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Current Challenges Facing Indian Economy

Fastrack Revision

Human Capital Formation

- ▶ **Human Capital:** It refers to the stock of skill, ability, expertise, education and knowledge in a nation at a point of time.
- ▶ **Physical Capital:** It refers to the inputs which are required for further production such as machine, tools and implements factory buildings, etc.
- ▶ **Human Capital Formation:** It is the process of acquiring and increasing the number of persons who have the skill, education and experience which are essential for the economic and political development of a country.

Knowledge BOOSTER



The main aim of human capital formation is to make the human beings in a nation more productive.

▶ How People become Resource

- ▶ **Expenditure on Education:** It is an important source of human capital formation. Education converts an unskilled person into a skilled person. Education helps in raising standards of living of the people. It helps in increasing GDP and economic development of the country.
- ▶ **Expenditure on Health:** It is an important source of human capital formation. When a person possesses good health then he becomes more efficient and more productive for the economy. He is able to contribute more to GDP. Expenditure on health helps in the economic development of the country.
- ▶ **On the Job Training:** It is also an important source of human capital formation. When on the job training is given to the worker then he develops specialised skills. His efficiency and productivity increases. It helps in the economic development of the country.
- ▶ **Migration:** It is also an important source of HCF. Migration helps in fuller utilisation of those people who have skill and expertise but are not able to get a job at their native place. This increases the efficiency and productivity and helps in economic development of the country.
- ▶ **Expenditure on Information:** People spend to obtain information about different labour market, job opportunities, etc. This is obtained through internet, magazines, journals, etc. Expenditure on acquiring these information is also a source of capital formation.

▶ Importance of Human Capital Formation

- ▶ **Innovative Skills:** Human capital formation helps to develop innovative skills in the country, larger the number of scientists, trained workers, skilled workers, etc., greater the possibilities of innovations in the country. For Example, Chandrayaan-2 is an innovation in the country.
- ▶ **Higher Productivity of Physical Capital:** It helps in obtaining higher productivity of physical capital. The specialised engineers and skilled workers are able to handle machines better than others. This enhances productivity and accelerates the pace of growth. For Example, Metro Rail Engine is driven by skilled driver.
- ▶ **Higher Rate of Participation and Equality:** Due to human capital formation people become trained, skilled etc. As a result of this, they are able to get employment in the country. There is no gender bias as male or female. It leads to an increase in the participation rate in the process of the country.
- ▶ **Change in Emotional and Material Growth:** Due to human capital formation, there is a change in emotional and material environment in the country. Emotional change means a change in attitude and aspirations of the people in order to achieve growth and development. Material environment changes means implementation of plans and programmes with the help of trained and skilled workers in order to achieve growth and development in the country.
- ▶ **Role of Human Capital Formation in Economic Development:** It contributed towards economic development by stimulating innovations and inventions in the country and by enabling human resources to understand changes in scientific advancements.
- ▶ **Growth of Education Sector in India**
 - ▶ **Elementary Education:** Efforts made by Government (a) Sarva Shiksha Abhiyan (SSA), (b) Mid-day Meals Plan, (c) Kasturba Gandhi Balika Vidyalaya Scheme.
 - ▶ **Secondary Education:** (a) Navodaya Vidyalaya, (b) Kendriya Vidyalaya, (c) National Council of Educational Research and Training, (d) Vocationalisation of Secondary Education.
 - ▶ **University and Higher Education:** (a) IGNOU, (b) Academic Staff College.
 - ▶ Technical, Medical and Agriculture Education.
 - ▶ Rural Education
 - ▶ Adult and Continuing Education

- ▶ **Defects of Education System:** (i) Wide Spread Illiteracy, (ii) Low rural access level, (iii) Low enrolment ratio, (iv) Dropouts, (v) Privatisation, (vi) Unbalanced Development, (vii) Disparities in Educational Development, (viii) Defective Examination System.
- ▶ **Measures to Reform Educational System:** (i) Extension of Primary Education, (ii) Control over higher education, (iii) Encouragement to female education, (iv) Encouragements to education system, (v) Employment oriented education, (vi) Increase in government expenditure on education, (vii) Control over political interference.
- ▶ **Problems or Challenges faced by Human Capital Formation**
 - ▶ **Rising Population or Population Explosion:** Due to a rapid increase in population, the existing facilities such as housing water supply, power, education, are reduced the quality of life has become low. Thus, this leads to a fall in capacity to acquire specialised skill and knowledge.
 - ▶ **Brain-Drain:** Another problem faced by Human Capital Formation is brain-drain. Due to brain-drain, the talented, skilled, competent, scientist, doctors, engineers, etc., are shifted from India to other developed countries of the world. It is so because they get better salary and better facilities in other developed countries of the world. This slow down the process of Human Capital Formation in country.
 - ▶ **Low Academic Standards:** In India many universities have been opened. Due to this, we have a large army of half baked graduates and post graduates in the country. They do not have proper skills and they are less efficient and productive. As a result of this, India's competitiveness in the international market of human capital is quite low.
 - ▶ **Improper Manpower Planning:** In India there is no proper efforts have been made to maintain the demand and supply balance of labour force in the country. It is a serious problems of human capital formation in the domestic economy. The improper manpower planning leads to the wastage of human power of human skill.



Practice Exercise

Multiple Choice Questions ↘

- Q 1. Following is the source of human capital formation:**
- Investment in education
 - Investment in health
 - Expenditure on the job training
 - All of the above
- Q 2. The development of human capital formation requires:**
- | | |
|---------------|--------------|
| a. Discipline | b. Honesty |
| c. Education | d. Mortality |
- Q 3. As per Census 2011 data, which of the following states has the lowest literacy in India?**
- | | |
|-------------|----------------------|
| a. Bihar | b. Arunachal Pradesh |
| c. Nagaland | d. Sikkim |
- Q 4. Which of the following is not the role of on-the-job training?**
- Eradicates inequality
 - Encourages innovation
 - Promotes modern methods
 - Enhances productivity
- Q 5. In India, which of the following organisation regulates the standard for higher education?**
- | | |
|----------|------------------|
| a. ICMR | b. UGC |
| c. AICTE | d. None of these |
- Q 6. Which of the following regulates the technical educational of the country?**
- | | |
|----------|---------|
| a. NCERT | b. ICMR |
| c. AICTE | d. UGC |
- Q 7. Mr Ramanpreet has started a new business venture, she intends to spend a huge amount towards 'on-the-job training' of her workers before putting them to work. It exhibits the right step in the direction of Human Capital Formation.**
- Spot which of the following does not directly contributes to the process of human capital formation by Ms Ramanpreet.** (CBSE SQP 2021, Term-1)
- Adds skills and expertise
 - Improves efficiency
 - Ensures gender equity
 - Increases output productivity
- Q 8. Identify the incorrect statement from the following:**
- Human capital represents enhanced labour productivity. (CBSE 2021, Term-1)
 - Investment in human capital enhances efficiency and skills, implying economic growth.
 - Human capital is separable from its owner.
 - Human capital treats human beings as a means to an end.
- Q 9. Which of the following statement is not false?** (CBSE 2021, Term-1)
- Higher education takes a major share of the total educational expenditure in India.
 - No education cess has been imposed by the Government of India.
 - Educational achievements in a country are indicated in terms of adult literacy level only.
 - Expenditure per student at tertiary level is higher than that of elementary level of education.



- Q 10. Which of the following factor cannot be termed as physical input?
 a. Machinery
 b. Tools and Equipment
 c. Knowledge
 d. Computer and Electronics

- Q 11. Identify, which of the following are associated with the problem of human capital formation in India?
 (CBSE 2023)

- (i) Brain-drain
 (ii) Low academic standards
 (iii) Rising population
 (iv) Changes in social outlook

Alternatives:

- a. (i) and (ii) b. (ii) and (iii)
 c. (i), (ii) and (iii) d. (i) and (iv)



Statement Based Questions

- Q 12. Read the following statements carefully:
 Statement I: On-the-job trainings help to bridge a gap between theoretical concepts and practical experiences.

Statement II: On-the-job trainings update the employees, with the latest changes in their work field.

In the light of the given statements, choose the correct alternative: (CBSE SQP 2022-23)

- a. Statement I is true and statement II is false.
 b. Statement I is false and statement II is true.
 c. Both statements are true
 d. Both statements are false

- Q 13. Read the following statements carefully:
 Statement I: Expenditure on migration is a source of human capital formation.

Statement II: Migration to other countries involves the cost from one place to another and higher cost of living in the migrated places.

In the light of the given statements, choose the correct alternative:

- a. Statement I is true and statement II is false
 b. Statement I is false and statement II is true
 c. Both statements are true
 d. Both statements are false



Fill in the Blank Type Questions

- Q 14. Benefits of physical capital accrue only to private entities, whereas human capital provides private as well as benefits. (CBSE 2023)

(Fill up the blank with correct alternative)

- a. profitable b. social
 c. fiscal d. monetary

- Q 15. Sarva Shiksha Abhiyan was launched in
 (Choose the correct alternative to fill up the blank)
 a. 2010 b. 2011 c. 2001 d. 2014

- Q 16. Right to Education Act become operational In
 (Choose the correct alternative to fill up the blank)
 a. 2010 b. 2011 c. 2001 d. 2014

- Q 17. is a regulatory body in health sector.
 (Choose the correct alternative to fill up the blank)
 a. IMCR b. AICTE c. ICMR d. NCERT

- Q 18. designs text material up to the senior secondary level in India.
 (Choose the correct alternative to fill up the blank)
 a. IMCR b. NCERT c. AICTE d. ICMR

- Q 19. makes rules and regulations for technical education in the country.
 (Choose the correct alternative to fill up the blank)
 a. IMCR b. NCERT c. AICTE d. ICMR

- Q 20. The National Literacy Mission was launched in 1988 and was recast as 'Saakshar Bharat' in September
 (Choose the correct alternative to fill up the blank)
 a. 2008 b. 2004 c. 2010 d. 2009



True/False Type Questions

- Q 21. Human capital refers to tangible things. It can be seen or touched.

- Q 22. Due to brain-drain the talented, skilled, competent, scientists, doctors, engineers, etc., are shifted from America to India. It is so because they get better salary and better facilities in India.

- Q 23. NCERT regulates the technical educational of the country.

- Q 24. Physical capital is inseparable from its owners.

- Q 25. Human development is based on the idea that education and health are integral to human well-being.

- Q 26. Human Capital and Human Development are one and the same thing. (CBSE SQP 2022-23)

- Q 27. India has a poor stock of technical manpower. (CBSE SQP 2022-23)

- Q 28. Higher productivity and production are the outcome of investment in human resources. (CBSE 2023)

- Q 29. Rising population is not the cause for quality of human capital formation. (CBSE 2023)



Match the Column Type Questions

- Q 30. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Preventive medicine	1. Medical intervention during illness
B. Curative medicine	2. Vaccination
C. Social medicine	3. Spread of education literacy

- A B C A B C
 a. 1 2 3 b. 3 2 1
 c. 2 1 3 d. 2 3 1

Q 31. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Source of human capital	1. Border aspect
B. Source of physical capital	2. Narrow concept
C. Human capital	3. Education, training and health.
D. Human development	4. Machinery, tools and equipments

- A B C D
 a. 4 3 2 1
 b. 3 4 2 1
 c. 3 4 1 2
 d. 4 3 1 2

Q 32. Which of the given pair is correctly matched?

Column I	Column II
A. Grade Death Rate	1. 7.3 per thousand
B. Literacy Rate	2. 77.7%
C. Life Expectancy	3. 69.27 years
D. Infant Mortality Rate	4. 64 per thousand live births.

