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CLASS-10TH

(BASED ON N C E R T PATTERN) REVISION

DATE:- 15.07.21.

ECONOMICS

Sectors of the Indian Economy

Question 1.

With the example of sugarcane, explain the interdependence of all the three sectors of the economy.

Answer:

The primary sector involves production at the most basic level, i.e., through exploitation of natural resources. Cultivation of sugarcane is an agricultural activity which comes under the primary sector. Raw materials from the primary sector are converted into processed goods through manufacturing in the secondary sector. Using sugarcane as raw material, jaggery and sugar is made in the factories. The tertiary or service sector provides support to the process of production. It includes transportation, storage, marketing and sale of products. For instance, transportation of sugarcane from the fields to the sugar mills. Further on, the transportation of jaggery and sugar from factories and sugar mills to the markets.

The farmer (Primary sector) also needs fertilisers and seeds which are processed in some factory (Secondary sector) and which will be delivered to his doorstep by some means of transportation (Tertiary sector). In this way, for every little process there is interdependence of the three sectors of the economy on each other.

Question 2.

“The problem of underemployment is not confined only to agriculture”. Support the statement with examples.

Answer:

The problem of underemployment is not confined only to agriculture. It can also happen in other sectors.

- For example, there are thousands of casual workers in the service sector in urban areas who search for daily employment. They are employed as painters, plumbers, repair persons and other odd jobs. Many of them don't find work everyday.
- Similarly, we see other people of the service sector on the street pushing a cart or selling something where they may spend the whole day but earn very little. They are doing such work only due to the lack of better employment opportunities.
- The unorganised sector includes small and scattered units outside the government control. Employment is not secure. People can be asked to leave without any reason. When there is less work, such as during some seasons, some people may be asked to leave.

Question 3.

What are final goods and intermediate goods? How do they help in calculating (GDP) Gross Domestic Product?

Answer:

Final goods are goods that are ultimately consumed by the consumer rather than used in the production of another good.

Intermediate goods are goods used as inputs in the production of final goods and services. For example, a car sold to a consumer is a final good; components such as a tyre sold to the car manufacturer is an intermediate good. The value of final goods already includes the value of all intermediate goods that are used in making the final good.

The value of final goods and services produced in each sector during a particular year provides the total production of the sector for that year. And the sum of production in the three sectors gives the Gross Domestic Product (GDP) of a country. It is the value of all final goods and services produced within a country during a particular year.

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