

AGLASEM.COM

CLASS X ECONOMICS NOTES

Sectors of the Indian Economy

Key Notes and Important Questions with Answers

Chapter 2

SECTOR OF THE INDIAN ECONOMY

Key Points to Remember:

- **Primary Sector:** Producing a good by exploiting natural resources is an activity of primary sector. Such as: Agriculture, Dairy fishing forestry and so on.

- **Secondary Sector:** covers activities in which natural products are changed into other forms through ways of manufacturing that we associate with industrial activities. Such as using cotton fiber from plant.

- **Tertiary Sector:** These activities by themselves do not produce a good but they are an aid or a support for the production process. This sector is known as Service sector also. Such as transport services, insurance services and so on.

- **Private sector** part of a country's economic system runs by individuals and companies, rather than the government.

- **Public sector** usually comprised of organization that are owned and operated by the government and exist to provide services for its citizens.

- **Organized sector** is a sector where the employment terms are fixed and regular, and the employees get assured work.

- **Unorganized Sector** is a sector where the employment terms are not fixed and regular, as well as the enterprises, are not registered with the government.

- **Gross Domestic product** is a monetary measure of the market value

of all final goods and services produced in a period i.e. Sum of Primary sector+ secondary sector + Tertiary sector.

- When more people are working that is needed and even if some people are removed from work, does not affect the total production. This situation is called **disguised unemployment. It is also known as Hidden unemployment.**

- **Mahatma Gandhi National Rural Employment Guarantee Act** was enacted in **2005** which aims to provide employment of 100 days in a year. If it fails to do so, government will provide unemployment allowances to the people.

Very Short Answer Type Questions (1 MARK EACH)

Q.1 Shyama works as a researcher in an Institution. While collecting data she could not classify the working sector of following people. Help her to do the classification with valid reasons.

A. Yogesh works as lawyer.

B. Shyam Lal Verma runs a dairy.

C. Parmod is an Engineer and works in Industrial sector.

Q.2 Iqbal along with five other members of his family worked as a farmer and produced 50 lakhs tons wheat. Due to some dispute in family two members opted out family business, but still they are able to produce 50 lakh tons Wheat. Can you name such kind of unemployment?

Q.3 Why is Tertiary sector also called the service sector?

Q.4 What are the main objectives of Public Sector?

Q.5 What are the main objectives of Private Sector?

Q.6 What does Underemployment mean?

Q.7 How does government support both farmers and consumers?

Q.8 Ramesh is confused, wheather he is working in organized sector or Unorganized Sector. He is getting Paid leaves with fixed hours of working. Would you please help him to find out in which sector he is working?

Q 9. What is MGNREGA stands for? When it was enacted?

Q.I0 How does development of primary and secondary sector demand for services?

ANSWERS

Ans.1 **A.** Being a lawyer Yogesh is providing legal services. Therefore his work comes in the Tertiary' sector:

B. Shyam Lal Verma runs a dairy and he dependent on biological process of the animals and availability of fodder etc. The product milk also is a natural product. So his work comes under the Primary Sector.

C. As Parmod is working in Industry which basically depends upon primary sector for raw material. So his work comes under the Secondary sector.

Ans. 2 Disguised unemployment

Ans. 3 Since these activities provides services rather than goods, the tertiary sector is also called the service sector.

Ans. 4 To provide basic facilities to all their countrymen with the purpose of social welfare.

Ans. 5 To earn more and more profit.

Ans. 6 In a situation of underemployment, people are apparently working but all of them are made to work less than their potential.

Ans. 7 The government in India buys wheat and rice from farmers at a fixed price. This is stores in its godowns and sells at a lower price to consumers through ration shops. Here government has to bear marginal cost. In this way, the government supports both farmers and consumers.

Ans. 8 Organized sector

Ans.9 MGNREGA is stands for Mahatma Gandhi National Rural Employment Guarantee Act. It Was 'implemented in 2005.

Ans.10 The development of agriculture and industry leads to the development of services such as transport, trade, storage etc. Greater the development of the primary and secondary sectors, more would be the demand for such services.

