

Sector of the Indian Economy

Previous Years' CBSE Board Questions

1. Choose the correct option to fill the blank. (2024)

Removing barriers or restrictions on business and trade set by the government is called as _____

- (a) Disinvestment
- (b) Special Economic Zones
- (c) Liberalisation
- (d) Foreign Direct Investment

Answer. (c) Liberalization

2. Which one of the following is an example of organized sector activities? (2024)

- (a) A farmer irrigating his field.
- (b) A handloom weaver working in her house.
- (c) A headload worker carrying cement.
- (d) A teacher taking classes in a government school.

Answer. (d) A teacher taking classes in a government school.

3. Differentiate between Public and Private Sector. (2024)

Answer. Differentiate between public and private sector.

Public Sector	Private Sector
i. The government owns most of the assets.	i. The ownership of assets is in the hands of private individuals or companies.
ii. Activities in the public sectors are guided by the motive towards the welfare of society.	ii. Activities in the private sectors are guided by the motive to earn profits.
iii. Railways or Post offices are some examples.	iii. Tata Steel, Reliance Industries are some examples.



Any other relevant point.

Any two points of differences to be explained.

Sectors of Economic Activities; Comparing the Three Sectors

MCQ

1. Which one of the following pair is correctly matched? (2023)
 - (a) Primary Sector - Fisherman
 - (b) Secondary Sector - Priest
 - (c) Tertiary Sector - Basket Weaver
 - (d) Quarternary Sector – Gardener
2. Which one of the following pairs is correctly matched? (2023)
 - (a) Primary Sector - Flower Cultivator
 - (b) Secondary Sector - Milk Vendor
 - (c) Tertiary Sector - Fisherman
 - (d) Manufacturing Sector – Gardener
3. Activities that help in the development of Primary and Secondary sectors come under which one of the following sectors? (Term-1, 2021-22)
 - (a) Primary
 - (b) Secondary
 - (c) Tertiary
 - (d) Quaternary
4. At the initial stages of development, which one of the following sectors was the most important of economic activity? (Term-1, 2021-22)
 - (a) Primary
 - (b) Secondary
 - (c) Tertiary
 - (d) Quaternary
5. Activities in which natural products are changed into other forms come under which one of the following sectors? (Term-1, 2021-22)
 - (a) Primary
 - (b) Secondary
 - (c) Tertiary
 - (d) Quaternary

6. The products received by exploiting natural resources come under which one of the following sectors? (Term-1, 2021-22)

- (a) Quaternary
- (b) Tertiary
- (c) Secondary
- (d) Primary

7. Which one of the following activities comes under 'Primary sector'? (2021 C)

- (a) Mining
- (b) Transport
- (c) Education
- (d) Storage

VSA (1 mark)

8. Distinguish between 'primary' and 'secondary' sectors. (Delhi 2019)

9. Why tertiary sector is also called the service sector? (2017,2014)

10. In which sector are natural products changed into form through ways of manufacturing? (2015)

11. A.T.M. is an example of which sector? (2015)

12. Which sector helps in the development of the primary and secondary sector? (2014)

13. In which sector is manufacturing included? (2014)

14. What do final goods and services mean? (2014)

SAI (3 marks)

15. "Tertiary sector activities help in the development of the primary and secondary sectors". Evaluate the statement. (2020)

16. "Primary sector was the most important sector of economic activity at initial stages of development." Evaluate the statement. (2020)

17. What historical changes have been brought about in the primary economy? (2017)

18. How are the three sectors of the economy different from each other? Explain. (2017)

19. Explain the meaning of tertiary sector. Mention any four economic activities of this sector. (2014)

20. Classify the economic sectors on the basis of nature of activities. Mention the main feature of each. (2014)

LA (5 marks)

21. Suggest any three measures through which underemployment in agriculture sector can be minimised. (2020)

22. "When a country develops, the contribution of primary sector declines and that of secondary and tertiary sector increases." Analyse the statement. (2015,2014)

Primary, Secondary and Tertiary Sectors in India; Division of Sectors as Organised and Unorganised

MCQ

23. Kanta works in an office. She gets her salary regularly at the end of every month. In addition to the salary, she also gets other benefits laid down by the government. In which of the following sector Kanta is working? (2023)

- (a) Organised Sector
- (b) Unorganised Sector
- (c) Primary Sector
- (d) Quarternary Sector

