

Chapter: 8

Q.1 Answer in one sentence..

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1 From which Greek word is the term 'Economics' derived ?

Ans The term Economics is derived from Greek word 'Oikonomia'. Which means family management.

2 To which economic factor is the management of Individual or family finances related?

Ans The management of individual or family finances is related to income and expenditure.

3 In capitalist economy, to whom does the ownership and management of means of production belong?

Ans In capitalist economy, the means of production are owned by private individuals.

4 What do you mean by globalisation?

Ans Globalisation means building a world economy which is borderless economy. Natural resources, Profit, Services capital, labour technology flow freely across borders of the countries.

Q.2 Give Geographical Reasons

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1 India has mixed economy.

Ans i. There is co-existence of public sector and private sector in Indian economy.
ii. The means of Production are owned by the government as well as private individuals.
iii. Private sector aims at maximum profit where as the state aims at achieving social welfare.
iv. So Indian economy has features of both the economies. i.e. Capitalist and socialist economy.
Therefore it is called mixed economy.

2 Economy begins at home.

Ans i. The family finance is mainly related to income and expenditure.
ii. Income of the family is limited but their needs are unlimited.
iii. The family has to strike the balance between income and expenditure.
iv. To maintain the balance family priorities the needs.
v. The management of finances of a family is very much similar to village, city, state or country's economy.

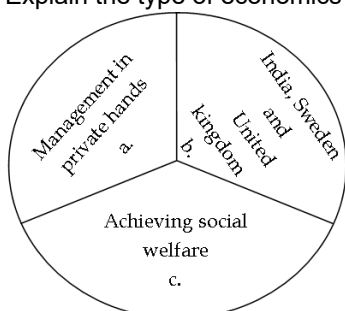
3 We can divide countries into three groups on the basis of the economies.

Ans i. Countries can be grouped into 3 economies. i.e. Capitalist, Socialist and mixed economy.
ii. The means of Production owned by Private individuals such economies are called capitalist economy. Countries like U.S.A, Germany, Japan are the example.
iii. The means of Production belongs to the Society as a whole. Therefore the government controls the economy countries like China, Russia are the example.

Q.3 Answer in detail/ brief

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1 Explain the type of economics by filling correct information in the place of questions in the circle.



Ans Capitalist Economy:

- i. Ownership and management of means of production are in the hands of private individuals.
- ii. Main aim is to earn maximum profit.
- iii. Germany, Japan, U.S.A have adopted such economy Mixed Economy.
- iv. India, Sweden, U. K. have adopted mixed economy.
- v. There is co-existence of private and public sectors.
- vi. Balance between Profit and social welfare is made.

Socialist Economy:

- vii. Means of Production belongs to the society.
- viii. Main aim is to achieve social welfare.
- ix. China, Russia have adopted this type of economy.