Long Answer Type Questions (3 or 5 Marks Each)

Q.1 Differentiate between economic and non-economic activities. Give any two points.

Q.2 Using examples from your area compare and contrast activities and functions of Private and Public sectors.

Q.3 Distinguish between organized and unorganized sector.

Q.4 Explain the objective of implementing the MGNERGA 2005.

Q.5 What are the different types of unemployment in India?

Q.6 How do we count the various goods and services and know the total production in each "sector"?

Q.7 What are the various ways to provide employment opportunities in rural areas?

Q.8 "There has been a big change in the three sectors of economic activities in India but similar shift has not taken place in the share of employment." Explain the above statement.

Q.9 Explain how does the Public sector contribute to the economic development of a nation?

Answers

Ans.1 Economics activities are such activity which gets you some income while performing them. For example, a doctor is earning by treating his patients his.

Non-economic activities are the activities from which do not gain anything earn you any income. For example, a doctor treating his own family members doesn't earn any money.

Ans. 2

Public sector	Private sector
The main aim of this sector is public welfare.	The main aim of this sector is to earn maximum profit.
It is controlled and managed by Government.	It is controlled and managed by an individual of group of individuals.
Necessary facilities provided by Government.	All the facilities provided by Individual or group of individuals.
Employment is secured.	Employment is not secured.
Fixed wages and important facilities are Provided. Such as medical claim and so on.	Generally neither fixed wages nor other important facilities are provided.
The sector provides basic facilities like education, health, food and security to the people, for example, BSNL, Post office and so on.	The sector provides consumer goods to the people. For example — TISCO, Reliance and so on.

Ans. 3

Organized sector	Unorganized sector
Fixed working hours.	Working hours are not fixed.
Fixed Minimum wages	Less than minimum wages fixed by government.
Secured employment.	Employment is not secured.
Enjoyable working conditions.	Working condition is not up to the mark.
Other facilities such as medical, gratuity, Other pension's are; provided.	No such facilities provided.

Ans. 4

- Its aims to provide employment of 100 days in a year.
- All those who are eligible to work would be guaranteed by government. If government fails to do so, it will give unemployment allowance to people.
- To increase the income and employment to people.
- Every state/region can develop tourism, regional craft, IT etc. for additional employment.

Ans. 5 Underemployment or disguised employment : A situation where more people are engaged than required. So, even if you turned people out, production will not be affected. It is called underemployment.

Seasonal unemployment : When people are unemployed for a particular season, it is as seasonal unemployment. For example, if farmers are ploughing land only for rabi season then , they, become unemployed for the rest of the season.

Ans. 6 Economist suggests that the' 'values of goods and services should be used rather than adding up the actual numbers. The value of goods and services in the three sectors are calculated and then a added up. Not every good(or service), that is produced and sold, needs to be counted. It makes sense, only to include final goods and services.

Intermediate goods are used up in producing final goods and services. The value of final goods already includes the value of all the intermediate goods that are used in making the final goods and services.

So 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. And the sum of production in three sectors gives us the 'Gross Domestic Product."

Ans.7
- Provide loans to small farmers for cultivation, irrigation and so on.
- Dams, canal can be constructed will lead to a lot of employment generation.
- Construction of roads in rural area creates employments in rural community.
- More and more schools should be opened which would create jobs in education sector and literacy as well in rural area.
- To improve the health situation, we need more doctors, nurses health workers to work in rural area.

Ans.8
- In primary sector, modern technology has been introduced in agriculture. With the arrival of green revolution and advanced irrigation methods, there are noticeable changes in this sector.

- Industrial production has also increased several times therefore providing more employment opportunities to "the unemployed and underemployed in this sector.

- There are lots of casual workers in the service sector in urban areas who search for employment on daily wages. In the rural areas too, a lot of casual workers sometimes Intermittently do not get job. Many of them are disguisedly unemployed. So besides changes unemployment still exists in India.

Ans.9

- It promoted rapid economic development through creation and expansion of infrastructure.

- It creates the employment opportunities.

- It generates financial resources for development.

- It encourages development of small, medium and cottage industries. It brings the social justice.