawyers etc. They may be termed as ancillary workers means those who give services to the primary service providers.*

Q14. Workers are exploited in the unorganized sector. Do you agree with this view? Give reasons in support of your answer.

I totally agree that, workers are exploited in the unorganized sector. This would be clear from the following points:

- ✓ *There is no fixed number of working hours. The workers normally work 10 - 12 hours without paid overtime.*
- ✓ *They do not get other allowances apart from the daily wages.*
- ✓ *Government rules and regulations to protect the labourers are not followed there.*
- ✓ *There is no job security.*
- ✓ *Jobs are low paid the workers in this sector are generally illiterate and unorganized. So they are not in a position to bargain or secure good wages.*
- ✓ *Being very poor they are always heavily in debt. So, they can be easily made to accept lower wages.*



Q15. How are the activities in the economy classified on the basis of employment conditions?

On the basis of employment conditions, the activities in the economy are classified into organized and unorganized sectors.

Organized Sector	Unorganized Sector
▪ The organized sector is made up of businesses that are registered with the government and follow its guidelines and regulations. ▪ They have access to a larger market and can sell their products or services for a higher price. ▪ The term of employment in the organized sector are regular. ▪ Employee benefits are available and compulsory. ▪ There is provision for overtime, paid leave, holidays, leave due to sickness, pensions, health and other benefits, etc.	▪ The unorganized sector is made up of businesses that may or may not registered with the government and do not follow its guidelines and regulations. ▪ They have a smaller market and can only sell their products or services for a lower price. ▪ The term of employment in an unorganized sector is irregular. ▪ Employee benefits are seldom available & evasive. ▪ There is no provision for overtime, paid leave, holidays, leave due to sickness, pensions, health and other benefits, etc.

Q16. Compare the employment conditions prevailing in the organized and unorganized sectors.

Organized Sector	Unorganized Sector
▪ The term of employment in the organized sector are regular. ▪ Employee benefits are available and compulsory. ▪ There is provision for overtime, paid leave, holidays, leave due to sickness, pensions, health and other benefits, etc.	▪ The term of employment in an unorganized sector is irregular. ▪ Employee benefits are seldom available & evasive. ▪ There is no provision for overtime, paid leave, holidays, leave due to sickness, pensions, health and other benefits, etc.



Q17. Explain the objective of implementing the MGNREGA 2005 or Viksit Bharat-G RAM G 2025.

The objective of implementing the NREGA 2005 are:

- ✓ *To increase the income and employment of rural people.*
- ✓ *Every state/region can develop tourism, regional craft, IT etc. for additional employment.*
- ✓ *The central government made a law implementing the right to work in 200 districts.*
- ✓ *NREGA aims to provide employment of minimum 100 days. If it fails to do so, it will give unemployment allowances to the people.*

Q18. Using examples from your area compare and contrast that activities and functions of private and public sectors.

Practical Question

Q19. Discuss and fill the following table giving one example each from your area.

	<i>Well-managed organisation</i>	<i>Badly-managed organisation</i>
<i>Public sector</i>	<i>Delhi Metro Rail Corporation</i>	<i>Air India</i>
<i>Private sector</i>	<i>Reliance Mobile</i>	<i>Satyam</i>

Q20. Give a few examples of public sector activities and explain why the government has taken them up.

A few examples of public sector activities are: provision of water, electricity and some modes of transport.

The government has taken these up because water and power are needed by everyone. If the work of providing electricity and water is left to private enterprises, the latter might exploit this opportunity and sell these at rates which the masses cannot afford. Hence, to ensure that basic amenities like water and power are available for all, the government supplies these at low and affordable rates.



Q21. Explain how public sector contributes to the economic development of a nation.

Public sector is the driver of Indian Economy. It contributes to the economic development of a nation in following ways:

- ✓ It promotes rapid economic development through creation and expansion of infrastructure.
- ✓ It creates employment opportunities.
- ✓ It generates financial resources for development.
- ✓ It is ensuring equality of income, wealth and thus, a balanced regional development.
- ✓ It encourages development of small, medium and cottage industries.
- ✓ It ensures easy availability of goods at moderate rates.
- ✓ Contributes to community development i.e. to the Human Development Index (HDI) via health and educational services.

Q22. The workers in the unorganized sector need protection on the following issues : wages, safety and health. Explain with examples.

The workers in the unorganized sector need protection:

- ✓ **Wages:** Labourers who are employed in construction, vendor etc. do not have fixed income. They nearly manage to earn their living. They are not employed all through the year. Hence, they have no job security. Here, wages too differ from time to time. Consequently, the government has set up a minimum wages act to protect such workers from economic exploitation.
- ✓ **Safety:** Workers in unorganized sector are not provided with safe drinking water or clean environment. E.g., Working in mining, chemical industries is hazardous. Governments of most nations have now laid down strict rules for private enterprises to ensure workers' safety.
- ✓ **Health:** Leave not granted in case of sickness. Medical facilities are not offered, Eg., Construction workers. Some of these might be involved in dangerous factory production that may harm a worker's health in the long term.



