

Important Questions for Class 10 Economics

Chapter 2 – Sectors of the Indian Economy

1. Using examples, describe the distinctions between the primary, secondary, and tertiary sectors.

Ans:

- **Primary Sector:** This involves activities that directly extract natural resources from the Earth. Examples include farming, fishing, mining, and forestry. In these activities, raw materials are obtained directly from nature.
- **Secondary Sector:** This sector involves activities that transform raw materials into finished products. Examples include manufacturing industries like automobile production, textile manufacturing, and food processing. The raw materials obtained from the primary sector are processed or refined here.
- **Tertiary Sector:** This sector includes activities that provide services to individuals and businesses. Examples include healthcare, education, banking, transportation, and tourism. The tertiary sector does not directly produce goods but provides essential support and services.

2. In a school, pupils are frequently divided into junior and senior classes, or primary and secondary. Which criterion is applied here? Do you consider this classification to be helpful? Talk about it.

Ans:

Primary and Secondary Classification:

- **Primary:** Usually refers to younger students, typically from kindergarten or grade 1 to grade 5 or 6, depending on the educational system.

- Secondary: Refers to older students, generally from grades 6 or 7 to grades 10, 11, or 12, depending on the educational system.

Criteria Used for Classification:

- Age: Primary students are usually younger, often under 11 or 12 years old, while secondary students are typically older, ranging from 11 or 12 years onward.
- Curriculum and Educational Goals: Primary education focuses on foundational learning and basic skills, while secondary education builds upon this foundation with more specialized subjects and preparation for higher education or vocational training.

The usefulness of Classification:

- Advantages:
 - Developmentally Appropriate: Separating students based on age allows for developmentally appropriate learning experiences and social interactions.
 - Curriculum Differentiation: Differentiating primary and secondary education enables tailored curriculum and teaching methods suited to the cognitive and emotional development of students at each stage.
 - Preparation for Transitions: It prepares students for transitions between educational levels and helps educational institutions better cater to the specific needs of students at different stages.
- Challenges:
 - Individual Variability: Students within the same age group can vary widely in their academic abilities and maturity levels, which may not always align with the standardized age-based classification.
 - Rigid Structures: Strict division between primary and secondary education may limit flexibility in addressing individual learning needs and interdisciplinary approaches.

- Inclusivity: It may not accommodate students who require personalized educational pathways due to special educational needs or advanced learning capabilities.

3. Explain the working conditions and define the organised sector.

Ans:

- Employees in the organized sector are usually hired through formal contracts that specify terms of employment, wages, benefits, and working hours.
- There are set working hours defined by labour laws, typically around 8 hours per day and 48 hours per week, with provisions for overtime pay.
- Employers in the organized sector are required to provide a safe and healthy working environment for their employees. This includes measures to prevent accidents, provide necessary safety equipment, and ensure compliance with health standards.
- Employees in the organized sector often receive social security benefits such as provident fund (PF), gratuity, medical insurance, and pension schemes as mandated by labour laws.
- Workers in the organized sector are entitled to fair wages that are often regulated by minimum wage laws set by the government or through collective bargaining agreements.
- There is generally more job stability in the organized sector compared to the unorganized sector, with clearer career progression opportunities and avenues for skill development.

4. Describe what the service sector is.

Ans:

- **Definition:** The service sector refers to the segment of the economy that involves the provision of services rather than the production of tangible goods. These services are intangible and can range from basic services like retail and hospitality to more specialized services such as healthcare, education, finance, transportation, and information technology.
- **Explanation:** The service sector plays a crucial role in modern economies by fulfilling various needs and demands of individuals and businesses. Unlike the primary sector (which involves extraction and production of raw materials) and the secondary sector (which involves manufacturing and construction), the service sector focuses on activities that cater to the requirements of consumers or other businesses.

5. What does a nation's Gross Domestic Product (GDP) stand for?

Ans:

The Gross Domestic Product (GDP) of a country is a measure of the total monetary value of all goods and services produced within its borders during a specific period, typically annually or quarterly. It is used as a key indicator of the economic health and size of a country's economy.

6. What can be learned about the changes that have occurred across sectors from the history of industrialised nations?

Ans:

- Historically, there was a move from agriculture and farming to industrialisation during the 18th and 19th centuries. This shift involved using machines for manufacturing and growing cities with factories.

- Later, in the mid-20th century, there was a shift from industry to services. This change saw a decline in factory jobs due to automation and a rise in jobs in healthcare, finance, and technology services.
- Today, developed countries are moving towards a knowledge-based economy. This means focusing more on technology, innovation, and services like information technology and research.