- a. A-1 b. B-2 c. C-3 d. D-4

Assertion & Reason Type Questions

Directions (Q.Nos. 33-40): There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is true, but Reason (R) is false.
- Assertion (A) is false, but Reason (R) is true.

Answers

- (d) All of the above
- (c) Education
- (a) Bihar
- (d) Enhances productivity
- (b) UGC
- (c) AICTE
- (c) Ensures gender equity

Q 33. Assertion (A): The Kendriya Vidyalaya Sangathan was set up in 1966.

Reason (R): The Kendriya Vidyalaya Sangathan was set up in 1965.

Q 34. Assertion (A): The Apex body in the field of Medical research is AICTE.

Reason (R): The Apex body in the field of Medical research is ICMR (Indian Council of Medical Research).

Q 35. Assertion (A): NCERT is responsible for course up to graduation level.

Reason (R): NCERT is responsible for course up to Senior Secondary level.

Q 36. Assertion (A): Physical Capital (like machinery) cannot be separated from its owner.

Reason (R): Physical Capital (like machinery) can be separated from its owner.

Q 37. Assertion (A): Due to brain-drain the talented, skilled, competent, scientist, doctors, engineers, etc are shifted from India to other developed countries of the world.

Reason (R): It is so because they get better salary and better facilities in other developed countries of the world. This slow down the process of Human Capital Formation in country.

Q 38. Assertion (A): Human capital treats human beings as a means to an end (Increase in productivity).

Reason (R): Human Capital Formation decreases by way of investments in education and health.

(CBSE SQP 2021, Term-1)

Q 39. Assertion (A): In developing countries, growth of human capital has been faster than the growth of per capital real income.

Reason (R): Empirical evidence to prove that increase in human capital causes economic growth is rather nebulous.

(CBSE SQP 2021, Term-1)

Q 40. Assertion (A): Human capital is not traded in the market; however its services are traded.

Reason (R): Human capital is intangible in nature.

(CBSE 2023)

- (c) Human capital is separable from its owner.
- (a) Higher education takes a major share of the total educational expenditure in India.
- (a) Machinery
- (c) (i), (ii) and (iii)
- (c) Both statements are true.
- (c) Both statements are true.

14. (b) social
15. (c) 2001 16. (a) 2010
17. (c) ICMR 18. (b) NCERT
19. (c) AICTE 20. (d) 2009
21. False. Human capital is intangible. It cannot be seen or touched
22. False: Due to brain-drain the talented, skilled, competent, scientists, doctors, engineers, etc are shifted from India to other developed countries of the world. It is so because they get better salary and better facilities in other developed countries of the world. This slow down the process of Human Capital Formation in country.
23. False: AICTE regulates the technical educational of the country
24. False: Physical capital is separable from its owners.
25. True: Human development is the process of enlarging people's freedoms and opportunities and improving their well-being.
26. False: These two may sound similar but are not exactly same. Whereas, human capital considers education and health as a means to increase labour productivity, human development is based on the idea that education and health are integral to human well-being.
27. False: India has a rich stock of scientific and technical manpower in the world. Also, India has taken a number of steps to improve, it qualitatively and ensure that they are optimally utilised.
28. True: Investment in human resources can lead to higher productivity and production. Human resources refers to the knowledge, skills and abilities of the workforce, which can be enhanced through education, training and development programmes.
29. False: The quality of human capital formation refers to the level of education, skills and health of a country's workforce. A rising population does not necessarily imply a decline in the quality of human capital formation.
- | | A | B | C | D |
|---------|---|---|---|---|
| 30. (c) | 2 | 1 | 3 | |
| 31. (b) | 3 | 4 | 2 | 1 |
| 32. (d) | D-4 | | | |
| 33. (d) | Assertion (A) is false, but Reason (R) is true. | | | |
| 34. (d) | Assertion (A) is false, but Reason (R) is true. | | | |
| 35. (d) | Assertion (A) is false, but Reason (R) is true. | | | |
| 36. (d) | Assertion (A) is false, but Reason (R) is true. | | | |
| 37. (a) | Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). | | | |
| 38. (c) | Assertion (A) is true, but Reason (R) is false. | | | |
| 39. (b) | Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). | | | |

40. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).



Case Study Based Questions

Case Study 1

Read the extract given below and answer the questions on the basis of the same:

Both the forms of capital formation are the outcomes of conscious investment decisions. Decision regarding investment in physical capital is taken on the basis of one's knowledge in this regard. The entrepreneur possesses knowledge to calculate the expected rates of return to a range of investments and then rationally decides which one of the investments should be made. The ownership of physical capital is the outcome of the conscious decision of the owner the physical capital formation is mainly an economic and technical process.

Human capital formation takes place in one's life when he/she is unable to decide whether it would maximise his/her earnings. Children are given different types of school education and health care facilities by their parents and the society. Moreover, the human capital formation at this stage is dependent upon the already formed human capital at the school level. Human capital formation is partly a social process and partly a conscious decision of the possessor of the human capital.

Q 1. Which of the following does not correctly differentiate between the physical and human capital?

- Human capital is intangible whereas physical capital is tangible.
- Human capital can cope up with the changing technology whereas physical capital cannot.
- Human capital generates both personal and societal benefits whereas physical capital generates only personal benefit.
- Human capital gets obsolete with time whereas physical capital does not.

Q 2. In the context of the paragraph, it can be argued that human capital depreciates faster than the physical capital. The given statement is:

- True
- False
- Partially true
- Can't comment due to lack of proper estimation mechanism

Q 3. Machines and industrial tools are examples of

- physical capital
- human capital
- both physical and human capital
- natural capital

- Q 4. Investment in education by parents is the same as
- Investment in intermediate goods by companies.
 - Investment in CSR activity by companies
 - Investment in capital goods by companies
 - None of the above

Answers

1. (d) 2. (b) 3. (a) 4. (c)

Case Study 2

Read the extract given below and answer the questions on the basis of the same:

The economic and social benefits of human capital formation and human development are well known. The Union and State Governments of India have been earmarking substantial financial outlays for development of education and health sectors. The spread of education and health services across different sectors of society should be ensured so as to simultaneously attain economic growth and equity. India has a rich stock of scientific and technical manpower in the world. The need of the hour is to better it qualitatively and provide such conditions so that they are utilised in our own country.

- Q 1. For a improved health status of the country, family planning is quit essential. Which of the following is the main reason for family planning?
- For birth control issues
 - For having unwanted pregnancies
 - For having child every year
 - To get pregnant before the age of twenty
- Q 2. What percentage of GDP is contributed towards health and education sectors in India respectively?
- 1.8% and 4.6% respectively
 - 5.4% and 3.4% respectively
 - 7% and 7.4% respectively
 - 6% and 6.4% respectively
- Q 3. is not an indicator which measures the education status of the country.
- Years of schooling
 - Life expectancy
 - Teacher-pupil ratio
 - Net attendance ratio
- Q 4. Health status of a country is reflected by indicators such as birth rate, death rate, infant mortality rate, material mortality rate, life expectancy etc. The given statement is:
- True
 - False
 - Partially true
 - Meaningless

Answers

1. (a) 2. (a) 3. (b) 4. (a)

Case Study 3

Read the extract given below and answer the questions on the basis of the same:

Traditional economic theory viewed capital in physical terms only. Economists during the late 1950's based on aggregate production function, found that the standard measures of simple labour and physical capital were incapable of explaining adequately the rapid post-war growth. Speculations on what was missing were diverse. Some argued that the principal explanation lays in the lack of appropriate adjustments for improvement in the quality of physical capital and the embodiment of technical progress in that capital. Others suggested that the most important omission pertains to the organisational advance or a vaguely specified 'human capital'. The residual of unexplained growth was at first ascribed to technology by Solow, but later, the residual was defined to include improvements in the quality of capital and the investment in human beings. Human capital is formed with improvement in skills and education. Improved health and education is a merit as well as a public good and is associated with large number of externalities which are often indirect, indivisible and non-quantifiable.

Q 1. Give the definition of public goods.

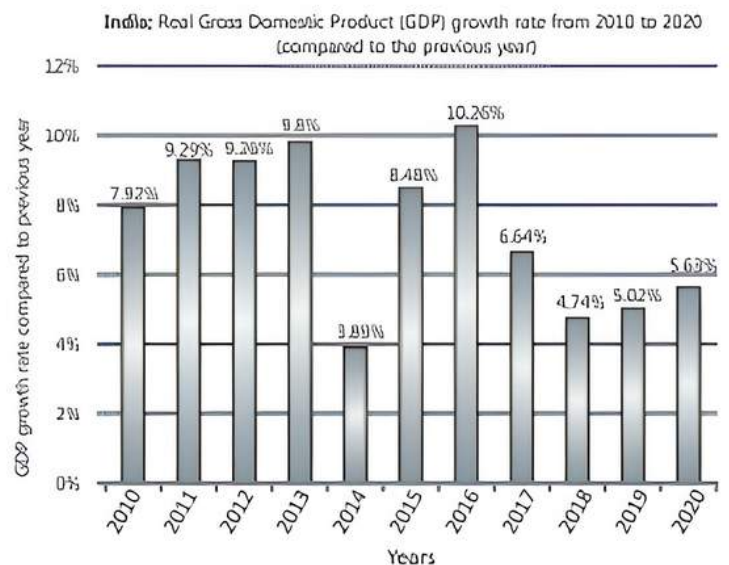
Ans. A product or service that is non-excludable and non-depletable is known as public goods.

Q 2. In the context of above paragraph, what factor/factors are included in 'residual'?

Ans. Improvement in the quality of human capital.
 (i) Investment in human beings.
 (ii) Improvement in technology.

Case Study 4

Study the graph given below and answer the questions on the basis of the same:



Q 1. What can you say about the Economic Development trend of the country?

Ans. The Indian economy was growing at a substantial rate till 2016 with a cyclical fall in 2014. Now after the dip in 2018, the economy is reviving.

Q 2. How are Human Development and Economic Development related to each other?

Ans. Human development and economic development is a two-way relationship, as each of them is reflected negatively and positively on the other, that economic growth takes place through improving human capabilities, and achieving the desired growth reflected in human development.

Very Short Answer Type Questions ↘

Q 1. What is human capital?

Ans. Human capital refers to the stock of abilities, skills, expertise, education and knowledge among the population of the country.

Q 2. What is human capital formation?

Ans. It is the process of acquiring and increasing the number of persons who have skill, education and experience which are essential for the overall development of a country.

Q 3. Why do we need to invest in human capital?

Ans. We need to invest in human capital in order to make proper and effective use of physical capital and also for increasing productive capacity of people of the country.

Q 4. What is migration?

Ans. Migration means when a person moves from rural areas to urban area in search of job opportunities.

Q 5. What is the Full form of BBBP?

Ans. BBBP: Beti Bachao Beti Padhao (2015).

Q 6. When was the Kendriya Vidyalaya Sangathan set up?

Ans. In 1965

Q 7. Name the apex body in the field of Medical research.

Ans. ICMR: Indian Council of Medical Research

Q 8. Name the main body in the field of technical education.

Ans. AICTE: All India Council of Technical Education.

Q 9. Name the body in the field of education up to Senior Secondary Level.

Ans. NCERT: National Council of Educational Research and Training

Q 10. Give the full form of UGC.

Ans. UGC: University Grants Commission

Short Answer Type-I Questions ↘

Q 1. Explain the sources of human capital formation?

Ans. The main sources of human capital formation are as follows:

(i) Expenditure on Education: It is an important source of human capital formation. Education converts an unskilled person into a skilled person. Education helps in raising standards of living of the people. It helps in increasing GDP and economic development of the country.

