

CHAPTER 6

Tertiary and Quaternary Activities

2MARKS

Question 1.

Define tertiary activity.

Answer:

Tertiary activities are related to the service sector. Man power is an important component of service sector as most of the tertiary activities are performed by skilled labour, professionally trained experts and consultants. These services require theoretically knowledge and practical training.

Question 2.

What are the types of tertiary activities?

Answer:

The types of tertiary activities are:

- Trade and commerce
- Transport
- Communication
- Services

Question 3.

Define trade.

Answer:

Trade is essentially buying and selling of items produced elsewhere. All the services in wholesale and retail trading or commerce are specifically intended for profit.

Question 4.

What are trading centres?

Answer:

The towns and cities where buying and selling of goods take place are known as trading centres.

Question 5.**Give examples of rural marketing centres.****Answer:**

Examples of rural marketing centres involve mandis, periodic markets, which may be weekly, biweekly, monthly, annually.

Question 6.**What are periodic markets?****Answer:**

Periodic markets in rural areas are found where there are no regular markets, and local periodic, markets are organized at different time intervals may be weekly, biweekly etc. These markets are held on specified dates and move from one place to another.

Question 7.**What is the typical characteristic of urban marketing centre?****Answer:**

Urban marketing centres have widely specialised urban services providing ordinary goods and services to specialized goods as per the demand.

Question 8.**What is retail service?****Answer:**

Retail trading is the business activity concerned with the sale of goods directly to the consumers.

Question 9.**Define consumer cooperative, departmental stores & chain stores.****Answer:**

Consumer cooperatives: A cooperative business which is owned by its consumers for mutual sharing of benefit, after setting aside money for investment, is known as consumer cooperative. Consumer cooperatives often take form of the retail outlets which are owned and managed by their consumers.

Departmental stores: Departmental stores are large retail establishments which have large collection of variety of goods, all organised under specific department heads. A distinct feature of this kind of retail establishment is the organizing of separate departments, under same roof to facilitate buying, customer service, merchandising and control.

Chain Stores: These are retail stores owned by a single firm and spread over vast geographical areas across nation or worldwide. Chain stores are usually characterized by similar service and infrastructural environment, involving similar architecture, store design, layout and choice of products.

Question 10.

What is wholesale trading service?

Answer:

Wholesale trading constitutes bulk business through numerous intermediary merchants and supply houses and not through retail stores. Wholesalers often extend credit to retail stores to such an extent that the retailer operates very largely on the wholesaler's capital.

Question 11.

Define transport & communication.

Answer:

Transport is a service or facility by which people, materials and manufactured goods are physically carried from one location to another. Communication services involve the transmission of words and messages, facts and ideas.

Question 12.

Give examples of informal service sector.

Answer:

Some examples of informal service sector are those people helping in domestic services, eg. Housekeepers, cooks, gardeners, etc. On such example of informal service is Mumbai's dabbawalas.

Question 13.

Which is the world's single largest tertiary activity?

Answer:

Tourism is the world's single largest tertiary activity in total registered jobs and total revenue.

Question 14.

Define Quaternary activity.

Answer:.

Quaternary activities are knowledge oriented. They involve the collection, production and dissemination of information. They centre around research, development and may be seen as advanced form of services involving specialized knowledge and technical skill.

Question 15.

Give examples of services from Quaternary sector.

Answer:

Some examples of services from quaternary sector involves: mutual fund managers, tax consultants, software developers, teachers, hospital and doctor offices, accountants, etc.

Question 16.

Define Quinary activity.

Answer:

Quinary activities are services that focus on the creation, rearrangement and interpretation of new and existing ideas; data interpretation and the use and evaluation of new technologies. People involved are referred to as gold collar workers.

Question 17.

Name three types of activities included in service sector.

Answer:

The three types of activities are:

- Tertiary activities
- Quaternary activities
- Quinary activities.

Question 18.**What do you mean by isochrone lines?****Answer:**

Isochrones lines are drawn on map to join places equal in terms of the time taken to reach them.

