

Class –X ECONOMICS

SECTORS OF THE INDIAN ECONOMY

Answer

Answer1:

- (i) has not
- (ii) tertiary
- (iii) organised
- (iv) large
- (v) natural
- (vi) independent

Answer2:

- (a) (iii) ownership of enterprises
- (b) (i) primary
- (c) (ii) all final goods and services
- (d) (iii) between 50 per cent to 60 per cent

Answer3:

	Problems faced by farming sector		Some possible measures
1.	Unirrigated land	(d)	Construction of canals by the government
2.	Low prices for crops	(c)	Procurement of food grains by government
3.	Debt burden	(e)	Banks to provide credit with low interest
4.	No job in the off season	(a)	Setting up agro-based mills
5.	Compelled to sell their grains to the local traders soon after harvest	(b)	Cooperative marketing societies

Answer4:

- (i) Tourist guide: He is appointed by the government, while dhobi, tailor and potter belong to the private sector.
- (ii) Vegetable vendor: His is the only profession that does not require a formal education.
- (iii) Cobbler: The rest are workers in the public sector, while his profession is part of the private sector.
- (iv) SAHARA Airlines: It is a private enterprise, while the rest are government undertakings.

Answer5:

Place of work	Nature of employment	Percentage of working people
In offices and factories registered with the government	Organised	15

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Own shops, office, clinics in market places with formal license	<u>Organised</u>	15
People working on the street, construction workers, domestic workers	<u>Unorganised</u>	20
Working in small workshops usually not registered with the government	<u>Unorganised</u>	<u>50</u>

The percentage of workers in the unorganised sector in this city is 70%.

Answer6: The classification of economic activities into primary, tertiary and secondary is useful on account of the information it provides on how and where the people of a country are employed. also this helps in ascertaining as to which sector of economic activity contributes more or less to the country's GDP and per capita income. If the tertiary sector is developing much faster than the primary sector, then it implies that agriculture is depleting, and the government must take measures to rectify this. The knowledge that the agricultural profession is becoming unpopular or regressive can only come if we know which sector it belongs to. Hence it is necessary to classify economic activities into these sectors for smooth economic administration and development.

Answer7: For each of the sectors that we came across in this chapter, one should focus on employment and GDP because these determine the size of a country's economy. A focus on employment and GDP helps determine two important things- per capita income and productivity. Hence, in each of the three sectors, employment rate and status as well as its contribution to the GDP help us understand how that particular sector is functioning and what needs to be done to initiate further growth in it.

Yes, the other issues which should be examined are –

- Balanced regional development
- Equality in income and wealth among the people of the country.
- How to eradicate poverty
- Modernization of technology
- Self-reliance of the country
- How to achieve surplus food production in the country.

Answer9: The tertiary sector different from other two sectors. This is because other two sectors produce goods but, this sector does not produce goods by itself. But the activities under this sector help in the development of the primary and secondary sectors. These activities are an aid or support for the production process. For example, transport, communication, storage, banking, insurance, trade activities etc. For this reason, this sector is also known as service sector.

Answer10: Disguised Unemployment is a kind of unemployment in which there are people who are visibly employed but are actually unemployed. This situation is also known as Hidden Unemployment. In such a situation more people are engaged in a work than required.

For example:

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- In rural areas, this type of unemployment is generally found in agricultural sector like – in a family of 9 people all are engaged in the same agricultural plot. But if 4 people are withdrawn from it there will be no reduction in output. So, these 4 people are actually disguisedly employed.
- In urban areas, this type of unemployment can be seen mostly in service sectors such as in a family all members are engaged in one petty shop or a small business which can be managed by less number of persons.

Answer11:

Open Unemployment	Disguised unemployment
When a country's labour force do not get opportunities for adequate employment, this situation is called open unemployment.	This is a kind of unemployment in which there are people who are visibly employed but actually they don't have full employment. In such a situation more people are engaged in a work than required.
This type of unemployment is generally found in the industrial sector of our country. This is also found among the landless agricultural labourers in rural areas.	This type of unemployment is generally found in unorganized sector where either work is not constantly available or too many people are employed for the same work that does not require so many hands.

Answer12: No, I do not agree with the statement that tertiary sector is not playing any significant role in the development of Indian economy. The tertiary sector has contributed vastly to the Indian economy, especially in the last two decades. In the last decade, the field of information technology has grown, and consequently, the GDP share of the tertiary sector has grown from around 40% in 1973 to more than 50% in 2003.

Answer13: The service sector in India employs the following two different kinds of people. They are:

- The people involved in the services that may directly help in the production of goods. For example, people involved in the transportation, storage, communication, finance etc.
- The people involved in such services that may not directly help in the production of goods e.g. teachers, doctors, barbers, cobbler's lawyers etc. They may be termed as ancillary workers means those who give services to the primary service providers.