(ii) Expenditure on Health: It is an important source of human capital formation. When a person possesses good health then he becomes more efficient and more productive for the economy. He is able to contribute more to GDP. Expenditure on health helps in the economic development of the country.

COMMON ERROR

Many time students fail to explain the sources of human capital formation.

TIP

Students should learn sources of human capital formation in proper way.

(iii) On the Job Training: It is also an important source of human capital formation. When on the job training is given to the worker than he develops specialised skills. His efficiency and productivity increases. It helps in the economic development of the country.

(iv) Migration: It is also an important source of human capital formation. Migration helps in fuller utilisation of those people who have skill and expertise but are not able to get a job at their native place. This increases the efficiency and productivity and helps in economic development of the country.

Q 2. What is the role or importance of human capital formation?

Ans. The importance of human capital formation are as follows:

(i) Innovative Skills: Human capital formation helps to develop innovative skills in the country, larger the number of scientists, trained workers, skilled workers, etc greater the possibilities of innovations in the country.

For example, Chandrayaan-2 is an innovation in the country.

(ii) Higher Productivity of Physical Capital: Human capital formation helps in obtaining higher productivity of physical capital. The specialised engineers and skilled workers are able to handle machines better than others. This enhances productivity and accelerates the pace of growth.

For example, Metro Rail Engine is driven by skilled driver.

(iii) **Higher Rate of Participation and Equality:** Due to human capital formation people become trained, skilled, etc. As a result of this, they are able to get employment in the country. There is no gender bias as male or female. It leads to an increase in the participation rate in the process of the country.

(iv) **Change in Emotional and Material Growth:** Due to human capital formation, there is a change in emotional and material environment in the country. Emotional change means a change in attitude and aspirations of the people in order to achieve growth and development.

Material environment changes means implementation of plans and programmes with the help of trained and skilled workers in order to achieve growth and development in the country.

Q 3. "Active Government Intervention is essential in education and health sectors in India."

Do you agree with the given statement? Give reasons in support of your answer. (CBSE 2023)

Ans. Yes, I agree with given statement. Government intervention is essential in education and health sectors in India because education and healthcare services create both private and social benefits and expenditures on education and health make substantial long-term impact and they cannot be easily reversed.

Q 4. Discuss the need for promoting women's education in India. (CBSE 2023)

Ans. Women's education in India is needed because of the following reasons:

- (i) Women education is essential for making them economic independent.
- (ii) Educating women helps in promotion of family welfare programmes and thus helps in population control.
- (iii) Women education also give strength to economic development.

Q 5. "Ravya was initially working as an office clerk in a firm. In the pursuit to attain, a higher position and income, she attended a few on-the-job training sessions. These sessions contributed positively to her skills and expertise."

Explain the impact of Ravya's decision on human capital formation. (CBSE SQP 2023-24)

Ans. Ravya's decision to attend on-the-job training sessions has a positive impact on human capital formation.

Human capital refers to the knowledge, skills and abilities that individuals possess and that are developed through education, training and experience by attending these training sessions. Ravya has increased her knowledge, skills and expertise, which in turn, enhances her human capital.



Short Answer Type-II Questions

Q 1. Why do we observe regional differences in educational attainment in India? (NCERT)

Ans. The per capita education expenditure differences considerably across states from as high ₹ 17,000 in Himachal Pradesh to as low as ₹ 3,600 in Bihar in 2011-12. This leads to regional differences in educational attainment. The states in which per capita education expenditure is more have high literacy rates as compared to those states in which per capita education expenditure is more have high literacy rates as compared to those states with less per capita education expenditure.

Q 2. How is human development a broader term as compared to human capital? (NCERT)

Ans. Human capital considers education and health as a means to increase labour productivity. Human development is based on the idea that education and health are integral to human well-being because only when people have the ability to read and write and the ability to lead a long and healthy life, they will be able to make other choices they value. In human capital view, any investment in education and health is unproductive, if it does not enhance output of goods and services.

In the human development perspective human beings are ends in themselves. So, human capital is a part of human development.

Q 3. "Expenditure on on-the-job training is an important means of human capital formation in an economy." Give valid reasons to justify the given statement. (CBSE 2023)

Ans. Expenditure on on-the-job training is an important means of human capital formation in an economy. When firms provide on-the-job training to their workers to enhance their skills which helps in human capital formation. The workers may be trained in the firm itself under the supervision of a skilled worker or the workers may be sent for off-campus training. Expenditure regarding on-the-job training is an important factor of human capital formation as it facilitates form of enhanced labour productivity is more than the cost involved.



Long Answer Type Questions

Q 1. Distinguish between physical capital and human capital. What are the problems or challenges faced by Human Capital Formation?

Ans. Difference between physical capital and human capital are:

S. No.	Basis of Difference	Physical Capital	Human Capital
(i)	Meaning	Physical capital refers to tangible things. It can be seen or touched.	Human capital is intangible. It cannot be seen or touched.
(ii)	Ownership	Physical capital (like machinery) can be separated from its owner.	Human capital (like skills of a person) cannot be separated from the owner.
(iii)	Sale	Like other things physical capital can be sold in the market.	Human capital cannot be sold in the market. Only their services can be sold.

Problems or Challenges faced by Human Capital Formation: The main problems or challenges faced by human capital formation are as follows:

(i) **Rising Population or Population Explosion:** Due to a rapid increase in population, the existing facilities such as housing water supply, power, education, are reduced the quality of life has become low.

Thus, this leads to a fall in capacity to acquire specialised skill and knowledge.

(ii) **Brain-Drain:** Another problem faced by human capital formation is brain-drain. Due to brain-drain the talented, skilled, competent scientist doctors, engineers, etc. are shifted from India to other developed countries of the world. It is so because they get better salary and better facilities in other developed countries of the world. This slow down the process of human capital formation in country.

(iii) **Low Academic Standards:** In India many universities have been opened. Due to this, we have a large army of half baked graduates and post graduates in the country. They do not have proper skills and they are less efficient and productive. As a result of this, India's competitiveness in the international market of human capital is quite low.

(iv) **Improper Manpower Planning:** In India there is no proper efforts have been made to maintain the demand and supply balance of labour force in the country. It is a serious problem of Human Capital Formation in the domestic economy. The improper manpower planning leads to the wastage of human power of human skill.

Rural Development

► **Rural Development:** It means an 'action-plan' for the social and economic upliftment of the rural areas focusing on traditional and modern challenges.

The key issues in rural development are as follows:

- Development of the productive resources of each locality.
- Development of human resources by providing opportunities for adult literacy, female literacy education and skill development.
- Development of human resources by providing health facilities, addressing both sanitation and public health.
- Honest implementation of land reforms.

Knowledge BOOSTER

Rural development is the process of improving the quality of life and economic well-being of people in rural areas often relatively isolated and sparsely populated areas.

► **Rural Credit:** Rural or agricultural credit means credit for the farming families. Credit is the lifeline of farming activity and is a traditional problem associated with rural development.

► **Sources of Rural Credit:**

- **Institutional Credit:** Agriculture credit provided by government institutions are called Institutional credit.
- **Non-institutional Credit:** Non-institutional credit includes those which provide loan such as traders, money lenders, commission agents, landlords and relatives.

Institutional Sources	Non-institutional Sources
(i) Co-operative credit	(i) Money lender
(ii) Land development banks	(ii) Relatives
(iii) Commercial bank credit	(iii) Traders and commission agents
(iv) Regional rural banks	(iv) Rich landlords
(v) The Government	
(vi) NABARD	
(vii) SHG and MCP	

► **Agriculture Marketing:** It includes all the processes between harvesting and final sale of the produce by the farmers. It is a modern challenge of rural development.

► **Measures Adopted by Government to Improve Agriculture Marketing**

- Regulated Markets
- Improvement in Infrastructural Facilities
- Co-operative Marketing
- Different Policy Instruments
- Maintenance of stock of wheat and rice

Knowledge BOOSTER

Origin of Farmers Market

- Apni Mandi in Punjab, Haryana and Rajasthan.
- Hadapsar Mandi in Pune.
- Rythu Bazars in Andhra Pradesh, and
- Uzhavar Sandies in Tamil Nadu.

- ▶ **Alliance with National and Multinational Companies:** Several nation and multinational fast food chains are increasingly entering into contact with farmers.
- ▶ **Role of Cooperatives in Rural Credit and Marketing:** Cooperative societies fulfil the credit needs of the farmers and also provide guidance in agricultural operations and marketing. Presently, their share is about 16-17% in fulfilling the demands of rural credit. These cooperatives work with the following objectives in mind:
 - ▶ To free the farmers from the clutches of money lenders.
 - ▶ To ensure timely flow of credit to farmers.
 - ▶ To spread credit facilities even in the remotest regions.
 - ▶ To help the farmers to get better price for their produces.
 - ▶ To stop their exploitation by middlemen.
- ▶ **Agricultural Diversification:** It refers to the reallocation of farm's productive resources into varieties of crops. Agriculture diversification has two parts:
 - **Diversification of Crop:** It means shifting from growing one single crop on a farm to growing of many or multiple crops on a farm.
 - **Diversification of Production Activity:** It means reducing the risk which occurs due to monsoon failure and due to price fluctuation.
- ▶ **Need for Agricultural Diversification** The need for agricultural diversification arises from the following reasons:
 - There is more risk in depending exclusively on single crop. Diversification of agriculture reduces the risk arising from price fluctuations and also due to monsoon failure.
 - There has been increasing pressure of population on land. Therefore, the shift of workforce from farm activities to non-farm activities becomes necessary to earn higher levels of income for rural people.
- ▶ **Organic Farming:** It is that system of farming in which we use organic inputs for cultivation. The basic organic inputs are animals manure and plant compose. Organic

farming is that farming which discard the use of chemical inputs like fertilisers, insecticides, pesticides, etc. Organic farming focus on maintaining good health. It is eco-friendly technique of farming.

▶ **Advantages of Organic Farming**

The advantages of organic farming are:

- **Discard the use of Non-Renewable Resources:** Organic farming does not use synthetic chemicals like insecticides, pesticides, etc. It avoid the use of non-renewable resources.
- **Environment Friendly:** Organic farming is eco-friendly in nature. It helps in maintaining the quality of groundwater. It avoid the use of nitrate which are health hazard and pollute the environment.
- **Sustain Soil Fertility:** Organic farming use organic farming which helps to sustain soil fertility.
- **Healthy and Tasty Food:** Organic farming does not use chemical. The food is more nutritious than food grown with chemical procedure. Organic farming provides healthier and tastier food as compared to conventional farming.
- **Good for Small and Marginal farmers:** Organic farming involve the use of animal manure and plant compose whereas chemical farming involve the use of pesticide, HYV seeds etc. So organic farming is less expensive as compare to the conventional farming. Hence, it is good for small and marginal scale farmers.

▶ **Disadvantages of Organic Farming**

The disadvantages of organic farming are:

- ▶ Low level of output
- ▶ The cost of production is high
- ▶ The market price of organic food grain is very high

▶ **Organic Farming is Good for India**

Organic farming is good for India because of the following reasons:

- ▶ It involves the labour intensive technique of production.
- ▶ It is less expensive as compared to conventional farming.