24. Which of the following organisation is providing data regarding employment in India? (2023)

- (a) National Statistical Office
- (b) Niti Aayog
- (c) National Informatics Centre
- (d) Public Service Commission

25. Which one of the following sectors contribute highest in the GDP of India? (2023)

- (a) Primary
- (b) Secondary

- (c) Tertiary
- (d) Quaternary

VSA (1 mark)

26. "Harita attends her office from 9:30 am to 5:30 pm. She gets her salary regularly at the end of every month. In addition to the salary, she also gets Provident Fund and other facilities as per the rules laid down by the Government." Identify the employment sector in which Harita is working. (2020 C) (2020)

27. Suggest any one measure for the development of any activity of 'Secondary Sector! (2017)

28. Mention any one feature of organised sector. (2017)

29. What do you understand by under employment?

30. When was Mahatma Gandhi National Rural Employment Guarantee Act implemented? (2016)

31. What is disguised unemployment? (2016)

32. State the meaning of under-employment. (2016)

33. In which sector is Seasonal and Disguised Unemployment most prevalent in India? (2016)

34. What is another name of underemployment? (2016)

35. Suggest any one way to solve under-employment situation in rural areas in India. (2016)

36. Mention any one factor responsible for the growth of service sector in the Indian economy. (2016)

37. Which sector has gained prominence over the last thirty years? (2016)

38. What does comprise the unorganised sector in rural areas? (2015)

39. Which communities generally find themselves in the unorganised sector?(2015)

SAI (3 marks)

40. Compare the employment conditions prevailing in the organised and unorganised sector. (2023)

41. Explain how 'Tertiary Sector' is different from other sectors. (2023)

42. How do the workers of organised sector receive the benefits of employment security? Explain with examples. (2021 C)

OR

Why do people prefer to work in an organised sector? Explain. (2015)

43. Why is the 'tertiary sector' becoming important in India? Explain any three reasons. (2020, Delhi 2019)

44. "All the services of the "service sector" are not growing equally well." Evaluate the statement. (2020)

45. Suggest any three ways to save workers of unorganised sector from exploitation. (2020)

46. What constitutes the unorganised sector in urban areas? Why do workers in this sector need protection? (2015)

47. Explain any three reasons for the primary sector to be the largest employer in India. (2015)

48. "The declining share of agriculture in the Gross Domestic Product (G.D.P.) is a matter of serious concern in India". Support the statement with any five reasons. (2015)

49. Explain the term 'unemployment'. What is disguised unemployment? (2014)

50. Why is NREGA also called the right to work? Explain. (2014)

LA (5 marks)

51. Read the source given below and attempt any 5 questions.

Take the case of Laxmi with her two-hectare plot of unirrigated land. The government can spend some money or banks can provide a loan, to construct a well for her family to irrigate the land. Laxmi will then be able to irrigate her



land and take a second crop. wheat, during the rabi season. Let us suppose that one hectare of wheat can provide employment to two people for 50 days (including sowing, watering, fertiliser application and harvesting). So two more members of the family can be employed in her own field. Now suppose a new dam is constructed and canals are dug to irrigate many such farms. This could lead to a lot of employment generation within the agriculture sector itself reducing the problem of underemployment.

(i) Which one of the following economic sectors is Laxmi related to?

- (a) Primary
- (b) Secondary.
- (c) Tertiary
- (d) Quaternary

(ii) Which one of the following categories of farmers is Laxmi related to?

- (a) Big
- (c) Marginal
- (b) Medium
- (d) Agricultural labourer

(iii) In which one of the following sectors is underemployment seen at the maximum?

- (a) Industry
- (b) Agriculture
- (c) Trade
- (d) Commerce

(iv) How does construction of dams and canals create employment in large numbers in rural areas?

- (a) Large number of engineers are needed
- (b) Large number of technicians are also required
- (c) Adjustment of large number of unskilled labourers
- (d) Executives and administrators can easily be adjusted

(v) Which one of the following is the main result of increasing irrigation facilities in the field of agriculture?