Q23. A study in Ahmedabad found that out of 15,00,000 workers in the city, 11,00,000 worked in the unorganized sector. The total income of the city in this year (1997-1998) was Rs 60,000 million. Out of this Rs 32,000 million was generated in the organized sector. Present this data as a table. What kind of ways should be thought of for generating more employment in the city

- ✓ *Ways to generate more employment in the city of Ahmedabad have to be provided by the government, especially in the unorganized sector.*
- ✓ *As the table shows, the organized sector's earnings are much higher than that of the unorganized sector even though the latter employs almost 80% of the city workers.*
- ✓ *More companies need to be brought under the roof of the organized sector so that workers from the unorganized sector are attracted to jobs there, with higher and more secure wages.*
- ✓ *For this, the government must provide loans and aid to companies transferring from unorganized to organized sectors.*

-	Organised Sector	Unorganised Sector	Total
No. of workers	4,00,000	11,00,000	15,00,000
Income (Rs)	32,000 million	28,000 million	60,000 million

Q24. The following table gives the GDP in Rupees (Crores) by the three sectors:

Year	Primary	Secondary	Tertiary
2001- 02	52000	48500	133500
2021 - 22	800500	1074000	38,68,000

- (i) Calculate the share of the three sectors in GDP for 2001 and 2022.
- (ii) Show the data as a bar diagram similar to Graph 2 in the chapter.
- (iii) What conclusions can we draw from the bar graph?

(i) In 2001, Total GDP = 234000 (P+S+T)

Share of primary sector = 22.22%, Share of secondary sector = 20.72%, Share of tertiary sector = 57.05%

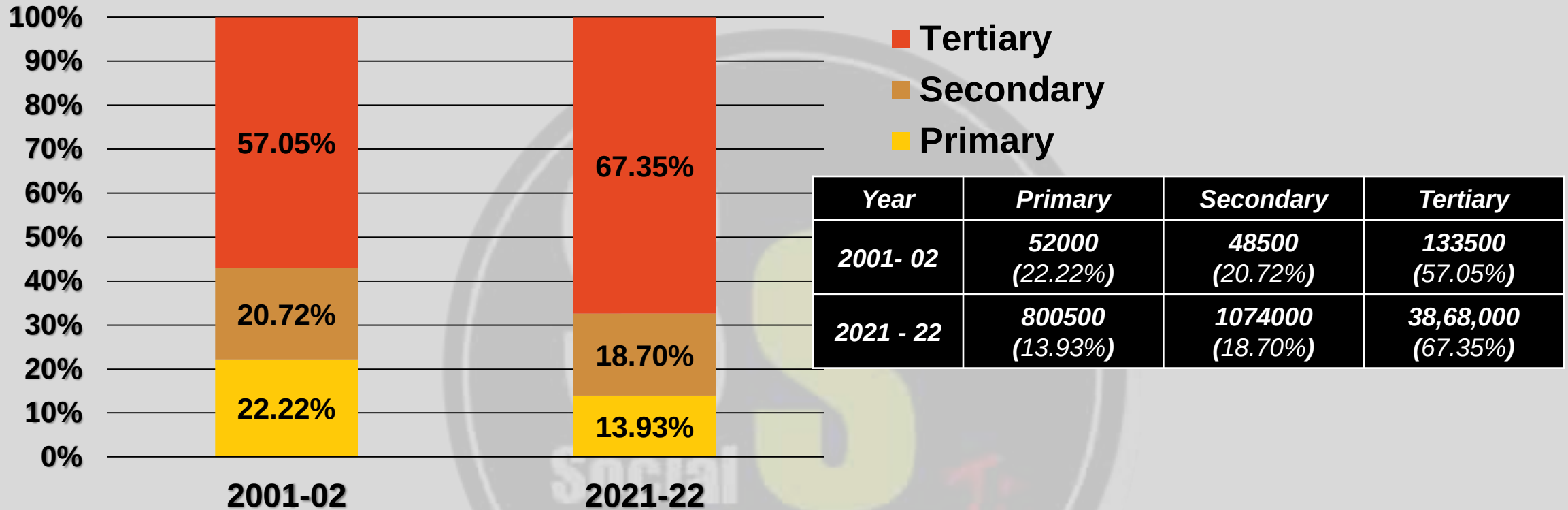
In 2022, Total GDP = 5742500 (P+S+T)

Share of primary sector = 13.93%, Share of secondary sector = 18.70%, Share of tertiary sector = 67.35%



(ii)

GDP in Rupees (Crores) by the three sectors



(iii)

- ✓ We can draw the conclusion that the share of the tertiary sector in the GDP (from 2001-2022) has increased by almost 10%.
- ✓ The primary sector production has almost halved in the given period.
- ✓ The secondary sector production has gone down by about 2% in the last 20 years.