Practice Exercise



Multiple Choice Questions

- Q 1. Operation flood was started in:
a. 1951 b. 1966 c. 1975 d. 1985
- Q 2. Blue Revolution is associated with:
a. Indigo cultivation
b. Poultry farming
c. Fisheries
d. Availability of drinking water
- Q 3. The period of 1991-2003 is known as:
a. Green Revolution
b. Blue Revolution
c. Second Green Revolution
d. Golden Revolution
- Q 4. India occupies place in milk production in the world.
a. second b. first c. fifth d. fourth
- Q 5. The features of organic farming are:
a. sustainable agriculture
b. use of local inputs
c. focus on soil health instead of plants
d. All of the above
- Q 6. Following is the limitation of organic farming:
a. Unsustainable agriculture
b. Less demand for organic food
c. Difficult marketing organic products
d. No use of locally available inputs

Q 7. 14 major commercial banks were nationalised in:

- a. 1969
- b. 1980
- c. 1975
- d. 1991

Q 8. Diversification of agriculture implies:

- a. shift of workforce from agriculture to other allied activities
- b. commercialisation of agriculture
- c. use of modern technology
- d. None of the above

Q 9. Under horticulture comes:

- a. fish farming
- b. poultry farming
- c. flower cultivation
- d. animal husbandry

Q 10. What is NABARD?

- a. Poverty Eradication Programme
- b. Social Security Scheme
- c. Apex Bank for Agriculture
- d. None of the above

Q 11. National Bank for Agricultural and Rural Development (NABARD) was set up in 1982 as a/the body to coordinate the activities of all institutions involved in the rural financing system.

(CBSE SQP 2021, Term-1)

- a. cooperative
- b. apex
- c. micro credit
- d. private credit

Q 12. Identify the incorrect statement from the following.

(CBSE 2021, Term-1)

- a. Diversification into other sector is essential to enable rural people to overcome poverty.
- b. Diversification is an essential component because there is greater risk in depending exclusively on farming for livelihood.
- c. Diversification provides supplementary gainful employment.
- d. Diversification activities are not beneficial.

Q 13. A process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country is known as:

(CBSE 2021, Term-1)

- a. Agricultural Diversification
- b. Agricultural Banking
- c. Agricultural Management
- d. Agricultural Marketing

Q 14. "If India has to make real progress she has to develop its rural areas."

Which of the following is incorrect reason for the above mentioned statement?

(CBSE 2021, Term-1)

- a. Approximately one-third population of rural India still lives in object poverty.
- b. More than 50 % India's population depends on agriculture for their livelihood.

c. Growth rate in the Indian agriculture sector has been quite lower than of other sector.

d. Majority of rural people have access to the basic necessities of life.

Q 15. Identify which of the following is a source of non-institutional credit in the rural areas of India?

(CBSE SQP 2022-23)

- a. NABARD
- b. Regional Rural Banks
- c. Money lenders
- d. Commercial Banks



Statement Based Questions

Q 16 Read the following statements carefully:

Statement I: Use of biofertilizers greatly enhances crop productivity.

Statement II: Irrigation is very important in increasing crop productivity.

In the light of the given statements, choose the correct alternative:

- a. Statement I is true and statement II is false.
- b. Statement I is false and statement II is true.
- c. Both statements are true.
- d. Both statements are false.

Q 17. Read the following statements carefully:

Statement I: Organic farming is very beneficial for farmers to increase crop production.

Statement II: Bacteria, fungi, mycorrhiza, cyanobacteria are better biofertilizer which fix nitrogen and increase soil facility.

In the light of the given statements, choose the correct alternative:

- a. Statement I is true and statement II is false.
- b. Statement I is false and statement II is true.
- c. Both statements are true.
- d. Both statements are false.



Fill in the Blank Type Questions

Q 18. is a process, which includes all the activities from sowing till sale of the final produce in the market.

(CBSE 2023)

(Fill up the blank with correct alternative)

- a. Rural Development
- b. Agricultural Diversification
- c. Organic Farming
- d. Agricultural Marketing

Q 19. have emerged as an important micro finance system and led to women empowerment.

(CBSE 2023)

(Fill up the blank with correct alternative)

- a. NABARD
- b. Self-Help Groups
- c. Commercial Banks
- d. Land Development Banks

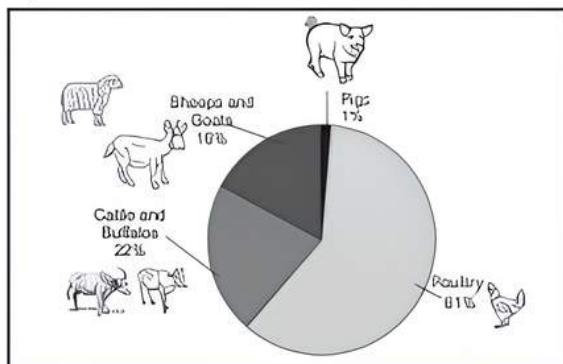
- Q 20. NABARD was set up in
 (Choose the correct alternative to fill up the blank)
 a. 1985 b. 1980 c. 1982 d. 1984

- Q 21. Study the following picture and answer the given question:



..... is an allied activity of the farming sector.
 (Choose the correct option to fill up the blank)

- a. Agriculture b. Poultry
 c. Jaggery making d. Production
- Q 22. Identify the following picture and answer the given question:



In India, the farming community uses the mixed crop-livestock farming system—cattle, goats, fowl are the widely held species. Such kind of activities may be envisaged under as diversification activity.

- a. Animal husbandry b. Fisheries
 c. Horticulture d. Poultry
- Q 23. Food Corporation of India maintains stocks of wheat and rice in India.
 (Choose the correct alternative to fill up the blank)
 a. low b. waste c. buffer d. zero
- Q 24. help groups promote thrift among rural households and promote micro credit programmes.
 (Choose the correct alternative to fill up the blank)
 a. Cooperative b. Self
 c. Human d. Poor
- Q 25. The process which involves the assembling, storage processing, transportation, packaging, grading and distribution of different agricultural commodities is known as

- (Choose the correct alternative to fill up the blank)
 a. Agriculture production
 b. Agricultural marketing
 c. Production process
 d. Agricultural diversification

- Q 26. Micro credit programmes play a vital role in ensuring an overall development of the rural economy as they

(Choose the correct alternative to fill up the blank)
 (CBSE SQP 2023-24)

- (i) provide financial support
 (ii) lead to women empowerment
 (iii) enhance the reach of formal credit system

Alternatives:

- a. (i) and (ii) b. (ii) and (iii)
 c. (i) and (iii) d. (i), (ii) and (iii)

True/False Type Questions

- Q 27. Fertilizer restores crop health or plant health whereas organic farming restore soil health.
- Q 28. It is easier to obtain institutional credit rather than non-institutional credit.
- Q 29. INFO- Kiosks in rural area is a source of non-farming sustainable livelihood.
- Q 30. Agricultural marketing is a process that ensures the transportation of various agricultural commodities only.
 (CBSE SQP 2023-24)
- Q 31. Jan-Dhan Yojana has been a crucial step for financial resource mobilisation in the Indian economy.
 (CBSE SQP 2023-24)

Match the Column Type Questions

- Q 32. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Organic farming	1. Micro-credit programmes
B. Operation flood	2. Related to fruits, flowers, vegetables
C. Horticulture	3. Related to milk
D. Self-Help Groups	4. Related to eco-friendly agricultural technology

- | | | | | | | | |
|------|---|---|---|------|---|---|---|
| A | B | C | D | A | B | C | D |
| a. 4 | 3 | 2 | 1 | b. 3 | 4 | 1 | 2 |
| c. 1 | 2 | 3 | 4 | d. 4 | 1 | 3 | 2 |

- Q 33. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. TANWA	1. Distribution of food grains at low prices
B. NABARD	2. Minimum price to farmers for their crops
C. MSP	3. Apex Bank for rural financing
D. PDS	4. Tamil Nadu women in agriculture

- A B C D
 a. 1 2 3 4
 b. 4 3 2 1
 c. 4 1 3 2
 d. 2 3 1 2

Q 34. Which of the given pair is incorrectly matched?

Column I	Column II
A. Long-term credit	1. Generally stretch for a period of 5-20 years.
B. Institutional source of credit	2. Commercial Banks, RRBs
C. Non-Institutional source of credit	3. Money lenders, traders, Landlords.
D. Short-term credit.	4. Stretch over a period of 12 months to 5 years.

- a. A-1 b. B-2 c. C-3 d. D-4

Q 35. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Setting up of NABARD	1. 2014
B. Nationalisation of 14 major commercial banks.	2. 1982
C. Saansad Adarsh Gram Yojana (SAGY)	3. 1988
D. Kisan Credit Card (KCC) scheme.	4. 1969

- A B C D
 a. 2 4 1 3
 b. 4 2 3 1
 c. 3 1 4 2
 d. 1 3 2 4

Q. 36. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Micro credit	1. Assured prices by the government to the farmers.
B. Minimum Support Price	2. Credit scheme extended to the poor through self-help groups.
C. Rural Development.	3. Improving the lives of rural people.

- A B C A B C
 a. 3 1 2 b. 2 1 3
 c. 2 3 1 d. 1 2 3



Assertion & Reason Type Questions

Directions (Q.Nos. 37-41): There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

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

Q 37. Assertion (A): Information technology plays an important role in achieving sustainable development and food security.

Reason (R): It can also provide necessary information about the new techniques of production, prices and weather, etc., to the farmers.

Q 38. Assertion (A): Self-Help Groups (SHGs) have been set up to promote thrift in small proportions by a minimum contribution from each member.

Reason (R): From the pooled money, credit is given to the needy members to be repayable in small instalments at reasonable interest rates.

Q 39. Assertion (A): Small and marginal farmers need to form cooperatives to obtain fair price for their produce.

Reason (R): Instead of marketing their produce separately, if they sell their produce through one agency, this will increase their bargaining power.

Q 40. Assertion (A): Since independence, the economic condition of many farmers across India has improved as they have adopted horticulture as a secondary source of income.

Reason (R): Varying climate and soil conditions have given India an added advantage to be the producer of diverse horticultural crops.

(CBSE SQP 2021, Term-1)

Q 41. Assertion (A): After Independence there was an expansion, in farm and non-farm output, income and employment.

Reason (R): Rural banking has helped farmer to avail benefits of credit facilities for meeting their needs.

(CBSE SQP 2021, Term-1)

Answers

1. (b) 1966
2. (c) Fisheries
3. (d) Golden Revolution
4. (b) first
5. (d) All of the above
6. (c) Difficult marketing organic products
7. (a) 1969
8. (b) commercialisation of agriculture
9. (c) flower cultivation
10. (c) Apex Bank for Agriculture
11. (b) apex
12. (d) Diversification activities are not beneficial.
13. (d) Agricultural Marketing
14. (d) Majority of rural people have access to the basic necessities of life.
15. (c) Money lenders
16. (a) Statement I is true and statement II is false
17. (c) Both the statements are true
18. (d) Agricultural Marketing
19. (b) Self-Help Groups
20. (c) 1982
21. (c) Jaggery making
22. (a) Animal husbandry
23. (c) buffer
24. (b) Self
25. (b) Agricultural marketing
26. (d) (i), (ii) and (iii)
27. True: because fertilizers increases the productivity of plant only whereas organic farming help to sustain the fertility of soil.
28. False: because institution credit like loan taken from bank required a lot of bank formalities on the other hand taking loan from non-institutional source does not requires such formalities.
29. True: because the people living in rural area are also using computer, scanners, photocopies and printers In order to provide service like e-mailing, video conferencing etc. it a new source of non-farming livelihood.
30. False: Agricultural marketing includes all the processes between harvesting and final sale of the produce by the farmer.
31. True: *Jan-Dhan-Yojana* has promoted thrift habits and efficient allocation of financial resources, particularly in rural areas. Formal banking system has mobilised a substantial amount under this Yojana.