7. Examine and contrast the alterations in India with the trend noted for developed nations. What kind of cross-sector reforms were anticipated but not realised in India?

Ans:

India has transitioned from agriculture to industry, though at a slower pace compared to developed countries, focusing on sectors like manufacturing and infrastructure. Similar to developed nations, there has been significant growth in services such as IT, healthcare, and finance. However, challenges persist, including a large informal sector and agricultural dependency, which have slowed the shift to higher-value activities. India aims to enhance manufacturing competitiveness, improve education and skills training, and develop infrastructure to support broader economic growth and modernisation.

8. Why is underemployment a cause for concern? How can employment for people be increased?

Ans:

- Underemployment poses significant concerns as it reflects inefficiencies in utilizing human capital, which can hinder economic growth and exacerbate income disparities.
- When individuals are employed below their skill levels or part-time when they seek full-time work, it reduces productivity and innovation potential in the economy.

- This situation also leads to lower wages, financial instability, and societal dissatisfaction.
- To increase employment opportunities, fostering economic growth through supportive policies for businesses and investment, improving education and skills training programs, supporting small enterprises, investing in infrastructure, implementing labour market reforms, and strengthening social safety nets are essential strategies. These efforts not only enhance workforce capabilities and productivity but also promote more inclusive economic growth, ultimately reducing underemployment and its negative impacts on individuals and society

9. In your opinion, what makes MGNREGA 2005 known as "Right to Work"?

Ans:

- MGNREGA provides a legal guarantee that rural households can demand and receive at least 100 days of wage employment in a financial year, primarily through unskilled manual work.
- By ensuring this right to work, MGNREGA aims to empower the rural poor, particularly marginalized communities and women, by providing them with opportunities for income generation and livelihood security.
- It serves as a social safety net by offering employment during seasons of agricultural unemployment or when alternative employment opportunities are scarce.
- The work undertaken under MGNREGA includes activities like water conservation, rural connectivity, and other forms of infrastructure development, contributing to rural development and enhancing agricultural productivity.
- The Act emphasizes transparency and accountability in its implementation, ensuring that wages are paid on time and work opportunities are provided as per the entitlement.

10. How will the provision of irrigation and marketing facilities to farmers boost their income and employment?

Ans:

- Providing farmers with irrigation and marketing facilities can significantly boost income and employment.
- Irrigation ensures a consistent water supply, enabling multiple cropping seasons and higher yields of quality produce.
- This leads to increased income through better market opportunities and reduced dependence on rain-fed agriculture.
- Improved marketing facilities reduce post-harvest losses, connect farmers directly to markets, and stimulate economic activities along the agricultural value chain, creating jobs in transportation, storage, processing, and retail sectors.

11. Describe how the Unorganised Sector operates.

Ans:

- The unorganized sector comprises small businesses and informal jobs that operate without formal registration or regulation.
- Workers in this sector often lack job security, receive irregular incomes, and face unsafe working conditions.
- They can be involved in activities like street vending, small-scale manufacturing, construction, and domestic services.
- Despite its challenges, the unorganized sector is vital for employment in many developing countries. Efforts to improve conditions typically focus on formalizing businesses, providing social protections, and enhancing worker rights to ensure fair treatment and better opportunities.

12. Explain why the value of final goods does not include intermediate items.

Ans:

- Intermediate goods are not considered in the value of final goods because they are intended for further processing or use in the production of other goods rather than being sold directly to consumers.
- The value of intermediate goods is already included in the final price of the goods or services they help produce.
- Including intermediate goods in the calculation of final goods' value would lead to double counting of their contribution to the economy, distorting economic measures such as Gross Domestic Product (GDP) and inflation.
- Therefore, to accurately reflect the value added at each stage of production and avoid duplication, intermediate goods are excluded from the valuation of final goods.

13. Why should the GDP and employment of each sector that we have discussed in this chapter be the main focus? Are there any other concerns that need to be looked into? Talk about it.

Ans:

- Each sector—primary, secondary, and tertiary—holds significance in economic analysis, primarily focusing on employment and Gross Domestic Product (GDP). The primary sector, encompassing agriculture and mining, is pivotal for rural employment and food security, with GDP metrics indicating its economic contribution and stability.
- In the secondary sector, which includes manufacturing and industry, employment data reflect urban job dynamics and skill development, while GDP growth highlights industrial expansion and economic diversification. The tertiary sector, comprising

services like healthcare and finance, employs a substantial workforce and drives urban growth, with GDP metrics showing consumer spending trends and economic shifts.