Q. What does the history of developed countries indicate about the shifts that have taken place between sectors?

- ✓ Generally, the countries which are developed today, initially started with primary sector as the most important sector of economic activity. As the methods of farming changed and agriculture sector began to prosper, it produced much more food than before.
- ✓ Over a long time (more than hundred years), and especially because new methods of manufacturing were introduced, factories came up and started expanding. Secondary sector gradually became the most important in total production and employment. Those people who had earlier worked on farms now began to work in factories in large numbers.
- ✓ In further 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 of total production. Most of the working people are also employed in the service sector.
- ✓ This is the general pattern observed in developed countries about the shift that have taken place between sectors.

Q. Define Gross Domestic Product.

GDP (Gross Domestic Product)

GDP is the total of monetary value of all-final goods and services produced within the geographic boundaries (Domestic Territory) of a country during a specified period of time (usually one year).

Agriculture based Society → Industries based Society → Services based Society



Q. Difference between Economic & Non Economic activity.

- ✓ All activities that are related to the production, distribution and consumption of goods & Services in return for Income or profit are called economic activities. The main motive is to earn Income or profit.
- ✓ The activities carried out not for the purpose of earning Income or profit are non-economic activities.

Q. What is Monetary Value.

Monetary value refers to the value of a product or service measured in terms of money.

Q. Difference between Final Goods & Intermediate goods.

Final goods refer to those goods which are used for consumption or investment. Final goods are neither resold nor reused for any further transformation in a process of production.

Final goods can be categorized into 2 categories

1. Final consumption goods Ex. Goods purchased by households for Consumption.
2. Final investment goods Ex. Goods purchased by firms for capital formation or Investment

Intermediate goods- These goods are used either for resale or for further modification within same year. Intermediate goods are used up in producing final goods and services.



Q. Disguised Unemployment:

A situation where more people are employed than actually needed, so some workers contribute little or nothing to total output. It is common in agriculture.

Q. Why is the tertiary sector becoming so important in India?

Tertiary sector becoming so important in India because:

- ✓ *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.*
- ✓ *The development of agriculture and industry leads to the development of services such as transport, trade, storage. Greater the development of the primary and secondary sectors, more would be the demand for such services.*
- ✓ *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.*
- ✓ *Certain new services such as information and communication technology have become important and essential. The production of these services has been rising rapidly.*

Q. Write a short note on Unemployment and its types.

Unemployment is the condition in which people who are willing and able to work cannot find suitable jobs. It is an important economic and social problem because it leads to loss of income, poverty, and lower economic growth. Unemployment affects individuals, families, and the economy. Creating more job opportunities, improving education and skills, and promoting economic growth can help reduce unemployment.

Types of Unemployment

- ✓ *Frictional Unemployment: Temporary unemployment that occurs when people are changing jobs or entering the workforce.*
- ✓ *Structural Unemployment: Happens when workers' skills do not match the requirements of available jobs due to technological or economic changes.*
- ✓ *Cyclical Unemployment: Caused by a decline in economic activity during recessions, leading to reduced demand for labor.*
- ✓ *Seasonal Unemployment: Occurs in industries where work is available only during certain seasons, such as agriculture or tourism.*
- ✓ *Disguised Unemployment: A situation where more people are employed than actually needed, so some workers contribute little or nothing to total output. It is common in agriculture in India.*



Q. How more Employment can be created in both rural and urban areas.

<i>In Rural Areas</i>	<i>In Urban Areas</i>
✓ <i>Improve irrigation facilities to increase agricultural production.</i> ✓ <i>Promote small-scale and cottage industries such as handicrafts and food processing.</i> ✓ <i>Develop dairy, poultry, fisheries, and horticulture.</i> ✓ <i>Build better roads, electricity, and storage facilities.</i> ✓ <i>Encourage self-employment through loans and skill development programs.</i> ✓ <i>Increase public works and rural employment schemes.</i>	✓ <i>Set up more industries and manufacturing units.</i> ✓ <i>Promote small businesses and startups.</i> ✓ <i>Expand the service sector, such as IT, healthcare, tourism, and education.</i> ✓ <i>Provide vocational training and skill development.</i> ✓ <i>Invest in infrastructure projects like roads, metro, and housing.</i> ✓ <i>Encourage entrepreneurship by providing easy loans and business support.</i>

Q. Compare and contrast the changes in India with the pattern that was observed for developed countries. What kind of changes between sectors were desired but did not happen in India?

In developed Countries workers shifted from the primary sector (agriculture) to the secondary sector (industry) and later to the tertiary sector (services). This shift happened gradually with industrialization and economic growth.

But in India the contribution of the primary sector to GDP decreased, but a large number of people continued to work in agriculture. The tertiary sector grew rapidly, but the secondary sector did not create enough jobs. Many people remained in agriculture despite low productivity, leading to disguised unemployment.

Desired changes that did not happen in India

- ✓ *A larger number of workers were expected to move from the primary sector to the secondary sector, but this shift was limited.*
- ✓ *The industrial sector did not generate sufficient employment opportunities.*
- ✓ *Many workers continued to depend on agriculture instead of getting better jobs in industries.*
- ✓ *As a result, disguised unemployment remained high in the primary sector.*
- ✓ *Balanced growth of all three sectors, especially stronger industrial growth, was expected but did not occur as desired.*





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