5MARKS**Question 1.****What are the components of tertiary activity?****Answer:**

Tertiary activities includes both production and exchange. Production includes the provision of services that are consumed. The output is indirectly measured in terms of wages and salaries. Exchange involves trade, transport and communication facilities that are used to overcome distance. Tertiary activities involve the commercial output of services rather than the production of tangible goods. Examples include work of a technician, driver, lawyer, administrator, publisher, etc

Question 2.**With examples, explain retail trading service.****Answer:**

This is the business activity concerned with the sale of goods directly to the consumers. Most of the retail trading takes place in fixed establishments or stores solely devoted to selling. Street peddling, handcarts, trucks, door-to-door, mail-order, telephone, automatic vending machines and internet are examples of non-store retail trading.

Question 3.**How is transport distance measured?****Answer:**

Transport is a service or facility by which people, materials and manufactured goods are physically carried, from one location to another. Transport, distance can be measured as: km distance or actual distance of route length; time distance or the time taken to

travel on a particular route; and cost distance or the expense of travelling on a route. In selecting the mode of transport, distance, in terms of time or cost, is the determining factor.

Question 4.

Enlist the factors that affect transport services.

Answer:

Demand for transport is influenced by the size of population. The larger the population size, the greater is the demand for transport. Routes depend on: location of cities, towns, villages, industrial centres and raw materials, pattern of trade between them, nature of the landscape between them, type of climate, and funds available for overcoming obstacles along the length of the route.

Question 5.

What are the factors that affect tourism?

Answer:

Factors affecting tourism are:

Demand: Since the last century, the demand for holidays has increased rapidly. Improvements in the standard of living and increased leisure time, permit many more people to go on holidays for leisure. **Transport:** The opening-up of tourist areas has been aided by improvement in transport facilities. Travel is easier by car, with better road systems. More significant in recent years has been the expansion in air transport. For example, air travel allows one to travel anywhere in the world in a few hours of flying time from their homes. The advent of package holidays has reduced the costs.

Question 6.

What is outsourcing? Why do some countries outsource their work? What is its outcome?

Answer:

Outsourcing or contracting out is giving work to an outside agency to improve efficiency and to reduce cost. Some of the developed countries

outsource their work because of high wages in their own countries compared to the developing countries which offer similar services at a

much cheaper rate. So for optimal use of resource and to maximize profit, these companies outsource their work to overseas location (offshoring). Example; Data processing is an IT related service which can be easily carried out in Asian, East European countries where IT skill staff with good English language are available at a much lower wages. Also overhead costs are much lower, making it all the more profitable.

Question 7.

Define Medical Tourism. Which countries are gaining from Medical Tourism? How does it help?

Answer:

When medical treatment is combined with international tourism activity, it is commonly known as medical tourism. India has emerged as a leading center with world class hospitals in the metro cities. Medical tourism brings huge benefits to the developing countries like India, Thailand. There is also the trend of outsourcing the medical tests and data interpretation, and some centers in India, Switzerland and Australia carry on some medical services like reading of radiology images, to interpreting MRI's and ultrasound tests. It is advantageous to patients as it provides better quality and specialized care.

Question 8.

What is meant by digital divide? Why does it vary inter-country and intra country?

Answer:

Opportunities emerging from the Information and Communication Technology based development is unevenly distributed across the globe. There are wide ranging economic, political and social differences among countries. How quickly countries can provide ICT access and benefits to its citizens is the deciding factor. While developed countries in general have surged forward, the developing countries have lagged behind and this is known as the digital divide. Similarly digital divides exist within countries. For example, in a large country like India or Russia, it is inevitable that certain areas

like metropolitan centers possess^ better connectivity and access to the digital world versus peripheral rural areas.

Question 9.

Explain the following terms:

Answer:

- **Network:** With the development of transport system, different places are linked together to form a network. They are formed of nodes and links. A developed network has many links, which means that places are well connected.
- **Node:** A node is the meeting point of two or more routes, point of origin, a point of destination, or any sizeable town along the route.
- **Link:** Every road that joins two nodes is called a link.

Question 10.

What are the factors of tourist attractions?

