

ECONOMICS (CLASS—12)

INDIAN ECONOMY

1950–1990

Topic----- THE GOALS OF FIVE YEAR PLANS

Growth

This is the first and the most basic goal of an economic plan. Growth in terms of an economy focuses on the increase of the **Gross Domestic Product** (GDP) of the country. GDP is a way to measure the growth of an economy. Higher the GDP more the common public can benefit from the economic policies of the country. This economic growth actually happens due to an increase in the production capacity of a nation for either its goods or its services. This can be due to an influx of capital into the economy as well. The sector in which the growth is happening is also important. There are three basic sectors

like -- agricultural, industrial and service. Their respective contributions make up the structural composition of the GDP. For very many years India's primary focus was the agricultural sector. It was the main contributor to our GDP. And it also saw the highest growth rate in the few initial five year plans.

Modernisation

Modernisation refers to the integration of technology in the economy. Innovation, inventions, and advancement in technology play a huge part in upgrading our economy and increasing its output. One example would be the introduction of modern agricultural techniques, farmer can increase the output on the farm by using new seed varieties instead of using the old ones. Over the years, the Indian economy also saw a major boom in the IT industry due to modernization. Another aspect of modernization would be our

advancement as a society. Leaving behind discriminatory practices and pushing towards an equal, fair and modern society. For example, Similarly, a factory can increase output by using a new type of machine. Adoption of new technology is called Modernisation.

Assignment

- (1) What do you mean by the term Growth?**
- (2) What are the positive impact of high GDP on the economy or people?**
- (3) What are the modernise tools of agriculture?**
- (4) How IT sector influence the economy?**
- (5) What do you mean by Modernisation?**
- (6) Write the benefits of Modernisation.**

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(24-5-2020)