- Beyond employment and GDP, crucial issues across sectors include sustainability, environmental impact, technological advancement, infrastructure development, and global trade integration.
- These broader considerations are essential for ensuring balanced economic growth, addressing inequalities, and promoting sustainable development across all sectors of the economy.

14. What does the term "disguised unemployment" mean to you? Give an example from both the urban and rural areas to illustrate.

Ans:

1. **Urban Example:** In urban areas, a common example of disguised unemployment can be observed in informal street vending. Suppose ten vendors are selling similar goods in a busy market, but the market demand can only sustain five vendors profitably. The extra five vendors are engaged in street vending but are not contributing significantly to additional sales or productivity. Their presence represents disguised unemployment because the market could operate effectively with fewer vendors without affecting overall sales.
2. **Rural Example:** In rural areas, disguised unemployment is often found in agriculture. For instance, imagine a family farm where the entire family works together in the fields during the planting season. If the farm could operate just as effectively with fewer family members working, then those additional family members would experience disguised unemployment. Their labour is not adding to the farm's productivity beyond what is necessary, indicating surplus labour to the actual work needed to cultivate the land.

15. Differentiate between unemployment that is concealed and that is visible.

Ans:

- Open unemployment occurs when people actively seeking jobs cannot find work, while disguised unemployment happens when individuals appear employed but their contribution to productivity is minimal or redundant due to surplus labour in a sector.
- For example, an openly unemployed person may be actively looking for work without success, whereas a disguised unemployed individual might work on a family farm where their labour does not significantly increase output beyond what fewer workers could achieve.
- Addressing open unemployment often involves creating more jobs, while reducing disguised unemployment requires optimizing labour utilization in sectors with surplus workforce.

16. "The development of the Indian economy is not significantly aided by the tertiary sector." Do you concur? Provide evidence to back up your response.

Ans:

- **Contribution to GDP:** The tertiary sector is the largest contributor to India's GDP, accounting for over 50% of the economy. It reflects the country's shift towards a service-oriented economy, driving economic growth and diversification.
- **Employment Generation:** This sector employs a significant portion of India's workforce, providing jobs to millions in urban and rural areas. It has absorbed labour from agriculture and manufacturing, contributing to urbanization and income generation.
- **Foreign Exchange Earnings:** Services like IT and BPO (Business Process Outsourcing) contribute substantially to India's foreign exchange reserves through exports of software services and professional expertise.

- **Social Development:** Services such as healthcare and education are essential for human development and quality of life. They play a crucial role in improving health outcomes, enhancing literacy rates, and promoting social welfare.
- **Technological Advancement:** The tertiary sector drives innovation and technological advancements, particularly in IT and telecommunications, positioning India as a global hub for digital services and software development.

17. Provide evidence to support the claim that "if farmers are given irrigation and marketing facilities, income and employment will increase."

Ans:

1. **Increased Agricultural Productivity:** Irrigation facilities ensure consistent water supply, allowing farmers to cultivate multiple crops annually and improve crop quality. Higher yields and better-quality produce fetch higher prices in the market, thereby increasing farmers' income.
2. **Diversification of Crops:** With reliable irrigation, farmers can diversify their crops, choosing those that are more profitable or in higher demand. This diversification not only boosts income but also reduces dependency on traditional crops vulnerable to weather fluctuations.
3. **Market Access and Efficiency:** Improved marketing facilities such as storage, transportation, and market information systems help farmers sell their produce at competitive prices. Reduced post-harvest losses and direct market access further enhance income.
4. **Job Creation in Rural Areas:** Investments in irrigation infrastructure create employment opportunities directly in the construction, maintenance, and operation of irrigation systems. Improved market access stimulates economic activities in the transportation, processing, and retail sectors, creating additional jobs along the agricultural value chain.

5. **Economic Growth and Development:** Increased income among farmers leads to higher spending on goods and services in rural areas, stimulating local economies. This economic growth contributes to overall development, improving living standards and reducing poverty in rural communities.

18. The unorganised sector exploits its workers. Do you share this opinion? Provide evidence to back up your response.

Ans:

- Workers in the unorganised sector typically lack legal protections such as minimum wages, social security benefits, and safe working conditions. This leaves them vulnerable to exploitation by employers who may pay below minimum wage or subject them to unsafe working environments without recourse.
- Many jobs in the unorganized sector are informal, lacking formal contracts or job security. This uncertainty allows employers to hire and fire workers arbitrarily, often without providing adequate notice or compensation.
- Workers in sectors like construction, domestic work, and small-scale manufacturing often work long hours for low wages. The absence of regulation on working hours and overtime pay can lead to exploitation where workers are compelled to work excessive hours without proper compensation.
- Unorganised sector jobs frequently involve hazardous working conditions without proper safety measures. Workers may face risks such as exposure to chemicals, unsafe machinery, or physical strain, with limited access to healthcare or compensation for workplace injuries.
- Due to the scattered nature of employment and the absence of formal unions, workers in the unorganized sector often lack collective bargaining power. This makes it challenging for them to negotiate for better wages, working conditions, or benefits.

