

Lesson – 2

Sectors of the Indian Economy

- Q.1 During the period between 1973 to 2003, the production has increased most in the
 (a) primary sector (b) secondary sector
 (c) tertiary sector (d) all the three sectors
- Q.2 GDP is the value of..... produced during a particular year :
 (a) All goods & services (b) All final goods & services
 (c) All intermediate goods & services (d) All intermediate & final goods and services
- Q.3 The sectors are classified in to public and private sectors on the basis of
 (a) Employment conditions (b) The nature of economic activity
 (c) Ownership of enterprises (d) Number of workers employed in the enterprises
- Q.4 NREGA 2005 guarantees work for how many days in a year
 (a) 100 (b) 120
 (c) 150 (d) 90
- Q.5 Which one of the following is a public sector enterprise?
 (a) TISCO (b) RIL
 (c) Indian Railway (d) WIPRO
- Q.6 Which was the largest producing sector in 1973?
 (a) Primary sector (b) Secondary sector
 (c) Tertiary sector (d) Public sector

SHORT ANSWER TYPE QUESTIONS

Q.1 What is the differences between public and private sectors?

Ans.

<u>Public Sector</u>	<u>Private Sector</u>
(i) The government owns most of the assets and provides all the services.	(i) Ownership of assets and delivery of services is in the hands of private individuals or companies.
(ii) The purpose of the public sector is not just to earn profit, but also to raise the welfare of the economy.	(ii) Activities in the private sector are guided by the motive to earn profit.
(iii) Railways or post office is an example of the public sector.	(iii) Tata Iron and Steel Company Limited or Reliance Industries Limited are privately owned.

Q.2 Though maximum share of GDP is coming from tertiary sector, but still the share of employment in the primary sector is maximum. Discuss.

Ans : (a) This situation is because not enough jobs are created in the secondary and tertiary sectors.

(b) Though the industrial production of goods went up by eight times, but employment in the industry went up by only 2.5 times.

(c) Similarly in the tertiary sector, production rose by 11 times but employment rose less than three times.

As a result, more than half of the population is dependent on the primary sector which contributes only a quarter of GDP.

Q.3 Why does only final goods and services are included while calculating National Income?

Ans: Only final goods and services are included while calculating National Income because:

- Final goods are those goods which have crossed the boundary line of production and are ready for final consumption and investment.
- The value of final goods already includes the value of all the intermediate goods that are used in making the final goods. This would lead to the problem of double counting if all the goods of the economy will be included while calculating national income.
- This should be avoided because if the value of any commodity is counted more than once it will result in overestimation of national income.

Q.4 What is the meaning of under employment? In which economic sector is under employment conditions more prevalent? & Why?

Ans : A condition in which each individual appears working but no one is fully employed. This is the situation of under employment. People under such type of employment cannot utilize their potential and capacity in full.

It is in primary sector because-

- This sector comprises the poorest section of society in majority
- People engaged in this sector are illiterate or semi-literate.

LONG ANSWER TYPE QUESTIONS

Q.1 Why is the tertiary sector becoming more important in India? Explain.

Ans : The tertiary sector becoming more important in India because :

- In any country several basic services like transport, bank, insurance, educational institutions etc are required and the government has to take responsibility for the provision of these services.
- The development of agriculture and industry lead to the development of services such as transport, trade, storage etc.
- As income level rises, certain section of people started demanding many services like eating out, tourism, private hospital etc.
- Certain new services such as those based on information and communication technology have become important and essential

Q.2 What is the differences in the employment conditions between organized and un-organized sectors of the economy?

Ans : <u>Organized sector</u>	<u>Un-organized sector</u>
<ol style="list-style-type: none"> Registration with the government. The labourers are expected to work for a fixed number of hours. The wages are fixed and extra payment for extra work. In addition to wages, people get some extra benefits like paid leaves, provident fund, gratuity etc. There is a job security. The labours are given an appointment letter stating all the terms and condition of work. 	<ol style="list-style-type: none"> No such registration with the government. There is no fixed working hour. The labours get daily wages. There is not any such benefit. There is no job security. There is no such provision of appointment letter.

Answer key of MCQ: 1. (c) 2. (b) 3. (C) 4. (a) 5. (c) 6(a)