

Economics

Chapter - 1

The Story of Village Palampur

Q.1 Which capital can be considered as the best : land, labour, physical capital or human capital and why?

Ans. Human capital is the best because it is the major asset of any economic activity's success.

Investment in human capital will provide higher income and production because it can co-ordinate all the resource together to achieve the optimum amount of production. It includes labour for processing the input as well as knowledge and enterprise required to produce.

Q. 2 How was multiple cropping practised in Palampur ? Explain.

Ans. Multiple cropping was practiced in Palampur by

- i. Farmers grow jowar and bajra during rainy season (kharif).
- ii. They grow potatoes and other vegetables in between the kharif and rabi crops.
- iii. Wheat is grown in winter (rabi) season.
- iv. Sugarcane is also grown in some parts of plants of land .This is harvested once in a year.

Q.3 State the importance of growing more than one crop a piece of land.

Ans. The importance of growing more than one crop on a piece of land is that

- i. It retains the fertility of the soil.
- ii. It uses the same area for more crop production.
- iii. It benefits the farmer economically.
- iv. The farmers increased earning enables arranging working capital for the next year easier.
- v. It generate employment for many people throughout the year.

Q.4 Why it is important to develop irrigation facilities? Explain.

Ans. It is important to develop irrigation facilities for the following reasons:

- i. Having irrigation makes the farmer independent of the vagaries of the monsoon rains as he can compensate for any rainfall shortage by using irrigation water.
- ii. Irrigation allows the cultivation of more than one crop in a year as water is available throughout the year. Multiple cropping gives the farmer earnings all the year round .
- iii. Use of modern farming methods HYV seeds, chemical fertilizers, insecticides, pesticides requires more water than traditional agriculture, with irrigation it is possible to provide the necessary water.

Q.5 What are HYV seeds? Write its one merit and limitation.

Ans. HYV seeds means High Yielding Variety of seeds. This type of seeds gives much more than traditional seeds for the same area under cultivation.

Merits

Compared to the traditional seeds the HYV seeds promised to produce much greater amount of grains on a single plant. As a result, the same piece of land would not produce for larger quantities of food grains that was not possible earlier.

Limitations

HYV seeds needed plenty of water, chemical fertilisers and pesticides produce best results. Too much use of these inputs harm or reduces soil fertility of a long period.

Q.6 Mention any three negative effects of Green Revolution.

Ans. The negative effects of green revolution are :

- i. Modern farming methods used in Green Revolution have overused the natural resource base. All the nutrients in the soil are finished.
- ii. Soil fertility has been lost due to increased use of chemical fertilizers and chemicals have killed the bacteria which used to keep the soil fertile earlier.
- iii. Continuous use of groundwater for irrigation through tubewell has reduced the water table below the ground which was built up over a number of years.

Long Answers

Q.7 How can one grow more than one crop on the same piece of land?

Ans. The following points state how the farmer in Palampur are able to grow more crops from the same land.

- i. Palampur farmers follow multiple cropping. They grow at least two main crops. Many of them also grow vegetables as a third crop.
- ii. There is a well developed system of irrigation in Palampur that enables the farmers to grow three different crops in a year.
- iii. Electricity came early to Palampur. It has played a pivotal role in transformation of the irrigation system in the village. The existing Persian wheel was replaced by electric run tubewells which could irrigate much larger areas of land.
- iv. The Green Revolution introduced HYV seeds and modern farming methods.
- v. Effective use of HYVs, chemical fertilizers and modern agricultural technologies resulted in better agricultural field from the same land.

Q.8. What are the features of Green revolution how it differ from traditional farming?

Ans. Major features of Green Revolution in India were:

- i. Use of High Yielding Varieties(HYV) of seeds. HYV seeds from is to produce much greater amount of grain on a single plant.
- ii. Use of advanced technology, chemical fertilizers, pesticides and a well developed system of irrigation.
- iii. This Revolution solve the food crisis in India and made India self sufficient in food grains.
- iv. This led to higher income growth and reduced poverty.
- v. However, in many areas Green Revolution is associated with loss of soil fertility due to increased use of chemical fertilizers. Also, continuous use of groundwater for tubewell

irrigation has reduced the water table below the ground.

vi. It started in the late 1960s in the states of Punjab, Haryana and Western part of Uttar Pradesh.

Q. 9 How do medium and large farmers obtain capital for farming? How is it different from the small farmers?

Ans. Modern farming methods such as use of HYV seeds insecticides, pesticides etc require a great deal of capital and so the farmer needs more money than before the medium and large farmers have their own savings from farming. Because they have a good surplus crop from their large land holdings which came after using modern methods of farming. They sell this surplus crop in the market and earn saving amount. Then they deposit this amount in the bank account for next season crop and lend some money to small farmers at very high interest rates. So they are able to arrange for the capital needed. In contrast small farmers have to borrow money to arrange the capital. They borrow from large farmers, village money lenders or the traders who supply various inputs for cultivation. The rate of interest on such loans is very high they are put to great distress to repay the loans.

Q.10 What can be done so that more non-farm production activities can be started in villages?

Ans. To start more non farm production activities the following steps can be taken.

- i. Banks should provide loans at low interest rate, so that the poor villages can start some business, which could help them on a living.
- ii. Government should be more active and initiate effective employment generating schemes.
- iii. Government should provide training to the villagers in different skills.
- iv. Government should provide facilities for transportation and selling of locally manufactured goods of the villagers in the cities.
- v. Small scale industries should be started by entrepreneurs in rural areas to employ the villages trained in various skills.