Answer:

Climate: Most people from colder regions expect to have warm, sunny weather for beach holidays. This is one of the main reasons for the importance of tourism in Southern Europe and the Mediterranean lands. The Mediterranean climate offers almost consistently higher temperatures, than in other parts of Europe, long hours of sunshine and low rainfall throughout the peak holiday season. People taking winter holidays have specific climatic requirements, either higher temperatures than their own homelands, or snow cover suitable for skiing.

Landscape: Many people like to spend their holidays in an attractive environment, which often means mountains, lakes, spectacular sea coasts and landscapes not completely altered by man.

History and Art: The history and art of an area have potential attractiveness. People visit ancient or picturesque towns and archaeological sites, and enjoy exploring castles, palaces and churches. **Culture and Economy:** These attract tourists with a

penchant for experiencing ethnic and local custom. Besides, if a region provides for the needs of tourists at a cheap cost, it is likely to become very popular. Home-stay has emerged as a profitable business such as heritage homes in Goa, Madikere and Coorg in Karnataka.

Question 11.

How tourism has become the single largest tertiary activity?

Answer:

Tourism has become the single largest activity in the total registered jobs and total revenue because:

- It not only serves the purpose of recreation but also it provides employment to many local people. They provide services like transport, accommodation, entertainment and other services.
- Tourism fosters the growth of infrastructure industries, retail trading and craft industry.
- It also increases national income.

7MARKS

Question 1.

What are trading centers? Write a note on trading centers of the world?

Answer:

Trading centers are the towns and cities where buying and selling of items take place, which were produced elsewhere. Trading center may be rural and urban. Rural marketing centers cater to nearby settlements, these are semi urban centers of rudimentary type and act as local collecting and distributing centers. Personal and professional services are not well developed here, but they are important to cater to the basic demand of rural people. In rural areas periodic markets are also organized, these markets are held on specified days and move from place to place.

Urban trading centers provide specialized services, along with the ordinary goods and services required by the people. They provide manufactured goods and as well as many specialized markets offer like labour, housing, etc. Specialized service of lawyers, doctors,

veterinary services, consultants of different professions are also available. Retail trading also takes place through specialized stores like cooperative stores, departmental stores and chain stores.

Question 2.

Write a note on Telecommunication services and its importance.

Answer:

Telecommunication is generally distance communication and it's use is directly linked to the development of modern technology. It has revolutionized communications because of the speed with which messages are sent. The time reduced is from weeks to minutes. Besides, the recent advancements like mobile telephone have made communications direct and instantaneous at any time and from anywhere. The telegraph, morse code and telex have almost become things of the past. Radio and television also help to relay news, pictures, and telephone calls to vast audiences around the world and hence they are termed as mass media. They are vital for advertising and entertainment. Newspapers are able to cover events from all corners of the world. Satellite communication relays information of the earth and from space. The internet has truly revolutionized the global communication system.

Question 3.

With examples show the importance of tourism in the world today.

Answer:

Tourism is travel undertaken for purposes of recreation rather than business. It has become the world's single largest tertiary activity in total registered jobs (250 million) and total revenue (40 per cent of the total GDP). Besides, many local persons, are employed to provide services like accommodation, meals, transport, entertainment and special shops serving the tourists. Tourism fosters the growth of infrastructure industries, retail trading, and craft industries (souvenirs). In some regions, tourism is seasonal because the vacation period is dependent on favorable weather conditions, but many regions attract visitors all the year round.

The warmer places around the Mediterranean Coast and the West Coast of India are some of the popular tourist destinations in the world. Others include winter sports regions, found mainly in mountainous areas, and various scenic landscapes and national parks, which are scattered. Historic towns also attract tourists, because of the monument, heritage sites and cultural activities. All these regions benefited from tourism through the development of infrastructure industries, retail trading, craft industries in their respective regions.

Question 4.

Write a note on the Quinary activities & their importance in today's world.

Answer:

The highest level of decision makers or policy makers perform quinary activities. Quinary activities are services that focus on the creation, re-arrangement and interpretation of new and existing ideas; data interpretation and the use and evaluation of new technologies. Often referred to as 'gold collar' professions, they represent another subdivision of the tertiary sector representing special and highly paid skills of senior business executives, government officials, research scientists, financial and legal consultants, etc. Their importance in the structure of advanced economies far outweighs their numbers.

Question 5.