	A	B	C	D
--	---	---	---	---
32. (a)

4	3	2	1
---	---	---	---
33. (b)

4	3	2	1
---	---	---	---
34. (d) D-4
35. (a)

2	4	1	3
---	---	---	---
36. (b)

2	1	3	
---	---	---	--
37. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
38. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
39. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
40. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
41. (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not correct explanation of Assertion (A).



Case Study Based Questions

Case Study 1

Read the extract given below and answer the questions on the basis of the same:

The government is planning to enhance welfare schemes for villagers by making sure that all eligible people in various database in different ministries get benefits.

Officials said they have begun the process by looking at the Aadhar-based list of ration card holders and the rural development ministry's data on deprived household.

"The convergence of data will help in mapping the eligible people in rural areas who are still not covered under Food Security Act that provides rice and wheat at subsidised prices. At the same time, it will bring a fair picture of rural households in the country which are deprived of basic amenities. This will also help government to reach out to people who are in need", said a food ministry official.

The government has database of more than 800 million beneficiaries covered under Food Security Act. It has implemented 'one nation one ration card' scheme in 28 States and 9 Union Territories Act and covering 686 million people where a person can get subsidised foodgrains from any ration shop irrespective of the State, Municipality or Panchayat where the person is registered.

Q 1. Rice and wheat are provided at rates.

- a. subsidised
- b. low
- c. high
- d. None of these

Q 2. Food Security Act implemented:

- a. One tax one nation
- b. One nation one ration card
- c. One tax card
- d. One ration card



Q 3. Rural households are of basic amenities.

- a. consumer
- b. producer
- c. deprived
- d. None of these

Q 4. Officials have begun the process by working at the use of ration card holders.

- a. Aadhar
- b. Credit card
- c. PAN card
- d. ATM card

Answers

1. (a) 2. (b) 3. (c) 4. (a)

Case Study 2

Read the extract given below and answer the questions on the basis of the same:

Generating productive employment is central to sustained poverty reduction as the labour is the main asset for the majority of the poor. The relationship between poverty and employment operates through labour market, quality and quantity of employment. Rural households traditionally depend on agriculture for their livelihoods. It is now recognised that expansion of rural non-farm employment is important for improving the incomes of rural households.

Rural diversification is important for several reasons. At the economy level, the demographic pressures on land have been increasing significantly in India. With its share of 30% in GDP, agriculture has to bear the burden of more than 60% of workers. Therefore, labour productivity has been low in agriculture. Urban areas have their own problems of demographic pressures. As a result, the rural non-farm sector becomes an escape route for agricultural workers.

In order to increase wages in agriculture and to shift the workers to more productive areas, rural diversification is advocated. However diversification may not always benefit the poor and vulnerable sections. For example, diversification may affect the women as men shift to non-agricultural activities. Women tend to stay back in agriculture, which generally has low productivity.

Q 1. The main reason for low productivity in Indian agriculture in the context of given passage is:

- a. disguised unemployment in agriculture
- b. lack of adequate infrastructural facilities
- c. lack of adequate funds
- d. lack of support from the government and private sector

Q 2. The dynamic linkages that a non-farm sector considers, broadly covers agro-processing and food processing industries, leather industry, tourism, fishing, animal husbandry etc. The given statement is:

- a. True
- b. False
- c. Partially true
- d. Meaningless

Q 3. has emerged as an escape route for the agricultural workers.

- a. Taking up jobs in the service sector
- b. Rural non-farm sector
- c. Become a money lender with provision of loans at higher rate of interest
- d. All of the above

Q 4. In search of better employment opportunities, there has been a migration of agricultural works from rural to urban areas which in turn poses serious demographic challenges in cities. Which of the following is incorrect regarding the nature of such challenges?

- a. Waste-disposal problems
- b. Insufficient water facility
- c. High energy consumption as exacerbated by increasing population density
- d. Getting a highly paid skilled job

Answers

1. (a) 2. (a) 3. (b) 4. (d)

Case Study 3

Read the extract given below and answer the questions on the basis of the same:

Since ages, farmers in India taken resource to debt. In the earlier times, the same was informal sources. Since independence with the efforts of the government, formal sector has actively come into the picture. Farmers borrow not only to meet their investment needs but also to satisfy their personal needs. Uncertainty of income caused by factors like crop failure caused by irregular rainfall, reduction in ground water table, locust/ other pest attack, etc. These reasons push them into the clutches of the private money lenders, who charge exorbitant rates of interest which add to their miseries.

Various government in India, at different times for different reasons, introduced debt relief / debt waiver schemes. These schemes are used by governments as a quick means to extricate farmers from their indebtedness, helping to restore their capacity to invest and produce, in short to lessen the miseries of the farmers across India. The cost and benefits of such debt relief schemes are, however, a widely debated topic among the economists.

Some economists argue that such schemes are extremely beneficial to the poor and marginalised farmers while others argue that these schemes add to the fiscal burden of the government, others believe that these schemes may develop the expectation of repeated bailouts among farmers which may spoil the credit culture among farmers.

Q 1. What do you mean by Land Development Bank (LDB)?

Ans. Land Development Bank is the most prominent body responsible for providing loans for long-term land development.

Q 2. What is rural banking in India?

Ans. Rural banking refers to providing banking services to individuals living in rural areas.

Case Study 4

Read the extract given below and answer the questions on the basis of the same:

Manufacturing industries not only help in modernising agriculture, which forms the backbone of our economy, they also reduce the heavy dependence of people on agricultural income by providing them jobs in secondary and tertiary sectors. Agricultural and industrial development are preconditions for eradication of unemployment and poverty from our country. This was the main philosophy behind public sector industries and joint sector ventures in India. It was also aimed at bringing down regional disparities by establishing industries in tribal and backward areas.

Export of manufactured goods expands trade and commerce, and brings in much needed foreign exchange. Countries that transform their raw materials into a wide variety of finished goods of higher value are prosperous. India's prosperity lies in increasing and diversifying its manufacturing industries as quickly as possible. Agriculture and industry are not exclusive of each other. They move hand in hand. For instance, the agro-industries in India have given a major boost to agriculture by raising its productivity.

Q 1. What is the role of rural banking system in the process of rural development in India?

Ans. It helps farmers to avail cheap and adequate credit to meet their production needs.

Q 2. Explain the main thrust of the economic policies pursued by the government.

Ans. Ensuring balanced regional development.

Very Short Answer Type Questions

Q 1. What is rural development?

Ans. Rural development means an action plan for the social and economic development of rural areas and villages.

Q 2. What are the two main challenges of rural development?

Ans. The two main challenges of rural development are as follows:

- (i) lingering challenges
- (ii) emerging challenges

Q 3. What do you mean by lingering challenges of rural development?

Ans. Lingering challenges means the challenge related to rural credit and the challenges related to rural marketing.

Q 4. What do you mean by emerging challenges of rural development?

Ans. Emerging challenges means challenges related to organic farming or related to exploring new sources of livelihood other than farming.

Q 5. What do you mean by agricultural credit?

Ans. Agricultural credit means credit for the farming families. Credit is the lifeline of farming activity and is a traditional problem associated with rural development.

Q 6. Define agricultural marketing. (CBSE SQP 2022-23)

Ans. It includes all the processes between harvesting and final sale of the produce by the farmers. It is a modern challenge of rural development.

Q 7. What are the two main sources of agricultural credit?

Ans. The two main sources of agricultural credit are as follow:

- (i) Institutional sources
- (ii) Non-Institutional sources

Q 8. What is organic farming?

Ans. Organic farming is a method of cultivation which uses eco-friendly technique for production of crops.

Q 9. State the non-farming sources of livelihood in rural areas?

Ans. (i) Animal husbandry (ii) Horticulture
(iii) Fisheries (iv) Bee-keeping
(v) INFO-KIOSKS: photo state, email, video conferencing, etc.

Q 10. Enlist any two problems faced by farmers in the initial years of organic farming. (CBSE SQP 2022-23)

Ans. (i) Inadequate infrastructure and marketing.
(ii) Compared to conventional farm products, organic products have more shorter shelf life span.

Q 11. Define agricultural diversification. (CBSE 2023)

Ans. It refers to the reallocation of farm's productive resources into varieties of crops.

Agriculture diversification has two parts:

(i) Diversification of Crop: It means shifting from growing one single crop on a farm to growing of many or multiple crops on a farm.

(ii) Diversification of Production Activity: It means reducing the risk which occurs due to monsoon failure and due to price fluctuation.

Short Answer Type-I Questions

Q 1. Critically evaluate the role of rural banking system in the process of rural development in India?

(CBSE SQP 2022-23)

Ans. The rural banking system has played a significant role in the process of rural development in India by providing financial services to the rural population.

In spite of it, following problems have been faced in the rural banking such as:

- (i) The volume of rural credit in the country is still insufficient to comparison to its demand and institutional sources have failed to cover the entire rural farmers of the country.
- (ii) Less attention has been given on the credit requirements of needy and the problem of overdue in agricultural credit continues.

Q 2. What is agriculture marketing and process of marketing?

Ans. Agriculture marketing includes all process between harvesting and final sale of the produce of the farmer. It is a modern challenge of rural development.

Agriculture marketing includes the following process:

- (i) Gathering the produce after harvesting
- (ii) Processing the produce
- (iii) Grading the produce according to its quality
- (iv) Packaging the produce
- (v) Store the produce for future sale
- (vi) Sell the produce when the price is lucrative.

Q 3. Discuss briefly the importance of micro-credit programmes in rural development. (CBSE SQP 2022-23)

OR

Explain the role of micro-credit system in meeting credit requirements of poor. (CBSE 2023)

Ans. Micro-credit refers to credit and other financial services provided to the poor through Self-Help Groups (SHGs) and non-government organisations. The SHGs playing a crucial role in meeting the credit requirements of the poor by inculcating saving habits among the rural households. The individual savings of many farmers are pooled together to meet the financial requirements of the needy members of the SHGs. The members of these groups have been linked with the banks.

Q 4. Explain Institutional Credit and Non-Institutional Credit.

Ans. **Institutional Credit:** Agriculture credit provided by government institutions are called institutional credit.
Non-Institutional Credit: Non-Institutional Credit includes those which provide loan such as traders, money lenders, commission agents, landlords and relatives.

Q 5. Write the key issues in Rural Development. (NCERT)

Ans. The key issues in rural development are as follows:

- (i) Development of the productive resources of each locality.
- (ii) Development of human resources by providing opportunities for adult literacy, female literacy, education and skill development.
- (iii) Development of human resources by providing health facilities, addressing both sanitation and public health.
- (iv) Honest implementation of land reforms.

Q 6. "Recently the Government of India has taken numerous steps towards increasing the farmer's income through agricultural diversification." In light of the above statement, explain any two advantages of diversification in agriculture. (CBSE 2023)

Ans. The advantages of agriculture diversification are:

- (i) The agriculture sector is already crowded in India; therefore, it makes provision for additional employment in rural areas.
- (ii) It helps in reducing risk factors as it ensures that the farmers do not lose all of their resources if the weather does not favour the crop production.



Short Answer Type-II Questions

Q 1. What is agricultural diversification?

Ans. Agricultural diversification refers to the reallocation of farm's productive resources into varieties of crops. Agriculture diversification has two parts:

- (i) **Diversification of Crop:** It means shifting from growing one single crop on a farm to growing of many or multiple crops on a farm.
- (ii) **Diversification of Production Activity:** It means reducing the risk which occurs due to monsoon failure and due to price fluctuation.