- (a) Increase in production
- (b) Increase in productivity
- (c) Change in cropping pattern
- (d) Promote high yielding of crops

(vi) Which one of the following means of irrigation generally comes under the



Public Sector? (Term-1, 2021-22)

- (a) Well
- (b) Tubewell
- (c) Tank
- (d) Canal

52. Compare the employment conditions of workers in the organised and unorganised sectors. (2017, 2016)

OR

Differentiate between organised and unorganised sector. (2015)

53. Describe any five provisions of 'National Rural Employment Guarantee' Act 2005. (2017)

54. Suggest any five measures to reduce the unemployment. (2016)

55. There has been a big change in the three sectors of economic activities, but a similar shift has not taken place in the share of employment. Explain the above statement on the basis of facts. (2015)

56. Suggest some ways which can be helpful in creating employment in rural areas. (2015) Ap

57. Why is agriculture the most labour absorbing sector in India? How does disguised unemployment make it worse? Explain with an example. (2014)

Sectors in Terms of Ownership: Public and Private Sectors

MCQ

58. In the question given below, there are two statements marked as Assertion(A) and Reason (R). Read the statements and choose the correct option:

Assertion (A): The Government of India buys wheat and rice from farmers at fair price.

Reason (R): Public sector contributes to the economic development. (2020)

- (a) Both A and R are true and R is the correct explanation of A.
- (b) Both A and R are true, but R is not the correct explanation of A.



- (c) A is true, but R is false.
- (d) A is false, but R is true.

VSA (1 mark)

- 59. How is Public sector different from Private sector? (2020)
- 60. How does public sector help in the development of a country? (2020 C, 2015)
- 61. TISCO and Reliance are owned by which sector? (2016)
- 62. What is the intention of the government in raising money through taxes? (2015)
- 63. Who has the ownership of the assets in the public sector? (2015)

SAI (3 marks)

- 64. Suggest any three ways to improve the condition of the public sector at grass root level. (2020) An
- 65. Distinguish between the public sector and the private sector. (2015)

OR

Classify the sector of economy on the basis of ownership. (2014)

LA (5 marks)

- 66. Highlight any five features of 'Public Sector: (AI 2019)
- 67. Explain why service sector is gaining more importance in the global economy. (2019, 2017)
- 68. How does public sector contribute to the economic development of a nation? Explain. (2019, 2014)
- 69. Describe the estimates of Planning Commission to create jobs in tourism and education. (2016)

CBSE Sample Questions

Sectors of Economic Activities; Comparing the Three Sectors (2022-23)

MCQ

1. Find the odd one out from the following options:

- (a) Tourist Guide, Barber, Tailor and Potter
- (b) Teacher, Doctor, Vegetable Vendor and Lawyer
- (c) Postman, Cobbler, Soldier and Police Constable
- (d) Indian Railways, Jet Airways, Doordarshan and Metro

2. Which one of the following is an example of Primary Sector activity? (Term-1, 2021-22)

- (a) Baking
- (b) Outsourcing
- (c) Farming
- (d) Banking

LA (5 marks)

3. Tertiary sector is playing a significant role in the development of Indian Economy'. Justify the statement. (2020-21)

Primary, Secondary and Tertiary Sectors in India; Division of Sectors as Organised and Unorganised

MCQ

4. Fill in the blank: (2022-23)

Sector	Criteria used
Primary, Secondary and Tertiary	Nature of economic activity
Organised & Unorganised	?

- (a) Nature of Employment activities
- (b) Nature of Social activities
- (c) Nature of Production activities
- (d) Nature of Political activities

5. According to 2017-2018 data, the share of different sectors in employment (percentage) in India was

Primary Sector-44%
Secondary Sector-25%
Tertiary Sector-31%

Out of the three sectors, why is the ratio of employment in Primary Sector high? Select the most suitable option from the following: (Term-1, 2021-22)

- (a) Workers in the Primary Sector are underemployed
- (b) Low job opportunities in Secondary Sector
- (c) Efforts of labour are not equivalent in all the sectors
- (d) Outsourcing of job opportunities in Secondary Sector

6. Which of the following examples falls under an organised sector? (Term-1, 2021-22)

- (a) A daily wage labourer working for a contractor
- (b) An engineer getting all employment benefits
- (c) A cleaning staff in a private school
- (d) A tailor stitching clothes at his home

7. A woman works at a sweet shop in her village on a contract basis and gets meagre salary after working the entire day. She doesn't get any holidays or paid leave, rather her employer deducts her salary whenever she is absent from work. Find out in which of the following sectors she is working. (Term-1, 2021-22)

- (a) Primary Sector
- (c) Organised Sector
- (b) Service Sector
- (d) Unorganised Sector

