

Chapter 2: Sectors of the Indian Economy

NCERT · Class 10 · Social Science · Economics

Textbook exercises

Question 1

Fill in the blanks using the correct option given in the bracket:

- i. Employment in the service sector _____ increased to the same extent as production. (has/has not)
- ii. Workers in the _____ sector do not produce goods. (tertiary/agriculture)
- iii. Most of the workers in the _____ sector enjoy job security. (organised/unorganised)
- iv. A _____ proportion of labourers in India are working in the unorganised sector. (large/small).
- v. Cotton is a _____ product and cloth is a _____ product. (natural/manufactured)
- vi. The activities in primary, secondary, and tertiary sectors are _____. (independent/interdependent)

Solution

Ans:

- i. Has not
- ii. Tertiary
- iii. Organised
- iv. Large
- v. Natural
- v. Interdependent

Question 2

Choose the most appropriate answer.

- a. The sectors are classified into public and private sectors on the basis of:

- i. Employment conditions
- ii. The nature of economic activity
- iii. Ownership of enterprises
- iv. Number of workers employed in the enterprise
- iv. Informative technology
- iv. All intermediate and final goods and services
- iv. 70 percent

Solution

Ans: Option iii) ownership of enterprise

b. Production of a commodity, mostly through the natural process, is an activity in _____ sector.

- i. Primary
- ii. Secondary
- iii. Tertiary

Ans: Option i) Primary

c. GDP is the total value of _____ produced during a particular year.

- i. All goods and services
- ii. All final goods and services
- iii. All intermediate goods and services

Ans: Option ii) All final goods and services

d. In terms of GDP, the share of the tertiary sector in 2003 is _____

- i. Between 20 per cent and 30 per cent
- ii. Between 30 per cent and 40 per cent

iii. Between 50 per cent and 60 per cent**Ans:** Option iii) between 50 per cent and 60 per cent**Question 3****Match the following:**

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

Solution**Ans:**

S/N o.	Problems faced by farming sector	S/N o.	Some possible measures
1.	Unirrigated land	d.	Construction of canals by the government.
2.	Low prices for crops	c.	Procurement of food grains by the government.

3.	Debt burden	e.	Banks 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.

Question 4

Find the odd one out and say why.

i. Tourist guide, dhobi, tailor, potter

ii. Teacher, doctor, vegetable, vendor, lawyer

iii. Postman, cobbler, soldier, police constable

iv. MTNL, Indian Railways, Air India, SAHARA Airlines, All India Radio

Solution

Ans:

i. Tourist guide, appointed by the government.

ii. Vegetable vendor, since it does not require a formal education.

iii. Cobbler - workers in the public sector, his profession belongs to the private sector.

iv. SAHARA Airlines is a private enterprise, others are government undertakings.

Question 5

A research scholar looked at the working people in the city of Surat and found the following.

Place of work	Nature of employment	Percentage of working people
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In offices and factories registered with the government	Organised	15
Own shops, offices, clinics in the marketplace with formal licence	---	15
People working on the street, construction workers, domestic workers	---	20
Working in small workshops usually not registered with the government	---	---

Complete the table. What is the percentage of workers in the unorganised sector in this city?

Solution

Ans:

Place of Work	Nature of Employment	Percentage of Working People
In offices and factories registered with the government	Organised	15
Own shops, offices, clinics in the marketplace with formal licence	Organised	15
People working on the street, construction workers, domestic workers	Unorganised	20
Working in small workshops usually not registered with the government	Unorganised	---

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

Question 6

Do you think the classification of economic activities into primary, secondary, and tertiary is useful? Explain how.

Solution

Ans: Yes, classification of economic activities into primary, tertiary, and secondary is very much useful since it can give information on how and where the people of a country are employed.

It also helps in ascertaining, which sector of economic activity is contributing more or less in the GDP of the country and per capita income.

For example: Suppose if the tertiary sector is developing much faster compared to the primary sector, it means agriculture is depleting. We can observe that the agriculture profession is getting unpopular or regressive, if we classify economic activities for smooth administration as well as development.

Question 7

For each of the sectors that we came across in this chapter, why should one focus on employment and GDP? Could there be other issues which should be examined? Discuss.

Solution

Ans: Each sector should focus on employment and GDP since these determine the size of a country's economy. Focus on employment and GDP will definitely help in determining two important things, that is, per capita income and productivity.

So, in each sector, employment rate, status, and its contribution towards the GDP, which helps to understand how a particular sector is functioning and what can be done to initiate future growth.

Other related issues which need to be examined are as follows:

- Balanced regional development

- Equality in income and wealth among all the citizens of the country.
- Modernization of technology.
- How to eradicate poverty
- Self-reliance of the country
- To have surplus food production in India.