Answer14: Yes, workers are exploited in the unorganized sector. This would be clear from the following points:

- There is no fixed number of working hours. The workers normally work 10 - 12 hours without paid overtime.
- They do not get other allowances apart from the daily wages.
- Government rules and regulations to protect the labourers are not followed there.
- There is no job security.
- Jobs are low paid the workers in this sector are generally illiterate, ignorant and unorganized. So they are not in a position to bargain or secure good wages.

→ Being very poor they are always heavily in debt. So, they can be easily made to accept lower wages.

Answer15: On the basis of employment conditions, the activities in the economy are classified into organized and unorganized sectors.

→ Organized Sector This sector covers those enterprises which are registered by the government and have to follow its rules and regulations. For example, Reliance Industries Ltd., GAIL etc.

→ Unorganized Sector It includes those small and scattered units which are largely outside the control of the government. Though there are rules and regulations but these are never followed here. For example, casual workers in construction, shops etc. In this sector there is no job security and the conditions of employment are also very tough.

Answer16: The employment conditions prevailing in the organised and unorganised sectors are vastly different. The organised sector has companies registered with the government and hence, it offers job security, paid holidays, pensions, health and other benefits, fixed working hours and extra pay for overtime work. On the other hand, the unorganised sector is a host of opposites. There is no job security, no paid holidays or pensions on retirement, no benefits of provident fund or health insurance, unfixed working hours and no guarantee of safe work environment.

Answer17: The objective of implementing the NREGA 2005 are:

→ To increase the income and employment of people.

→ Every state/region can develop tourism, regional craft, IT etc. for additional employment.

→ The central government made a law implementing the right to work in 200 districts.

→ NREGA aims to provide employment of 100 days. If it fails to do so, it will give unemployment allowances to the people.

Answer19:

	Well managed organisation	Badly managed organisation
Public Sector	Delhi Metro Rail Corporation	Air India
Private Sector	Reliance Mobile	Satyam

Answer20: A few examples of public sector activities are provision of water, electricity and some modes of transport. The government has taken these up because water and power are needed by everyone. If the work of providing electricity and water is left to private enterprises, the latter might exploit this opportunity and sell these at rates which the masses cannot afford. Hence, to ensure that basic amenities like water and power are available for all, the government supplies these at low and affordable rates.

Answer21: In the following ways Public sector contributes to the economic development of a nation:

→ It promotes rapid economic development through creation and expansion of infrastructure.

- It creates employment opportunities.
- It generates financial resources for development.
- It is ensuring equality of income, wealth and thus, a balanced regional development.
- It encourages development of small, medium and cottage industries.
- It ensures easy availability of goods at moderate rates.
- Contributes to community development i.e. to the Human Development Index (HDI) via health and educational services.

Answer22: The workers in the unorganised sector need protection:

- Wages: Labourers who are employed as repair person, vendor etc. do not have fixed income. They nearly manage to earn their living. They are not employed all through the year.
- Safety: Workers in unorganized sector are not provided with safe drinking water or clean environment. E.g. Working in mining, chemical industries is hazardous.
- Health: Leave not granted in case of sickness. Medical facilities are not offered, E.g. Construction workers.

Answer23:

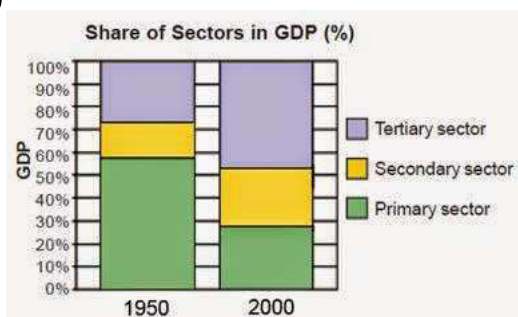
-	Organised Sector	Unorganised Sector	Total
No. of workers	4,00,000	11,00,000	15,00,000
Income (Rs)	32,000 million	28,000 million	60,000 million

It is clear that while a larger portion of workers is working in the unorganized sector, the per capita earning of those in the organized sector is more. The government should encourage the entrepreneurs in the unorganized sector to change them into the organized sector. Moreover, government should introduce some incentives so that more industries could be opened up in the organized sector.

Answer24:

- (i) In 1950, primary sector = 57.97%, secondary sector = 13.77%, tertiary sector = 28.26%
In 2000, primary sector = 27.33%, secondary sector = 24.37%, tertiary sector = 48.30%

(ii)



- (iii) We can draw the conclusion that the share of the tertiary sector in the GDP has almost doubled, while that of the primary sector has almost halved. The secondary sector has grown by about 10% in the last five years.