19. Provide a few instances of public sector initiatives and the rationale for the government's adoption of them.

Ans:

- **Healthcare Services:** Governments provide healthcare to ensure everyone can access affordable and quality medical care, promoting public health and well-being.
- **Education Sector:** Public education guarantees equal access to schooling and skill development, preparing a competent workforce and fostering societal growth.
- **Transport Infrastructure:** Governments build roads, railways, and public transit to boost economic activity, connect regions, and improve travel for citizens.
- **Social Welfare Programs:** Programs like unemployment benefits and housing subsidies reduce poverty and inequality, and provide support during economic hardships.

20. Describe the role the public sector plays in a country's economic growth.

Ans:

- **Infrastructure Development:** Public sector investments in infrastructure such as roads, railways, ports, airports, and utilities (electricity, water, sanitation) provide essential foundations for economic activities. Improved infrastructure enhances productivity, reduces transportation costs, and facilitates trade, thereby boosting economic growth.
- **Education and Healthcare:** Government expenditure on education and healthcare enhances human capital development. Accessible and quality education equips the workforce with the skills and knowledge necessary for productivity and innovation. Healthcare services ensure a healthy population, reduce absenteeism, improve labour productivity, and support overall well-being.

- **Employment Generation:** Public sector projects and services directly create jobs in construction, healthcare, education, public administration, and other sectors. This reduces unemployment, increases household incomes, and stimulates consumer spending, contributing to economic activity and growth.
- **Social Welfare Programs:** Social safety nets provided by the public sector, such as unemployment benefits, pensions, food subsidies, and housing assistance, reduce poverty, inequality, and social unrest. They stabilize household incomes, increase consumption levels, and support economic stability.

21. Identify the industry where all services and the majority of assets are owned by the government.

Ans:

- The sector in which the government owns most of the assets and provides all the services is typically referred to as the public sector.
- In this sector, government entities or state-owned enterprises (SOEs) own and manage assets such as infrastructure, utilities, and certain industries.
- They also provide essential services such as healthcare, education, transportation, social welfare programs, and public safety.
- The public sector plays a fundamental role in ensuring equitable access to basic services, promoting economic stability, and fulfilling national development objectives.

22. "The issue of underemployment is not unique to the agricultural sector." Provide instances to back up the statement.

Ans:

Manufacturing Sector:

- In manufacturing industries, underemployment occurs when workers are employed in jobs that do not fully utilize their skills or qualifications. For example, in small-scale manufacturing units, workers may be engaged in tasks below their potential due to limited production capacities or technological constraints.

Service Sector:

- Within the service sector, underemployment can be observed in informal jobs such as street vending or small service businesses. Workers in these roles may spend significant hours in employment but earn incomes that are insufficient to meet basic needs, indicating the underutilization of labour.

Urban Areas:

- In urban areas, underemployment is prevalent among educated youth who are unable to secure jobs commensurate with their qualifications. Many resort to part-time or low-paying jobs that do not utilize their skills effectively, leading to economic inefficiency and personal frustration.

Seasonal Employment:

- Industries like tourism or construction often experience seasonal fluctuations in demand, resulting in underemployment during off-peak seasons. Workers may face periods of reduced work hours or temporary layoffs, impacting their income stability and overall economic well-being.

Informal Sector:

- The informal sector, which includes activities like domestic work, street vending, and small-scale trading, frequently exhibits underemployment. Workers in this sector often

lack stable employment contracts, social security benefits, and access to formal training or skill development opportunities.

23. Describe three approaches to resolving the underemployment issue.

Ans:

Skills Development and Training:

- Providing vocational training and upskilling programs tailored to industry needs prepares workers for available jobs and new opportunities.
- Supporting entrepreneurship helps individuals create their jobs and contribute to economic growth.

Support for Labor-Intensive Sectors:

- Promoting sectors like agriculture and manufacturing that require more workers can reduce underemployment.
- Helping small businesses grow through financing and support boosts job creation.

Labor Market Reforms:

- Updating labour laws to balance worker protections and business needs encourages job creation.
- Introducing social safety nets like unemployment benefits ensures economic security and supports workers in uncertain jobs.
- Policies that help match job seekers with available jobs improve employment outcomes.