Question 8

Make a long list of all kinds of work that you find adults around you doing for a living. In what way can you classify them? Explain your choice.

Solution

Ans:

S/No.	Nature of work	Nature of activity	Sector
1	Bank Clerk	Tertiary	Organised
2	Freelancer cartoonist	Tertiary	Unorganised
3	Construction worker	Secondary	Unorganised
4	Doctor in AIIMS	Tertiary	Organised
5	DTC bus driver	Tertiary	Organised
6	Farmer	Primary	Unorganised
7	Guest house receptionist	Tertiary	Unorganised
8	Tailoring shop	Tertiary	Unorganised
9	Public sector factory supervisor	Secondary	Organised

We have classified them according to the nature of the activity and whether they are working in an organised or unorganised sector. This gives us information on how and where people are employed.

Question 9

How is the tertiary sector different from other sectors? Illustrate with a few examples.

Solution

Ans: The tertiary sector is different from the other 2 sectors because the other two sectors produce goods, the only difference is that this sector does not manufacture goods by themselves. The activities under this sector help in developing the primary and secondary sectors. These activities support the manufacturing process.

Example: communication, banking, storage, insurance, transport, trade etc. Hence, these are called the service sector.

Question 10

What do you understand by disguised unemployment? Explain with an example each from the urban and rural areas.

Solution

Ans: Disguised unemployment is when the people who are visibly employed but they are actually unemployed. This kind of situation is called Hidden Unemployment.

For example:

- In rural areas, this kind of employment is found in the agriculture sector, suppose in a family of 9 people everyone is engaged and doing work in the same agricultural area. If 4 people are removed from it, there will be no reduction in the result. Hence, these 4 people are actually disguisedly employed.
- In urban areas, this kind of unemployment can be seen in service sectors, for example, in a family where all the members are working in a small business which can be managed by a less number

of people.

Question 11

Distinguished between open unemployment and disguised unemployment.

Solution

Ans:

Open Unemployment	Disguised Unemployment
If a country's labour does not get an opportunity for adequate employment, this situation is called open unemployment.	In Disguised unemployment, people who are visibly employed but actually don't have full employment.
This type of unemployment is found in the industrial sector of our country. This is also among the landless agricultural labourers in rural areas.	It is generally found in the unorganised sector where work is not continuously available or many labourers are employed for the same amount of work.

Question 12

“Tertiary sector is not planning any significant role in the development of Indian economy”. Do you agree? Give reasons in support of your answer.

Solution

Ans: No, I don't agree with this statement. The tertiary sector has contributed immensely in the last two decades in the Indian economy. The information technology field has grown, and the GDP share of the tertiary sector has grown from 40% in 1973 to 50% in 2003.

Question 13

Service sector in India employs two different kinds of people. Who are these?

Solution

Ans: The service sector in India employs:

- The people who are there in this service may directly help in the production of goods. For example, people in transportation, storage, communication, finance etc.
- The people involved in these services are not directly helping in the production of goods. For example, teachers, doctors, barbers, cobblers, lawyers, etc. They are called ancillary workers which means that those who are giving their services to the primary sector providers.

Question 14

Workers are exploited in the unorganised sector. Do you agree with this view? Give reasons in support of your answer.

Solution

Ans: Yes, I agree workers are exploited in the unorganised sector:

- Having no fixed number of working hours. The workers work 10-12 hours without paid overtime.
- They do not get extra allowances apart from the daily wages.
- Government rules and regulations for the protection of labourers are not followed.
- No job security.
- Jobs are low paid and the workers in this sector are illiterate, ignorant, and unorganised.

Question 15

How are the activities in the economy classified on the basis of employment conditions?

Solution

Ans: On the basis of employment conditions, the activities in the economy are classified into organised and unorganised sectors.

- Organised Sector: This sector covers those enterprises that are registered by the government and have to follow rules and regulations. Example: Reliance, GAIL etc.
- Unorganised Sector: It consists of small and scattered units which are not in control of the government. They do not follow any rules and regulations made by the government. Example: Casual workers in construction, shops etc. There is no job security.

Question 16

Compare the employment conditions prevailing in the organised and unorganised sectors.

Solution

Ans: Employment conditions in the organised and unorganised sectors are quite different.

- The organised sector consists of companies registered under government, so it offers job security, paid holidays, pension, health and other benefits, fixed working hours and extra pay for overtime work.
- Unorganised sector is a host of opportunities, there is no job security as well.
- No paid holidays or pensions or retirement, no benefits of provident fund or health insurance, no fixed work timings and no guarantee of a hygienic work environment.

Question 17

Explain the objectives of implementing the NREGA 2005.

