

Sectors of the Indian Economy

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

Answer: The classification of economic activities into primary, secondary and tertiary is useful, as it helps to classify the different occupations that are taken up by the people in the country and how much each sector contributes to the growth of the country. It is also important because it helps in asserting that which sector contributes the most in the GDP and which sector has the scope to employ more people and increase the National Income.

2. 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.

Answer: Employment and GDP are two of the most important factors in the development of a country. Employment and GDP are used to calculate the overall productivity and National income of a country. If a country has a high employment rate, its GDP, National Income and per capita income will automatically increase. Hence, these are the two things which have been given major emphasis in this chapter.

Other issues which should be examined are as follows:

1. Health care facilities
2. Education
3. Poverty

4. Food Production

5. Nourishment

3. 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.

Answer: The activities performed by human beings for a living are classified into three sectors: primary, secondary and tertiary. When we see people around us, we can classify their employment sector in either of the three classifications. Activities like cleaning, agriculture, selling vegetables are examples of the primary sector. Manufacturing of goods is an example of the secondary sector. Teaching, mining, banking, transportation are all examples of the tertiary sector.

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

Answer: The activities that help in the development of the primary and secondary sectors are called tertiary activities. These activities are different from the primary and secondary sector activities. These activities, by themselves, do not produce a good but they are an aid or support for the production process. For example, goods that are produced in the primary or secondary sector would need to be transported by trucks or trains and then sold in wholesale and retail shops. These transportation facilities and shopkeepers come under the tertiary sector. They do not produce goods but play a very important role in selling and bringing those goods to the market.

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

Answer: The situation of underemployment, where people are apparently working but all of them are made to work less than their potential is called disguised unemployment. In this case, the person considers himself employed but is actually not working.

In rural areas, where agriculture is the main source of income, this kind of unemployment can be seen often. If a piece of land requires only three people to work on it and instead five people are working on it, then the two extra people are said to be in a situation of disguised unemployment.

In urban areas, disguised unemployment is seen when painters, plumbers, electricians are unable to find work on a daily basis and work way less than their potential.

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