8. Mahatma Gandhi National Rural Employment Guarantee Act 2005 states a guarantee of minimum 100 days of employment per year. If government is unable to fulfil these 100 days of employment, the government would have to (Term-1, 2021-22)

- (a) Pay the compensation in lieu of these days
- (b) Provide another scheme for the same
- (c) Pay at least 1/3 percent allowance
- (d) Provide health care as compensation

VSA (2 marks)

9. In what ways, Government can increase employment in the rural sector? (2022-23)

SAI (3 marks)

10. 'Tertiary sector is different from other sectors! Justify the statement with suitable arguments. (2022-23)

Sectors in Terms of Ownership: Public and Private Sectors

LA (5 marks)

11. 'Public sector contributes to the economic development of India.' Justify the statement. (2020-21)

ANSWERS

Previous Years' CBSE Board Questions

1. (a): Primary sector - Fishermen.
2. (a): Primary sector - Flower cultivator.
3. (c): Tertiary sector generates services rather than goods. They promote primary and secondary sectors by providing expertise, finance, transportation, advertisement, etc.
4. (a): It has been noted from the history of many newly developed countries that at initial stages of development, primary sector was the most important sector of economic activity.
5. (b): Manufacturing industries are secondary activities. They change natural products into other forms.
6. (d): Primary sector
7. (a): Mining
8. When the economic activity depends mainly on exploitation of natural resource, then that activity comes under the primary sector. Agriculture and its related activities are the primary sectors of the economy, so farming is an example of primary sector activity. While the activities in which natural products are changed into other forms comes under secondary sector.



9. Tertiary sector is the sector which provides services, such as banking, selling, transportation, etc. These services actually help in proper functioning of the primary and secondary sectors.

10. Secondary sector

11. Service sector

12. Service sector

13. Secondary sector

14. It represents the total production/output of the sectors.

15. Transport, storage, communication, banking and trade are some examples of tertiary sector. Since, these activities generate services rather than goods, they promote primary and secondary sector by:

(i) Providing expertise and finance

(ii) They are helpful for advertisement and marketing.

(iii) Provide transportation and communication facilities.

16. Primary sector was the important sector of economic activity at the initial stages of development.

(i) It is concerned with the extraction of raw materials i.e., mining, fishing, farming, etc.

(ii) It gives employment to the large population.

(iii) It enables the workers to leave the agricultural sector and move to other secondary and tertiary sectors.

17. As new methods of manufacturing were developed manufacturing became important. Its first effects were felt in Europe and consequently in British India. Craftsmen and artisans found it difficult to sell their wares and were forced to return to agriculture leading to severe over-employment. The situation began to improve after India became independent. In 1972 the primary sector was the largest, contributing 45% of the GDP. In 2003 it came down to 25%. This was principally because the secondary and tertiary sectors were growing very fast. In 2017 the primary sector contributed just 17% to the GDP however, it still employs 53% of the Indian workforce. During this period the agricultural sector has seen major changes, such as: Two green revolutions leading more productivity by use of better seeds, fertilizers, etc.



Vast improvements in animal husbandry, fisheries, etc. Growth in food processing and allied field.

18. (i) Primary Sector: Activities undertaken by using natural resources, e.g. forestry, agriculture, fishing, etc.

(ii) Secondary Sector Activities include various manufacturing activities and adds utility to primary sector, e.g. cotton to cloth, Iron ore to Steel, etc.

(iii) Tertiary Sector: Includes all such activities which support primary and secondary sector by providing services, such as transportation etc.

19. Tertiary sector: These are activities that help in the development of the primary and secondary sectors. These activities, by themselves, do not produce a good but they are a support for the production process. Four economic activities of this sector are banking, transport, storage, communication etc.

20. Classification of economic sector on the basis of nature of activities are as follows:

(i) Primary sector: When we produce goods by exploiting natural resources, it is an activity of the primary sector, such as agriculture, dairy farming, fishing, forestry.

(ii) Secondary sector: In this, natural products are converted into other forms through manufacturing that we associate with industrial activity. The product is not produced by nature but has to be made and therefore, some process of manufacturing is essential. For example, using cotton fibre that we get from plant is spun and cloth is made.

(iii) Tertiary sector: It helps in the development of the primary and secondary sectors. They provide aid or a support for the production process. Transport, storage, communication, banking, trade are some examples of tertiary activities.

