

Date:- 25/06/XX.

Economics

### The story of palampur

Question 1.

Define the meaning and aim of production.

Answer:

Production is the creation of value in a commodity, e.g., manufacturing of a car from steel.

Aim: The aim of production is to produce the goods and services that we want. There are four requirements for production of goods and services: Land, labour, physical capital and human capital.

Question 2.

Mention three characteristics of traditional method of farming,

Answer:

Traditional seeds with low yield were used.

Cow-dung and natural manures were used.

Less irrigation was required.

Question 3.

Explain the problems which arise due to unequal distribution of land.

Answer:

Economic Inequality: Unequal distribution of land leads to economic inequality.

Unemployment: It leads to unemployment.

Poverty and Hunger: Lack of economic opportunities leads to poverty and hunger.

Question 4.

Describe the role of human capital in the production process. Name two investment that can improve the quality of human capital.

Answer:

Human capital can be built only in the long run through education and training.

Human capital includes competent and trained people who put together land, capital and other factors of production to produce goods.

Question 5.

Farmers of which two states were the first to use modern farming methods in India? Mention any four positive effects of it. MOTS

Answer:

(i) The farmers of Punjab, Haryana and Western Uttar Pradesh were the first to use modern farming methods in India.

(ii) (a) Modern farming methods increased the productivity of land.

(b) It increases foodgrain production in the country.

(c) It brought the Green Revolution in the 1960s which resulted in high increase in the production of cereal grains, particularly, wheat and rice.

(d) It has played a very important role in food security.

(e) It has led to growth of agro-based industries.

Question 6.

Write any three differences between land and capital.

Answer:

<b>Land</b>	<b>Capital</b>
(i) It is a fixed factor of production.	It is a man-made factor of production.
(ii) It is a free gift of nature.	It is a man-made source of production.
(iii) Land varies in fertility.	It is of two types, i.e., fixed and working capital.

Question 7.

‘Capital is a basic need in agriculture.’ How is it arranged by Indian farmers? Explain.

Answer:

Most of the small farmers borrow money from the moneylenders or traders to arrange the capital.

The moneylenders and traders charge a high rate of interest from the farmers.

Medium and large farmers have their own savings from the farming.

They also get loans from the banks.

**Mr. Anant kumar**