Solution

Ans: The objectives of implementing NREGA 2005 are listed below:

- a. To increase income and employment of people.

- b. Every state will be able to develop tourism, regional craft, IT etc.
- c. Central government made a law to implement, right to work in 200 districts.
- d. NREGA aims to provide 100 days of employment.

Question 18

Using examples from your area, compare and contrast the activities and functions of the private and public sectors.

Solution

Ans:

Public Sector:

- Public welfare is the main objective.
- It is managed as well as controlled by the government.
- It provides education, health, food, and security to the people like Indian railways, Post office, etc.

Private Sector:

- Maximum profit in terms of earning is the main objective.
- It is managed and controlled by an individual or group of individuals.
- It provides consumer goods to the people; Reliance, TISCO.

Question 19

Discuss and fill the following table giving one example each from your area.

	Well-Managed Organisation	Badly-Managed Organisation
Public sector		

Private sector		
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Solution

Ans:

	Well-Managed Organisation	Badly-Managed Organisation
Public sector	Delhi Metro Rail Corporation	Air India
Private sector	Reliance Jio Telecom	Satyam

Question 20

Give a few examples of public sector activities and explain why the government has taken them up.

Solution

Ans:

- Public sector activities, that is, provision of water, electricity, and modes of transport. The government has taken up this because water and power are needed by everyone.
- If we leave the work of providing electricity and water to the private companies, then the latter may exploit this opportunity.
- They may sell these at higher rates which the masses cannot afford.
- To make sure that all the basic amenities such as water and electricity are available for all, the government supplies all these at low and affordable rates.

Question 21

Explain how the public sector contributes to the economic development of a nation.

Solution

Ans: Public sector contributes to the economic development of a nation:

- It promotes rapid economic development by creating and expanding the infrastructure.
- It creates employment opportunities.
- It generates financial resources for development.
- It ensures equal income and wealth, hence a balanced regional development.
- It encourages the development of small, medium, and large industries.
- It ensures easy availability of goods at affordable rates.

Question 22

The workers in the unorganised sector need protection on the following issues: wages, safety, and health. Explain with examples.

Solution

Ans: Workers in the unorganised sector require protection in terms of wages. Labourers who are employed as vendors or repair men etc. do not have fixed income. They hardly get employed throughout the year.

- **Safety:** Workers in the unorganised sector are not provided with safe drinking water or a clean environment. Example: Working in mining, chemical industries is hazardous.
- **Health:** Leave is not granted if there is a health issue. Medical aid is not available, e.g., Construction workers.

Question 23

A study in Ahmedabad found that out of 15,00,000 workers in the city, 11,00,000 worked in the unorganised sector. The total income of the city in this year (1997-1998) was Rs 60,000 million. Out of this 32,000 million was generated in the organised sector. Present this data as a table. What kind of ways should be thought of for generating more employment in the city?

Solution

Ans:

	Organised Sector	Unorganised Sector	Total
Number of workers	4,00,000	11,00,000	15,00,000
Income (Rs)	32,000 million	28,000 million	60,000 million

- The larger portion of workers is working in the unorganised sector, the per capita earning of those in organised sector is more.
- The government should encourage the businessmen in the unorganised sector to change them into the organised sector.
- Government needs to bring some incentives so that more industries will be started in the organised sector.

Question 24

The following tables gives the GDP in Rupees (Crores) by the three sectors:

Year	Primary	Secondary	Tertiary
1950	80,000	19,000	39,000
2000	3,14,000	2,80,000	5,55,000

- Calculate the share of the three sectors in GDP for 1950 and 2000.
- Show the data as a bar diagram similar to Graph 2 in the chapter.
- What conclusions can we draw from the bar graph?

Solution

Ans:

i. In 1950,

Total share of sectors in GDP = $(8000+19000+39000) = 138,000$ crore

$$\text{Share of Primary sector} = \frac{80000}{138000} \times 100 = 57.97\%$$

$$\text{Share of Secondary sector} = \frac{19000}{138000} \times 100 = 13.76\%$$

$$\text{Share of Tertiary sector} = \frac{99000}{138000} \times 100 = 28.26\%$$

In 2000,

Total share of sectors in GDP = $(314000+280000+555000) = 1149000$

$$\text{Share of Primary sector} = \frac{314000}{1149000} \times 100 = 27.32\%$$

$$\text{Share of Secondary sector} = \frac{280000}{1149000} \times 100 = 24.36\%$$

$$\text{Share of Tertiary sector} = \frac{555000}{1149000} \times 100 = 48.30\%$$

ii. Bar graph

Bar Graph

iii. The conclusion drawn is that the share of the tertiary sector in the GDP has approximately doubled, the primary sector has halved. The secondary sector has increased by 10% in the last 5 years.