21. Underemployment is a situation where there is under-utilisation of labour, either they are not in job where they can use their skill or they do not get full time job. these methods may help to solve the problem of underemployment-

(i) One or two members of farmers family can work in the farms of big landlord and earn wages.

(ii) More irrigated facilities can be provided to grow two or three crops in a year.



(iii) By opening processing units of agriculture production, more employment opportunities can be created.

22. (i) In the initial stages of development, the primary sector was the most important sector of economic activity. As the methods of farming changed and agriculture sector began to prosper, people began to take up other activities.

(ii) New methods of manufacturing were introduced; factories came up and started expanding.

(iii) The secondary sector gradually became the most important in total production and employment.

(iv) With the development of areas like transport and administration, the service sector kept on growing. In the past 100 years, there has been a shift from the secondary to the tertiary sector in developing economies.

(v) The service sector has become the most important in terms of total production and employment. This is the general pattern observed in developed countries.

23. (a): Organised Sector

24. (a): National Statistical Office

25. (c): Tertiary

26. Organised sector

27. Development of secondary sector can be happen through:

(i) Adoption of new and advance technology.

(ii) Incentives to be provided by the government of promote secondary sector.

28. A worker is assured of regular work and regular salary and also other benefits.

29. It is the condition in which people in a labour force are employed at less than full-time or regular jobs or at

jobs inadequate with respect to their training or economic needs.

30. In the year 2005.

31. Disguised unemployment: A situation where labour that is employed in a job is not actually utilised for the production of goods and services.



32. Underemployment happens when the workers are working at less than their capabilities. The underemployment of workers is not reflected in official unemployment statistics because of the way they are compiled.

33. It is mainly in the agriculture sector (Primary sector).

34. Overstaffing or hidden unemployment

35. The government can spend money on development of infrastructure projects, such as construction of roads, canals, etc. The government can provide easy credit to people and encourage entrepreneurship.

36. As income level rose, certain section of the population started demanding many services like eating out, tourism, private hospital, etc. The rise of information and communication technology can be largely attributed to improvement in telecommunication and power sector.

37. Tertiary sector

38. Agricultural activities

39. Scheduled tribes, scheduled castes and backward communities

40. Employment conditions under :

(a) Organised sector

(i) Rules and regulations (labour laws) as proposed by the government are followed.

(ii) Formal processes and procedures are followed.

(iii) Security of employment to workers, who are employed for full time is ensured.

(iv) Working hours fixed, overtime is paid for extra hours of work.

(v) Workers get benefits like provident fund, gratuity, medical benefits, paid leave, etc.

(b) Unorganised sector

(i) Outside the control of the government laws.

(ii) Small and scattered units.

(iii) Rules and regulations are not followed

(iv) Low-paid and irregular jobs

(v) High degree of insecurity.

(vi) No provision for overtime, paid leave, holidays, etc.



41. Tertiary sector is different from other sectors because:

- (i) The activities of the tertiary sector help in the development of secondary and primary sectors.
- (ii) Tertiary sector activities do not produce goods by themselves, but they support or aid the process of production in other sectors.
- (iii) To help in the trade or production, credit would be required, hence the need to borrow from banks would arise, and communication through phones or letters are also a necessity to complete the processes involved in production and trade.
- (iv) After production, the need to store the produce in godowns or cold storage facilities will also arise.

42. People enjoy working in the organised sector as there is a proper and systematic way to get the work done from the employees. Benefits of organised sector:

- (i) People enjoy security of employment.
- (ii) Work for fixed hours.
- (iii) If they work more, they get overtime allowances.
- (iv) They are registered by the government and have to follow its rules and regulations which are given in various laws such as Factories Act, Shop Act etc. Examples are Reliance Industries Limited, Tata Motors etc.

43. Tertiary sector in India has been growing rapidly for a number of reasons. In the year 2013-14, the tertiary sector has emerged as the largest sector in India replacing the primary sector. The reason for the growth of the tertiary sector are as follows-

- (a) Basic services such as hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence, transport, banks, insurance companies, requires a large number of people to be engaged in these tertiary sector activities.
- (b) The growth of agriculture and industry leads to the development of services such as transport, trade and storage. The demand for these services increases when the primary and secondary sectors are well developed.
- (c) As the income rise certain sections of people start demanding many more services like eating out, tourism, shopping, private hospitals, private schools, professional training etc. We can see these changes in the big cities.