Explain the similarities and differences between quaternary and quinary activities.

Answer:

In order to understand the similarities between the two, let us first look at their features:

Features of Quaternary Activities:

- These services are advanced and specialized economic activities and are concern mainly with information processing, research and development,
- Offer high income.

- These services are mainly concentrated in fast growing developed countries with specialized knowledge, technical skills, and administrative competence.
- It belongs to service sector that is knowledge oriented and can also be outsourced. They are not tied to resources, affected by the environment, or necessarily localized by market. Features of Quinary Activities:
- Quinary activities are the services that focus on the creation, re-arrangement and interpretation of new and existing ideas, data and technologies.

Question 6.

Differentiate the following:

- (a) Tertiary Activities and Secondary Activities.**
- (b) Rural Marketing Centres and Urban Marketing Centres**
- (c) Retail and Wholesale Trading Services**
- (d) BPO and KPO**
- (e) Communication and Telecommunication**

Answer:

- (a) Tertiary Activities and Secondary Activities:**

Tertiary Activities	Secondary Activities
(i) They rely more heavily on specialised skills, experience and knowledge of the workers	(i) They rely on the production techniques, machinery and factory processes.
(ii) They involve the commercial	(ii) They involve the production of

output of services.	tangible goods.
(iii) They are not directly involved in the processing of physical raw materials	(iii) They are directly involved in the processing of physical raw materials

(b) Rural Marketing Centres and Urban Marketing Centres:

Rural Marketing Centres	Urban Marketing Centres
(i) Rural marketing centre provide facility to nearby settlements.	(i) Urban marketing centre provide facility to wide services to large areas.
ii) Rural centres are mos,tly rudimentary type.	(ii) Urban centres offer specialised services.
(iii) Personal and professional services are developed in rural	(iii) They are highly developed in

centres.	urban centres.
(iv) They act as a local collecting and distributing centres.	(iv) They provide services beyond cities at national or international levels

(c) Retail and Wholesale Trading Services:

Retail Trading	Wholesale Trading
(i) Rural marketing centres provide facility to the nearby settlements	(i) This is the business activity concerned with the bulk selling of goods through merchants and the supply-houses.
(ii) Retailers act as intermediaries between wholesaler and customer	(ii) Wholesalers act as intermediaries between retail stores and manufacturers.

(iii) It is done through fixed stores-large shops as well as through non-stores-street peddling, door- to-door, mail-order, telephone, automatic vending machines and internet.	(iii) It is always through fixed place
(iv) Retailers generally do not give credit to their customers.	(iv) Wholesalers also give credit to retail stores.

(d) BPO and KPO:

BPO	KPO
(i) It stands for Business Processing Outsourcing.	(i) It stands for Knowledge Processing Outsourcing.
(ii) It is outsourcing of business	(ii) It is information driven

activities such as customer care.	Knowledge Outsourcing.
(iii) The BPO industry involves relatively less high skilled workers as compared to KPO.	(iii) The KPO industry involves more high skilled workers.
(I (iv) <i>BPO</i> enables companies to reduce cost and increase efficiency.	(iv) KPO enables companies to create additional business opportunities.
(v) Examples: data processing, accounting services, call centres and customer support.	(v) Examples: research and development (R and D) activities, e-learning, business research, intellectual property (IP), research, legal profession and the banking sector.

(e) Communication and Telecommunication:

Communication	Telecommunication
(i) It refers to the transmitting of messages, facts and ideas either by words-oral or written; or through body or para language.	(i) It refers to communication using electronic technology.
(ii) It can be in two forms—visual or audio. It has not made much progress.	(ii) It has made a great progress due to improvement in technology.
(iii) These were actually carried by hand, boat, animals, road, rail and air. Therefore, all lines of transport are also called lines of communication.	(iii) They are carried through satellites and has reduced time of communication from minutes to seconds and then to instantaneous.
(iv) It includes mail, telephonic	(iv) It includes radio, television,

conversations and face to face conversation.	newspapers, etc.
(v) It takes more time.	(v) It is less time consuming.
(vi) It is used for personal and business purposes.	(vi) It is used for marketing, public awareness and entertainment.

Question 7.

