



# Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10<sup>th</sup>

(Based on N C E R T pattern)

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ECONOMICS

## Sector of the Indian Economy

### Question 1.

Why do the modern governments spend a lot of money on different activities without earning profit ?

**Answer:**

**The reasons are as given below :**

**Welfare of the people :** The modern state is a welfare state that looks after the interests of its citizens. People pay different types of taxes and expect the government to follow policies for the welfare of the people. So, generally those activities which do not generate profit and are not taken up by the private sector, are taken up by the government or the public sector. Thus, services like Railways or Posts and Telegraphs are provided by the government.

**Large expenditure :** Some activities like construction of roads etc. need large sum of expenditure which cannot be borne by the private sector. So, the government takes up such activities in the interest of the people in a democracy.

**Some activities that need support of the government :** There are some activities that need support of the government in the form of subsidy such as provision of foodgrains for the poor through ration

shops. The government buys wheat, paddy etc. at a higher price but sells at a lower price at 'ration shops'. Such activities cannot be taken up by the private sector.

**Duty of the government :** It is the duty of the government to raise the standard of living of the people. It should make arrangements for quality education and health services in order to take care of the poorest of the poor and most ignored regions of the country. Thus, the government takes up various activities and spends a lot of money on them

### **Question 2.**

Name the sector that is the largest employer in India. Why does this sector produce only a quarter of the National GDP?

### **Answer:**

The agricultural sector (Primary) is the largest employer in India. Nearly 51% of the population is engaged in this section in one way or the other. However, its share in the national GDP is very less because of the following reasons.

- The average size of the land holdings is very low which results in low productivity per holder.
- Less use of modern technology and knowhow among the farmers to increase crop productivity.
- The systems of providing financing and marketing facilities have been insufficient since independence. The farmers are not able to get benefits from the loan facilities and access to large markets.

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