44. (i) Service sector in India employs many different kinds of people. At one end there are a limited number of services that employ highly skilled and educated workers, such as managers, lawyers, accountants, etc.

(ii) At the other end, there are a very large number of workers engaged in services, such as small shopkeepers, repair persons, transport persons. These people barely manage to earn a living and yet perform these services.

(iii) There is no alternative opportunity for them. Only a part of this sector is growing in importance. 45. Workers can be saved from unorganised sector possible in the following way:

(i) Social security to workers.

(ii) Support from Labour Ministry

(iii) Provide support for the conversion of unorganised sector to organised sector.

46. In the urban areas, unorganised sector comprises workers in small scale industry, casual workers in construction, trade and transport, etc. It also includes street vendors, head load workers, garment makers, rag pickers, etc. Workers in this sector need protection from over exploitation, different treatment because of belonging to SC and ST category.

47. Primary sector continues to be the largest employer because:

(i) Enough jobs have not been created by the secondary and tertiary sectors.

(ii) In the tertiary sector though the production has risen almost eleven times, the employment has grown only 3 times.

(iii) When people do not get employment they flock to the primary sector.

48. (i) Indian farmers are facing challenges from international competition.

(ii) Government is reducing investment in agricultural sector, especially irrigation sector.

(iii) Subsidy in fertilizers has decreased, leading to a rise in cost of production.

(iv) Reduction in import duties on agricultural products.

(v) Farmers are withdrawing their investment from agriculture causing a downfall in the employment in agriculture.

49. (i) Unemployment: When a person is willing to work at the prevailing wage rate but fails to get a job, it is called unemployment.

(ii) Disguised unemployment: When more people are working than required, it



is called disguised unemployment. Even if we remove a few people from the job, the process of production will not be affected.

50. NREGA is also called Right to Work:

- (i) It has been implemented in 200 poorest of the poor districts of India.
- (ii) NREGA guarantees 100 days of assured work to the people who are able and in need of work.
- (iii) If the government fails to provide work, it will provide unemployment allowances to the people.
- (iv) One-third of the jobs are reserved for women.

51. (i) (a) Laxmi works on agricultural land. It is a primary sector.

(ii) (b): A farmer cultivating 2 to 4 hectare is a medium farmer.

(iii) (b): More people are engaged in agriculture than needed. It is underemployment.

(iv) (c) L: labourers. Adjustment of large number of unskilled

(v) (c): Increasing irrigation has changed the cropping pattern of many regions with farmers shifting to water intensive and commercial crops.

(vi) (d): Canals are constructed and maintained by the government. It comes under Public Sector.

52. Employment conditions under:

(a) Organised sector

(i) Rules and regulations (labour laws) as proposed by the government are followed.

(ii) Formal processes and procedures are followed.

(iii) Security of employment to workers, who are employed for full time is ensured.

(iv) Working hours fixed, overtime is paid for extra hours of work.

(v) Workers get benefits like provident fund, gratuity, medical benefits, paid leave, etc.

(b) Unorganised sector

(i) Outside the control of the government laws.

(ii) Small and scattered units.

(iii) Rules and regulations are not followed

(iv) Low-paid and irregular jobs

(v) High degree of insecurity.

(vi) No provision for overtime, paid leave, holidays, etc.

53. Provisions of National Rural Employment Guarantee Act (NREGA), 2005 are:

- (i) It provides 100 days assured employment every year to each rural household.
- (ii) One-third of the proposed jobs are reserved for women.
- (iii) If an applicant is not employed within 15 days he/she is entitled to a daily unemployment allowance.
- (iv) The government have to establish Central Employment Guarantee Funds and state employment guarantee funds for the implementation of the scheme.
- (v) The scheme is to be extended to 600 districts.

54. To reduce unemployment there has to be a multi- prolonged action.

- (i) Planned development by accelerating industrialisation is the need of the hour. At the same time, work has to be done to stimulate demand of goods and services. This will create sustainable jobs in industrial sector.
- (ii) More employment opportunities in the rural areas needs to be created by processing farm produce and farm waste. Cooperative farming should be introduced for the benefit of small farmers. Villagers should be encouraged to develop allied activities, such as fisheries, aeries, etc., and cottage industries.
- (iii) To eliminate seasonal unemployment, projects should be planned accordingly. Allied economic activity should be arranged by providing micro-finance and community self- help in both rural and urban areas.
- (iv) Educational programs related to adaptive technology must be demonstrated in simple and implementable form. This will encourage entrepreneurial spirit amongst the people.
- (v) Self-employment schemes in services or small manufacturing, connected to the core activity in the rural/urban areas for the unemployed youth have to be launched to enable them to start their own business or small-scale firm, which can also generate employment for many others.