Need for Agricultural Diversification:

The need for agricultural diversification arises from the following reasons:

- (i) There is more risk in depending exclusively on single crop. Diversification of agriculture reduces the risk arising from price fluctuations and also due to monsoon failure.
- (ii) There has been increasing pressure of population on land. Therefore, the shift of workforce from farm activities to non-farm activities becomes necessary to earn higher levels of income for rural people.

Q 2. Distinguish between Institutional credit and Non-institutional credit.

Ans. Difference between Institutional credit and Non-institutional credit are as follows:

S. No.	Institutional Credit	Non-Institutional Credit
(i)	Institutional credit is provided by banks, cooperatives etc.	Non-institutional credit is provided by moneylender/traders.
(ii)	Loan is given for productive purposes.	Loan is given both for productive and non-productive purposes.
(iii)	It is regulated by the Reserve Bank of India, rate of interest generally remains low.	Non-institutional credit is generally very expensive because, it is not regulated by the Reserve Bank of India.

Q 3. Explain the objectives of cooperatives in rural credit.

OR

"Cooperative societies fulfill the credit needs of the farmers and also provide guidance in agricultural operations and marketing."

In the light of above statement explain the objectives of cooperative in rural credit.

Ans. Objective of cooperatives in rural credit are as follows:

- (i) To free the farmers from the clutches of money lenders.
- (ii) To ensure timely flow of credit to farmers.
- (iii) To spread credit facilities even in the remotest regions.
- (iv) To help the farmers to get better price for their produces.
- (v) To stop their exploitation by middlemen.



Long Answer Type Questions

Q 1. What are the major initiative taken by government to improve agricultural marketing system?

Ans. In order to improve the system of agriculture marketing the government initiated a series of major steps which are as follows:

- (i) **Regulated Markets:** In order to improve agriculture marketing, the government has established regulated markets. In this market, the sale and purchase of production is mentioned by the market committee, this helps to bring transparency and the use of products sale and weight this market also helps the farmer to get justified price for their produce.
- (ii) **Warehousing Facilities:** In order to overcome the problem of distress sale, the government offers warehousing facilities to the farmers this helps the farmer to store their production and sell it in the market when the price are lucrative or higher.
- (iii) **Minimum Support Price:** In order to improve agricultural marketing system, the government has initiated minimum support policy. According to this policy, the farmers are assured to get reasonable price from their produce also the government will purchase their produce also the government at a specified price, the farmers are free to sell their produce at a price higher than minimum support prices in the open market thus farmers are assured to get the minimum income from the sale of their crops.
- (iv) **Cooperative Agricultural Marketing Society:** In order to improve the system of agricultural marketing, the government is encouraging the formation of cooperative agricultural marketing society, the farmers are male members of these society. The farmers become better bargainers in the market they are able to get better, price for their crop through collective sale.

(v) **Subsidised Transport:** In order to promote agricultural marketing, railways are offering subsidised transport. facility to the farmer so that the farmers can bring their products to urban market they can get better price for their produce this will help to raises the standard of living of the farmers.

(vi) **Support of Information:** In order to improve agricultural marketing the government encouraged and supported the role of electronic media and print media due to this the farmers are able to get information related to market this helps them to decision about how much to sell. When to sell or what price to sell and to whom to sell.

Q 2. What is organic farming? What are the advantages and disadvantages of organic farming? Why organic farming is good for India?

OR

State the meaning of organic farming. Discuss how does it help in promoting sustainable development.

(CBSE 2023)

OR

"Organic farming is the need of the hour to promote sustainable development but, has its own limitations."

Elaborate any two advantages and limitations each of organic farming in the light of the above statement.

(CBSE 2023)

Ans. **Organic Farming:** It is that system of farming in which we use organic inputs for cultivation.

- (i) The basic organic inputs are: animals manure and plant compose.
- (ii) Organic farming is that farming which discard the use of chemical inputs like fertilizers, insecticides, pesticides etc.
- (iii) Organic farming focus on maintaining good health. It is eco-friendly technique of farming.

Advantages of Organic Farming

The advantages of organic farming are:

- (i) **Discard the use of Non-Renewable Resources:** Organic farming does not use synthetic chemical like insecticides, pesticides, etc., it avoid the use of non-renewable resources.
- (ii) **Environment Friendly:** Organic farming is eco-friendly in nature, it helps in maintaining the quality of groundwater. It avoid the use of nitrate which are health hazard and pollute the environment.
- (iii) **Sustain Soil Fertility:** Organic farming use organic farming which helps to sustain soil fertility.
- (iv) **Healthy and Tasty Food:** Organic farming does not use chemical. The food is more nutritious than food grown with chemical procedure. Organic farming provides healthier and tastier food as compared to conventional farming.

(v) **Good for Small and Marginal Farmers:** Organic farming involve the use of animal manure and plant compose where as chemical farming involve the use of pesticide, HYV seeds etc. So organic farming is less expensive as compare to the conventional farming. Hence, it is good for small and marginal scale farmers.

Disadvantages of Organic Farming

The disadvantages of organic farming are as follows:

(i) Low level of output

(ii) The cost of production is high

(iii) The market price of organic food grain is very high

Organic Farming is Good for India

Organic farming is good for India because of the following reasons:

(i) It involves the labour intensive technique of production.

(ii) It is less expensive as compared to conventional farming.

Employment

► **Employment:** It is an activity which helps a worker to earn his living. It can be categorised as follows:

- Self-employment (Self-employed workers)
- Wage employment (Hired workers)

► **Workers:** All those who are engaged in production activities, in whatever capacity high or low, are known as workers.

Workforce Participation Rate

- It refers to the participation of people in the production activity. It is computed as follows:
- Workforce Participation Rate

$$= \frac{\text{Total Number of Workers}}{\text{Total Population}} \times 100$$

- The worker population ratio is low in India.

Knowledge BOOSTER

Worker-population ratio is the percentage of total population engaged in work.

► **Formal Sector and Informal Sector:** All the public sector establishments and those private sector establishments which employ 10 or more hired workers are called formal sector establishments. All other enterprises comprise of informal sector. Government exercise some control over formal sector and labour laws are passed to safeguard the interest of employees of this sector.

Knowledge BOOSTER

***Organised Sector:** The organised sector is that sector which includes all establishments in the public sector and all establishments of the private sector employing 10 or more workers.*

***Unorganised Sector:** The unorganised sector is that sector which includes all establishments employing less than 10 workers.*

Difference between Formal and Informal Workers:

S.No.	Formal Workers	Informal Workers
(i)	These are those who work in organised sector of an economy.	These are those who work in unorganised sector of an economy.

(ii)	They are protected by labour laws.	They are not protected by labour laws.
(iii)	They get social security benefits (like provident fund, gratuity, pension, etc.).	They do not get to social security benefits.
(iv)	They may form trade unions.	They do not form trade unions.

► **Changes in Workforce Participation Rate:** The following changes are:

- **Phenomenon of Jobless Growth:** It is phenomenon which means that the GDP of the country is rising, but without generating employment.
- **Casualisation of Workforce:** The movement of labour from regular salaried workers to casual wage workers is known as the process of casualisation of workforce.
- **Informalisation of Workforce:** Informalisation of Indian workforce implies that there is a continuous decline in the percentage of workforce in the formal sector and corresponding rise in the percentage of workforce in informal sector.

► **Unemployment:** It refers to a situation when people are willing to work at the existing wage rate and are able to work but they do not get work.

Knowledge BOOSTER

The children below the age of 15 years and adults the age of 60 years are not part of the working population.

► **Types of Unemployment:** There are three types of unemployment:

- **Disguised Unemployment:** It refers to a situation in which more people are engaged in work than are really needed. It is also known as hidden unemployment.
- **Seasonal Unemployment:** Unemployment that occurs at certain seasons of the year is known as seasonal unemployment.

In India, seasonal unemployment is predominantly associated with agriculture.

- **Open Unemployment:** It refers to that situation in which persons are able and willing to work at the prevailing wage rate, but fail to get work. Open unemployment is different from disguised unemployment. In case of open unemployment, workers are totally idle and unable to earn his livelihood.

However, in case of disguised unemployment, workers are visibly employed but actually they don't have full-time employment.

► Causes of Unemployment

- **Slow Economic Growth:** Indian economy is a developing economy. The growth rate is very slow. Economy fails to generate enough employment opportunities in the country. The size of labour force is much higher than the available employment opportunities. Thus, there is unemployment in the country.
- **Population Explosion:** In India, the population is increasing at an alarming rate. The number of job-seekers is higher than the available employment opportunities. Thus, population explosion is one of the main cause of unemployment in India.
- **Joint Family System:** In India, joint family is still prevalent. In joint families, there is a high tendency to survive on joint income. It encourages disguised unemployment.
- **Law Saving and Investment:** In India, there is a scarcity of capital. Due to this, there is low investment in the economy. This leads to low level of savings in the economy, as a result to this employment opportunities are not generated as per the requirement. Thus, unemployment prevails in the economy.
- **Limited Mobility of Labour:** In India, the mobility of labour is very low, people are not willing to move far off places even when the job is available there. Also, another reason for immobility of labour is diversity of language, food, religion, etc.
- **Agriculture is Seasonal Occupation:** Agriculture is a seasonal occupation which offers seasonal employment to the people. The farmers remain idle for 2-4 months in a year. Agriculture is unable to provide stable job to them throughout the year.

► Consequences or Problem of Unemployment

The consequences of unemployment is divided into two parts:

- **Economic Consequences:** The economic consequences include the following:
 - Due to unemployment, manpower is not fully utilised.
 - Due to unemployment, there is a loss of output in the economy.
 - Due to unemployment, the consumption level increases whereas saving level decreases. Thus, there is low capital formation in the economy.
 - Due to unemployment, there is low productivity in the economy.
- **Social Consequences:** Social consequences includes the following:
 - Due to unemployment, there is low standard of living and low quality of life in the economy.
 - Due to unemployment, there is inequality of income.
 - Due to unemployment, there is social unrest in the country. Unemployed youths are compelled to go for illegal activities like chain snatching, theft, terrorism, etc.
 - Due to unemployment, there is class struggle in the economy is divided into haves and have nots.

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The Government has also initiated various employment generation programmes such as Prime Minister Rozgar Yojana, Sampoorna Grameen Rozgar Yojana, Mahatma Gandhi National Rural Employment Guarantee Act, etc.

► Measures to Overcome Unemployment

- Accelerating growth rate of GDP
- Control of population
- Development of industrial sector
- Encouragement to small-scale enterprises
- Improvement in infrastructure
- Special employment programmes



Practice Exercise



Multiple Choice Questions

Q 1. Who is worker?

- a. A person who is paid by his employer
- b. A self-employed person
- c. A person who is engaged in some economic activity
- d. A person who does physical labour

Q 2. Formal workers refer to those workers:

- a. who work as regular wage employees
- b. who work in private establishments with 10 or more workers
- c. who work in urban areas
- d. who work as agricultural labourers

Q 3. The type of unemployment found in rural areas is:

- a. Open unemployment
- b. Frictional unemployment
- c. Seasonal unemployment
- d. Educated unemployment

Q 4. Informal workers:

- a. work in factories
- b. do not get social security benefits
- c. work in government departments
- d. form trade unions

Q 5. The major cause of unemployment in India is:

- a. slow growth rate
- b. rapid population growth in India
- c. Both a. and b.
- d. Neither a. nor b.

Q 6. The ratio of workforce of total population is called:

- a. Workforce participation rate
- b. Labourforce participation
- c. Both a. and b.
- d. Neither a. nor b.



Q 7. Which of the following is a wage employment programme?