How is tertiary occupation helpful in promoting the economic development of a country? Explain it with four suitable examples.

Answer:

Tertiary activities include all kinds of services provided to people such as education, health, trade and transport,

- Tertiary occupation is important in modern economic development of the country. Advertising, recruitment and personnel training enhance the productivity and efficiency of the other activities and help them to maintain their significance role.
- Advanced services like finance, insurance, information gathering, management of information services, research and development now form the core of all economic activities.
- Modern means of transportation system has given free choice of location to industries. Quick and well developed means of transport have enabled industries to be located in any corner of the country.
- Advanced medical sciences, have increased the life span of humans. They will lead long and healthy life which form the

most important resources for the economic development of any country.

Question 8.

“ Services are very important aspect for economic development of a country”. Analyse the statement by explaining five components of a service sector.

Answer:

All types of services are special skills provided in exchange of payments. Health, education, law, governance and recreation etc. require professional skills. These services require other theoretical knowledge and practical training.

Major components of the service sectors:

- Finance
- Business sector
- Wholesale and Retail trading
- Transport and communication
- Government at different levels

Question 9.

What is medical tourism? Explain the scope of medical services for the overseas patients in India.

Answer: When medical treatment is associated with international tourism activities, it lends itself to what is commonly stated as medical tourism. India, Thailand, Singapore and Malaysia are the fast emerging countries of medical tourism in the world. The reasons responsible for this are as follows:

- The world class hospital located in the metropolitan cities ‘cater not patient all over the world.
- It brings the trend of outsourcing of medical tests and data interpretation, (iff) India has been performing certain medical services-ranging from reading radiology images, to interpreting magnetic resonance image (MRIs) and ultrasound tests.
- Outsourcing holds tremendous advantage for patient and it is focused on improving quality

Question 10.

Explain with examples the significance of service sector in modern economic development of the world.

Answer:

Services occur at many different levels. Some are geared to industry, some to people; and some to both industry and people, e.g. the transport systems. Low- order services, such as grocery, shops and laundries, are more common and widespread than high-order services or more specialized ones like those of accountants, consultants and physicians. Services *are provided to individual consumers who can afford to pay for them. For example the gardener, the launderers and the barber do primarily physical labour. Teacher, lawyers, physicians, musicians and others perform mental labour.

Service sector is well developed in regions where there is high technological and educational know how. There is an increase in international trade of services. Services once generated can be easily availed by many and provide high monetary value in terms of wages, service charges etc. As a country develops, more and more people shift to tertiary activities and the share of tertiary activities in the GDP is even faster. Service sector provides the most lump some amount of foreign exchange and income for the country. Therefore service sector is a major contributor in the modern economic development.

Multiple Choice Questions

Question 1.(i)

Which one of the following is a tertiary activity?

- (a) Farming
- (b) Trading
- (c) Weaving
- (d) Hunting

Answer:

- (b) Trading

Question 1.(ii)

Which one of the following activities is NOT a secondary sector activity?

- (a) Iron Smelting
- (b) Catching Fish
- (c) Making Garments
- (d) Basket Weaving

Answer:

- (b) Catching Fish

Question 1.(iii)

Which one of the following sectors provides most of the employment in Delhi, Mumbai, Chennai and Kolkata?

- (a) Primary
- (b) Secondary
- (c) Quaternary
- (d) Service

Answer:

- (d) Service

Question 1.(iv)

Jobs that involve high degrees and level of innovations are known as:

- (a) Secondary activities
- (b) Quaternary activities
- (c) Quinary activities

(d) Primary activities

Answer:

(c) Quinary activities

Question 1.(v)

Which one of the following activities is related to quaternary sector?

- (a) Manufacturing computers
- (b) Paper and Raw pulp production
- (c) University teaching
- (d) Printing books

Answer:

(c) University teaching

Question 1.(vi)

Which one of the following statements is not true?

- (a) Outsourcing reduces costs and increases efficiency
- (b) At times engineering and manufacturing jobs can also be outsourced
- (c) BPOs have better business opportunities as compared to KPOs.
- (d) There may be dissatisfaction among job seekers in the countries that outsource the job.

Answer:

(c) BPOs have better business opportunities as compared to KPOs.