55. (i) Industrial output has increased by eight times but employment in the sector has increased only by 2-5 times.

- (ii) In the tertiary sector, the production of services rose by eleven times but employment in the services rose only by three times.
- (iii) More than half of the workers in the country are working in the primary sector producing only one quarter of the goods.
- (iv) Secondary and tertiary sectors produce three fourths of the produce



whereas, they employ only one quarter of the people.

(v) Primary sector has disguised employment whereas workers in secondary and tertiary sectors work overtime.

56. Some ways to increase employment in rural areas are:

(i) Construction of new dams and canals- Constructing dams, canals or digging wells in villages. This would serve the needs of farmers for irrigation and people engaged in such construction activity would gain employment.

(ii) Development in transport facility by government and creating storage facilities of farm produce in rural areas.

(iii) Credit from local banks, so that crops can be grown every year.

(iv) Agro-based industries can be set up in rural areas or semi-rural belts.

(v) Making provisions for education and health services in rural belts can also result in employment.

57. (i) Agriculture is the most labour absorbing sector in India because the secondary and tertiary sectors have failed to provide more employment.

(ii) Disguised unemployment is generally found in agriculture sector. People engaged in farming are generally more than required. Though it seems that they are working in the cultivation of land, but actually they are partly employed.

(iii) For example: A farmer who has a land of three hectare, which requires only two persons for farming related to work, but all the seven family members are engaged in it. If five persons out of them are withdrawn from the job, the total production will not fall. Therefore, five persons will come under the category of disguised unemployment.

58. (b): Both A and R are true, but R is not the correct explanation of A.

59. Public sector is controlled by Government whereas private sector is under the control of individual or a firm.

60. Public sector invests in key sectors, such as health, education, defence

61. Private sector

62. Government raises money through taxes to meet the expenses of the various services rendered by it.

63. The Government



64. Reforms to improve public sector:

- (i) More investment by Government at grass root level.
- (ii) More banks and cooperatives.
- (iii) Infrastructural development at grass root level.
- (iv) Health and education profits at grass root level.

65. On the basis of ownership sectors can be classified as public sector and private sector

- Public sector
- (i) The government controls the assets and provides the services.
 - (ii) The purpose of the public sector is not just to earn profits. Government raises money through taxes to invest on the services rendered by it.
 - (iii) Railways or post office is an example of the public sector.
- Private Sector:
- (i) Ownership of assets and delivery of services is in the hands of private individuals or companies.
 - (ii) Activities in the private sector are guided by the motive to earn profit. To provide such services the companies invest their own money or raise it from the public.
 - (iii) Tata Iron and Steel Company (TISCO) or Reliance Industries Ltd. (RIL) are examples of private sector.

66. The features of the public sector can be enumerated as follows:

- (i) Some projects need spending of large sums of money, which is beyond the capacity of the private sector. Collecting money from thousands of people who use these facilities is not easy. This is seen in various public conveniences.
- (ii) In certain cases of national security such as the defense forces, only the public sector can be trusted. Large scale operations of governing the banks and management of money circulation can only be done by the public sector.
- (iii) Even if they do provide these things the private sector is more likely to charge a high rate for their use. Examples are construction of roads, bridges, railways, harbors, metro rail, providing irrigation through dams etc.
- (iv) Only the governments can undertake such heavy spending and ensure that these facilities are available for everyone. There are some activities, which the government has to support.
- (v) In some cases, the government subsidizes the goods that are meant for the poor. This includes cooking gas, fertilisers, irrigation, electricity in rural sector



support purchase price of farm produce, primary education and medical care etc.

67. Tertiary sector in India has been growing rapidly for a number of reasons:

(i) In a developing country, the government has to take the responsibility for the provision of basic services for example, hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence, transport, banks, insurance companies, etc.

(ii) The development of agriculture and industry leads to the development of services, such as trade, transport, storage, etc. Greater the development of the primary and secondary sectors, more would be the demand for such services.

(iii) As income levels rise, certain sections of people start demanding many more services, such as eating out, tourism, shopping, private hospitals; private schools, professional at training, etc. This change was quite sharp in cities, especially in big cities.