- a. Integrated Rural Development Programme
- b. Training for Rural Youth Self-Employment Programme
- c. Swarna Jayanti Gram Swarozgar Yojana
- d. National Rural Employment Programme

Q 8. Most of the disguised unemployed persons in India are found in:

- a. agriculture
- b. industry
- c. trade
- d. transport

Q 9. The number of persons, who are actually employed at a particular time are known as:

- a. Labourforce
- b. Workforce
- c. Both a. and b.
- d. Neither a. nor b.

Q 10. The process of moving from self-employment and regular salaried employment to casual wage work is known as:

- a. Informalisation of workforce
- b. Casualisation of workforce
- c. Both a. and b.
- d. Neither a. nor b.

Q 11. Unemployment refers to people:

- a. who are not willing to work
- b. who are willing but do not get work
- c. who leave their jobs in search of better ones
- d. who have been dismissed because of incorrect practices

Q 12. Unemployment people is calculated as:

- a. Labourforce - Workforce
- b. Labourforce + Workforce
- c. Workforce - Labourforce
- d. None of the above

Q 13. Seasonal unemployment occurs mainly in

- a. Private sector industry
- b. Public sector industry
- c. Agriculture
- d. Banks

Q 14. An arrangement in which a worker uses his own resources to make a living, is known as:

- a. Wage employment
- b. Regular employment
- c. Casual employment
- d. Self-employment

Q 15. Disguised unemployment refers to:

- a. persons with no jobs
- b. more persons employed for a job which less can accomplish
- c. unemployment among woman
- d. people who are not willing to work

Q 16. The ratio of labourforce to total population is termed as:

- a. Labourforce participation rate
- b. Workforce
- c. Both a. and b.
- d. Neither a. nor b.

Q 17. are hired on a permanent basis and also get social security benefits.

- a. Casual workers
- b. Self-employed workers
- c. Regular workers
- d. None of the above

Q 18. Study the following picture and identify the situation (unemployment) depicted in the given image:



Alternatives:

- a. Unemployment
- b. Disguised unemployment
- c. Seasonal unemployment
- d. Open unemployment

Q 19. Unemployment that occurs at certain seasons of the year is known as:

- a. Seasonal unemployment
- b. Open unemployment
- c. Hidden unemployment
- d. None of the above

Q 20. In which of the following type of unemployment, is the marginal productivity of the worker zero?

(CBSE 2020)

- a. Structural unemployment
- b. Involuntary unemployment
- c. Seasonal unemployment
- d. Disguised unemployment

Q 21. Identify, which of the following is the correct formula for calculating 'Worker-Population Ratio'? (Choose the correct alternative)

(CBSE 2023)

- a. $\frac{\text{Total Labourforce}}{\text{Total Population}} \times 100$
- b. $\frac{\text{Total Workers}}{\text{Total Population}} \times 100$
- c. $\frac{\text{Total Population}}{\text{Total Labourforce}} \times 100$
- d. $\frac{\text{Total Population}}{\text{Total Workers}} \times 100$



Statement Based Questions

Q 22 Read the following statements carefully:

Statement I: The nature of unemployment problem in India is uni-faceted.

Statement II: Worker-Population ratio is an indicator used for analysing the employment situation in a country.

In the light of the given statements, choose the correct alternative from the following:

(CBSE SQP 2023-24)

- a. Statement I is true and statement II is false
- b. Statement I is false and statement II is true
- c. Both statements are true
- d. Both statements are false

Q 23. Read the following statements carefully:

Statement I: Ratio of woman workers in rural areas is more than the woman workers in urban areas.

Statement II: Woman in rural areas can not stay at home due to their poor economic condition.

In the light of the given statements, choose the correct alternative:

- a. Statement I is true and statement II is false
- b. Statement I is false and statement II is true
- c. Both statements are true
- d. Both statements are false

Q 24. Read the following statements carefully:

Statement I: Urban unemployment is a spillover of rural unemployment.

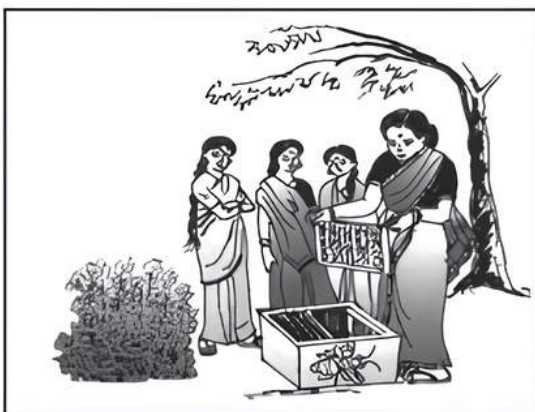
Statement II: Owing to the lack of opportunities of employment, people in the rural areas are compelled to migrate to the urban areas in search of livelihood.

In the light of the given statements, choose the correct alternative:

- a. Statement I is true and statement II is false
- b. Statement I is false and statement II is true
- c. Both statements are true
- d. Both statements are false

 **Fill in the Blank** Type Questions 

Q 25. Study the following picture and answer the given question:



Women in rural households take up bee-keeping as an entrepreneurial activity. Such kind of activities may be envisaged under as diversification activity. (CBSE SQP 2023-24)

(Choose the correct alternative to fill up the blank)

- a. Animal husbandry
- b. Fisheries
- c. Horticulture
- d. Poultry

Q 26. A person who does not serve as an employee but works for himself is known as a person. (Choose the correct alternative to fill up the blank)

- a. hired
- b. laboured
- c. self-employed
- d. None of these

Q 27. When a person is hired by other person and is paid wages as a reward for his services, then he is known as a worker. (Choose the correct alternative to fill up the blank)

- a. hired
- b. self-employed
- c. labourforce
- d. workforce

Q 28. Those persons who are on permanent rolls of their employer are known as workers. (Choose the correct alternative to fill up the blank)

- a. hired
- b. self-employed
- c. labour
- d. regular

Q 29. Labour refers to the supply of workers corresponding to different wage rate. (Choose the correct alternative to fill up the blank)

- a. force
- b. work
- c. production
- d. supply

Q 30. Labour includes both the number of persons actually working or willing to work. (Choose the correct alternative to fill up the blank)

- a. force
- b. work
- c. production
- d. supply

Q 31. Workforce = - Number of persons not working but are willing to work. (Choose the correct alternative to fill up the blank)

- a. workforce
- b. labourforce
- c. force
- d. labour supply

Q 32. Number of Persons Unemployed = Labourforce - (Choose the correct alternative to fill up the blank)

- a. workforce
- b. labourforce
- c. force
- d. labour supply

 **True/False** Type Questions 

Q 33. Worker population ratio refers to the proportion of workforce in total population. It can be expressed under:

$$\text{Worker Population Ratio} = \frac{\text{Total Population}}{\text{Workforce}} \times 100$$

Q 34. The newly emerging jobs are found mostly in the manufacturing sector.

Q 35. An establishment with four hired workers is known as formal sector employment.

Q 36. Compared to urban women, more rural women are found working.

Q 37. "In Indian economy, we have been able to produce more goods and services but without generating employment." Defend or Refute.



Match the Column Type Questions

Q 38. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Open unemployment	1. Unemployment occurs due to a change in technology.
B. Disguised unemployment	2. Unemployment occurs due to a change in job.
C. Structural unemployment	3. Employed persons are more than required.
D. Frictional unemployment	4. Worker is willing and able to work but he does not get work.

A B C D A B C D
 a. 1 2 3 4 b. 4 3 1 2
 c. 4 3 2 1 d. 3 2 4 1

Q 39. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Youth unemployment	1. Labour saving western technology
B. Women unemployment	2. Education system is not job oriented
C. Industrial unemployment	3. Unemployment in the age group of 15-29 years
D. Educated unemployment	4. Unemployment on account of several social factors

A B C D A B C D
 a. 1 2 3 4 b. 3 4 1 2
 c. 4 3 2 1 d. 1 4 3 2

Q 40. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Under-employment	1. Worker work for lesser hours than standard hours of work in a day.
B. Cyclical unemployment	2. Worker work for full time but gets less salary.
C. Visible under-employment	3. Unemployment due to trade or business cycles.
D. Invisible under-employment	4. Worker does not get full time job.

A B C D A B C D
 a. 1 2 3 4 b. 4 3 2 1
 c. 4 3 1 2 d. 3 4 2 1

Q 41. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Inequality in the distribution of income	1. Informal sector
B. All public and private sector establishments which employ 10 or more hired workers	2. Work population ratio
C. A measure of participation in employment	3. Social effect of unemployment
D. No entitlement to social security benefits	4. Formal sector

A B C D A B C D
 a. 1 2 3 4 b. 3 4 2 1
 c. 4 3 2 1 d. 1 4 3 2



Assertion & Reason Type Questions

Directions (Q.Nos. 42-49): There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is true, but Reason (R) is false.
- Assertion (A) is false, but Reason (R) is true.

Q 42. Assertion (A): Unemployment and poverty are inseparable twins.

Reason (R): Unemployment is the root cause of all socio-economic evils. (CBSE SQP 2022-23)

Q 43. Assertion (A): Percentage of female workers is low and lower still in urban areas.

Reason (R): Women are still governed by family decision rather than the individual own decision even the opportunity is available they are not utilised.

Q 44. Assertion (A): Regular salaried employees are more in urban areas than in rural areas.

Reason (R): Urban people have a variety of employment opportunities according to their educational attainments and skills.

Q 45. Assertion (A): There is increasing casualisation of workforce.

Reason (R): Self-employed small and marginal farmer are becoming casual workers due to low scopes of earnings in agricultural activities.

Q 46. Assertion (A): The policy of liberalisation has led to rise in country's GDP but the growth of employment opportunities has been negligible.

Reason (R): Since 1991, foreign companies have started their production activities on a large scale due to the government policy liberalisation. These companies are establishing large industries in which production is done with the use of modern machines. This has resulted in less use of labour despite of the fact that there is plenty of surplus labour in the country.

Q 47. Assertion (A): More graduates and post-graduates are produced every year but they are not getting adequate opportunities of employment.

Reason (R): The education system in India is also defective. Greater emphasis has been given on general education instead of on technical education.

Q 48. Assertion (A): Jobless growth refers to a situation when the economy is able to produce more goods and services without a corresponding increase in the level of employment. India is experiencing the phenomenon of jobless growth.

Reason (R): During the period 1950-2010, GDP of India grew positively and was higher than the employment growth. During this period, employment grew at the rate of not more than 2%. During these years, we also find a widening gap between the growth of GDP and employment.

Q 49. Assertion (A): As per data available on worker population ratio in India for the year 2017-18, for every 100 urban males 53 are engaged in economic activities, whereas this number is 14 for every 100 urban females. For every 100 rural males 51 are engaged in economic activities, this number is 18 for every 100 rural females.

Reason (R): Compared to females, more males are found to be working in India. It is common to find that where men are able to earn high incomes, families discourage female members from taking up jobs. Lack of skills and education also is one of the reasons of less involvement of women workers in rural and urban areas.