(iv) Over the past decade or so, certain new services, such as those based on information and communication technology have become important and essential.

(v) Government policy of privatisation has also led to growth of this sector.

(vi) A large number of workers are engaged in services, such as small shopkeepers, repair persons, transport persons, etc.

(vii) However, the entire sector has not grown. Large numbers of people engaged as construction workers, maids, peons, small shopkeepers, etc. do not find any change in their life.

68. Public sector undertakes various activities which are important for the development of the public in general and also which require huge amount of investment.

(i) It promotes rapid economic development through creation and expansion of infrastructure in underdeveloped areas.

(ii) It creates employment opportunities through its various projects.

(iii) It generates financial resources for economic and social development.

(iv) It ensures a balanced regional development.

(v) It encourages development of small, medium and cottage industries as ancillaries.

(vi) It ensures easy availability of goods at moderate rates.



(vii) It contributes to community development by providing health and educational services.

69. Regarding jobs in schools:

(i) Planning Commission estimates that nearly 20 lakh jobs can be created in education sector alone.

(ii) For more children to attend school, more teachers and more infrastructure will be required. Regarding jobs in Tourism:

(i) Planning Commission estimates that nearly 35 lakh jobs can be created in tourism sector.

(ii) Regional Crafts and Cottage industry can also create jobs.

(iii) New services, such as IT also are job generators.

CBSE Sample Questions

1. (d): Indian Railways, Jet Airways, Doordarshan and Metro.

2. (c): When the economic activity depends mainly on exploitation of natural resource, then that activity comes under the primary sector. Agriculture and its related activities are the primary sectors of the economy, so farming is an example of primary sector activity. (0.80)

3. (i) Basic services: Services such as hospitals, educational institutions, post and telegraph services, transport, banks, insurance companies, are in this group. (5 x 1)

(ii) Development of primary and secondary sector: The development of agriculture and industry leads to the development of services such as transport, trade and storage.

(iii) Rise in income levels: As income levels rise, certain sections of people start demanding many more services like eating out, tourism, shopping, private hospitals, private schools and professional training centres.

(iv) Rise in information technology: Over the past decade or so, certain new services, such as those based on information and communication technology have become important and essential.

(v) Globalisation: Due to globalisation, people have become aware of new services and activities, and communication because of which the tertiary sector has gained importance.

4. (a): Nature of Employment activities (1)



5. (a): There are more people in primary sector than is necessary. So, even if we move a few people out, production will not be affected. Workers in primary sector are generally underemployed. (0.80)

6. (b): Organised sectors are those enterprises which have regular terms of employment and assured work. They are registered by the government and have to follow rules and regulations, So in the given options an engineer getting all employment benefits fall under the organised sector. (0.80)

7. (d): Woman is working in an unorganised sector. The unorganised is characterised by small and scattered units which are largely outside the control of the government. (0.80)

8. (a): If government is unable to fulfil these 100 days of an employment, they would have to pay the compensation in lieu of these days. (0.80)

9. Ways to increase employment in rural areas are:

(i) Construction of new dams and canals- Constructing dams, canals or digging wells in villages. This would serve the needs of farmers for irrigation and people engaged in such construction activity would gain employment.

(ii) Development in transport facility by government and creating storage facilities of farm produce in rural areas.

(iii) Credit from local banks, so that crops can be grown every year.

(iv) Agro-based industries can be set up in rural areas or semi-rural belts.

(v) Making provisions for education and health services in rural belts can also result in employment.

(Any two points to be explained) (2×1)

10. Tertiary sector is different from other two sectors because,

(i) It does not provide or produce goods.

(ii) It provides services, such as transport, I.T. communications, etc.

(iii) It is the backbone of all the sector.

(iv) As primary and secondary sectors develop, the requirement of services increases.

(Any three) (3x1)

11. (i) It promotes rapid economic development through creation and expansion of infrastructure.



- (ii) It creates employment opportunities.
 - (iii) It generates financial resources for development.
 - (iv) It is ensuring equality of income, wealth and thus, a balanced regional development.
 - (v) It encourages development of small, medium and cottage industries.
 - (vi) It ensures easy availability of goods at moderate rates.
 - (vii) Contributes to community development, Human Development Index i.e., health and educational services.
- (Any five to be pointed.) (5 x 1)