Answers

1. (c) A person who is engaged in some economic activity
2. (b) who work in private establishments with 10 or more workers
3. (c) Seasonal unemployment
4. (b) do not get social security benefits
5. (c) Both a. and b.
6. (a) Workforce participation rate
7. (b) Training for Rural Youth Self-Employment Programme
8. (a) agriculture
9. (b) Workforce
10. (b) Casualisation of workforce
11. (b) who are willing but do not get work
12. (a) Labourforce – Workforce
13. (c) Agriculture
14. (d) Self-employment
15. (b) more persons employed for a job which less can accomplish
16. (a) Labourforce participation rate
17. (c) Regular workers
18. (b) Disguised unemployment
19. (a) Seasonal unemployment
20. (d) Disguised unemployment
21. (b) $\frac{\text{Total Worker}}{\text{Total Population}} \times 100$
22. (b) Statement I is false and statement II is true.
23. (c) Both statements are true
24. (c) Both statements are true.
25. (c) Horticulture
26. (c) self-employed
27. (a) hired
28. (d) regular
29. (d) supply
30. (a) force
31. (b) labourforce
32. (a) workforce
33. False: Worker population ratio refers to the proportion of workforce in total population. It can be expressed under:
Worker Population Ratio
$$= \frac{\text{Workforce}}{\text{Total Population}} \times 100$$
34. False: The newly emerging jobs are found mostly in the service-sector.
35. False: It is an informal sector establishment because it has employed less than 10 hired workers.
36. True: It is because of high incidence of poverty in rural areas. In urban areas, men are able to earn high income. Also, families discourage women from taking up jobs.
37. True: Defended
During the period of 1950-2010, GDP of India grew positively (ranging between 4% to 7%) and was higher than the growth of employment. During this period, employment grew at a stable rate of about 2%. This is jobless growth.
Jobless growth refers to a situation when the economy is able to produce more goods and services without a corresponding increase in the level of employment.

- A B C D
38. (b) 4 3 1 2
 39. (b) 3 4 1 2
 40. (c) 4 3 1 2
 41. (b) 3 4 2 1
 42. (c) Assertion (A) is true, but Reason (R) is false.
 43. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 44. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 45. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 46. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 47. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 48. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 49. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).



Case Study Based Questions

Case Study 1

Read the extract given below and answer the questions on the basis of the same:

India's unemployment rate shot up to 7.8% for the week ended November 22 compared to 5.5% in the preceding week, signalling weakening of labour market.

Labour participation rate fell to 39.3% resulting in a sharp fall of 114 basis points in employment rate at 36.24%, data from the Centre for Monitoring Indian Economy (CMIE) showed.

While this was a sign of weakening labour markets over the last four weeks, it also reflected the inability of the labour markets to absorb adequate proportions of the working age population during the festive season of 2020, the CMIE said.

"The sharp rise of the unemployment, rate is against the trend seen since the recovery began. The trend has been one of falling unemployment rates with an occasional spike which happened during the first fortnight of October 10", it said. As per CMIE, the 36.2% employment rate in the week of November 22 is the lowest employment rate since the recovery stagnated in late June 2020.

It also marked the fourth consecutive fall in the rate since the week of October 25. The employment rate stood at 37.38% in the week ended November 15.

"The deterioration of labour metrics in November is a signal again of the early exhaustion of the recovery process that began in late May this year", it said.

"The recovery is not complete. The employment rate never reached its pre-lockdown levels. And before reaching there, it has started to decline again."

According to CMIE, the employment rate is the best measure of the health of the Indian economy as it measure the proportion of the working age population that are employed.

Source: Economic Times, November 27, 2020

- Q 1. Due to unemployment which market suffer maximum?
 - a. Commodity market
 - b. Labour market
 - c. Both a. and b.
 - d. None of these
- Q 2. Unemployment caused by lockdown is:
 - a. Chronic unemployment
 - b. Cyclical unemployment
 - c. Both a. and b.
 - d. None of the above
- Q 3. Measures to overcome unemployment are:
 - a. check on population
 - b. increase in investments
 - c. Both a. and b.
 - d. None of the above
- Q 4. Employment rate is the best measure of the of Indian Economy.
 - a. mixed
 - b. education
 - c. health
 - d. organisation

Answers

1. (b) 2. (b) 3. (c) 4. (c)

Case Study 2

Read the extract given below and answer the questions on the basis of the same:

While many Asian economies have shown indications of rising inequality in recent decades, the Indian experiences is particularly remarkable in the way inequalities have intertwined with the economic growth process.

Structural change (or the relative lack of it) and the persistence of low productivity employment in India are strongly related to falling wage shares of national income and growing wage inequalities and the close relationship between formal and informal sectors is the sharpest exemplar of this.

Patterns of social discrimination along with

gender and caste lines have reinforced tendencies to create segmented labour markets that offer little incentive for employers to focus on productivity improvements.

Q 1. Why did the government shift its strategy from long-term to short-term programmes to remove unemployment?

- a. Short-term policies are more effective
- b. Long-term policies do not give appropriate response
- c. Its easy to check the progress
- d. All of the above

Q 2. Women participation in rural areas is found to be higher in rural areas as compared with areas in India, due to which of the following reason?

- a. Widespread poverty
- b. Male members do not earn sufficient income
- c. Wages levels are low in rural areas
- d. All of the above

Q 3. Increase in the proportion of casual workers as a proportion of total workforce is known as

- a. Casualisation
- b. Informalisation
- c. Employment elasticity of growth
- d. None of the above

Q 4. Which of the following situation correctly explains the case of structural unemployment?

- a. Web-based advertising has drawn advertisers away from newspaper ads.
- b. Online news media has drawn customers away from physical newspapers.
- c. Ticket machines in train stations has reduced the need for ticket officers.
- d. All of the above

Answers

1. (d) 2. (d) 3. (a) 4. (d)

Case Study 3

Read the extract given below and answer the questions on the basis of the same:

Many developing countries are experiencing an unprecedented growth of urban population. Since the early 1970s, the trend has accelerated and it is expected that the less developed regions of the world will add about 1,000 million people to its urban population till the last quarter of this century as against 400 million people in the preceding quarter. The explosion of this magnitude cannot be without far reaching economic, social and political consequences which will have to be countered through appropriate public policies. Many observers have feared that rising urban

unemployment, scanty housing, inadequate water and electricity supply, poor sanitation, transport and other services, and on overall decline in the quality of urban life is in the main course due to the influx of migrants from the rural areas. Many developing countries have, therefore, initiated policies and programmes which aim at decelerating the growth of urban population through restricting the scale of rural-urban migration.

Q 1. Explain the most preferred form of employment among woman in India?

Ans. Self-employment is the state of being self-employed—earning one's main income by getting paid directly for one's work. such as by owning one's own business, as opposed to being an employee and getting paid by an employer, so, Indian woman mostly preferred self-employment.

Q 2. Which policy does India follow for women employment.

Ans. Stand up India Scheme promotes entrepreneurship amongst women.

Case Study 4

Read the extract given below and answer the questions on the basis of the same:

According to the National Sample Survey Organisation (NSSO)'s report on Employment and Unemployment Survey conducted in the 50th round of NSSO during July 1993 to June 1994, the Worker Population Ratio (WPR) differed between males and females in both rural and urban areas. The rate was 54% and 23% for males and females in the rural areas and 51% and 12% in the urban areas. In rural India, the proportion of 'all' male workers engaged in the agricultural sector gradually declined from 83% in 1972-73 to 74% in 1987-88 and then remained almost stable at that level. On the other hand, the proportion of female workers engaged in this sector declined from 90% in 1972-73 to 85% in 1987-88 and then shows a slight increase of one percentage point in 1993-94. In urban, India, the proportion of 'all' workers engaged in the manufacturing sector declined during the period 1972-73 to 1993-94. The compensating gain has been in 'construction' 'trade' and 'service' sectors.

Q 1. What is the meaning of workforce ratio?

Ans. Workforce ratio is the ratio which is used for measuring employment.

Q 2. Which sectors has employment declined in both rural and urban areas.

Ans. Agriculture sector has employment declined in both rural and urban areas.





Very Short Answer Type Questions

Q 1. What do you mean by workforce?

Ans. Workforce refers to the number of persons actually working.

Q 2. Define work-participation rate.

Ans. It is defined as the percentage of the total workforce to total population.

Q 3. Define occupational structure.

Ans. It is defined as the distribution of workforce among different occupations.

Q 4. What is meant by a formal sector establishment?

Ans. An establishment which employs 10 workers or more than 10 workers is known as a formal sector establishment.

Q 5. What is self-employment?

Ans. It refers to a situation of employment in which a worker uses his own resources to earn his living.

Q 6. Why does rural workforce migrate to urban areas during some part of the year?

Ans. Rural workforce migrates to urban areas during some part of the year because agriculture is a seasonal activity.

Q 7. Who is a worker?

Ans. A worker is one who is involved in some productive activity to earn a living.

Q 8. Define worker population ratio.

Ans. Worker population ratio is the percentage of total population engaged in work.

Q 9. Are the following workers: a beggar, a thief, a smuggler, a gambler? Why?

Ans. No, they are not workers because they are not doing any productive activity.

Q 10. Find the odd man out: (i) owner of a saloon; (ii) a cobbler; (iii) a cashier in Mother Dairy; (iv) a tuition master; (v) transport operator; (vi) construction worker.

Ans. (iii) and (vi) are odd ones. A cashier in Mother Dairy is a regular salaried employee and construction worker is a casual worker. All others are self-employed.

Q 11. Vansh is going to school. When he is not in school, you will find him working in his farm. Can you consider him as a worker? Why?

Ans. Yes, Vansh can be considered as a worker. A person is considered as worker if he contributes to the process of Gross Domestic Product (GDP) by rendering his productive activities.

Q 12. Compared to urban women, more rural women are found working. Why?

Ans. More rural women are found working because of their poor economic condition as compared to urban women.

Q 13. Akshi is a housewife. Besides taking care of household chores, she works in the cloth shop which is owned and operated by her husband. Can she be considered as a worker? Why?

Ans. A person who is involved in the production activity and contributes to the generation of Gross Domestic Product (GDP) is considered as a worker. As Akshi works in the cloth shop, owned and operated by her husband, she should be considered as a worker. However, in India, such women workers are neither counted as workers nor they are paid for such work.

Q 14. Find the odd man out: (i) rickshaw puller who works under a rickshaw owner (ii) mason (iii) mechanic shop worker (iv) shoe shine boy.

Ans. Shoe shine boy is the odd man out. Because all others (rickshaw puller, mason and the mechanic shop worker) are hired workers. They render their services to their employers and in return, get salaries or wages. On the other hand, shoe shine boy is a self-employed worker and carries out his occupation himself.

Q 15. Who is a casual wage labourer?

Ans. Casual wage labourer is the one who is casually engaged and get remuneration for the work done. He is not hired on a permanent basis and he does not enjoy social benefits and protection from the government.



Short Answer Type-I Questions

Q 1. Differentiate between formal workers and informal workers.

Ans. Difference between formal workers and informal workers are:

S. No.	Formal Workers	Informal Workers
(i)	These are those who work in organised sector of an economy.	These are those who work in unorganised sector of an economy.
(ii)	They are protected by labour laws.	They are not protected by labour laws.
(iii)	They get social security benefits (like provident fund, gratuity, pension etc).	They do not get to social security benefits.
(iv)	They may form trade unions.	They do not form trade unions.

COMMON ERROR

Many students only write the concept of formal and informal workers.



TIP

If question is asking the difference between both, students should write the proper difference between formal and informal workers.

Q 2. What do you mean by organised and unorganised sectors?

Ans. Organised Sectors: The organised sector is that sector which includes all establishments in the public sector and all establishments of the private sector employing 10 or more workers.

Unorganised Sectors: The unorganised sector is that sector which includes all establishments employing less than 10 workers.

Q 3. Mention any three advantages of organised sector of the economy.

Ans. The main advantages of organised sector are:

- (i) People working in the organised sector are able to earn regular income.
- (ii) Workers get social security benefits
- (iii) Workers are protected by labour laws.
- (iv) This sector maintains the books of account.

Q 4. Differentiate between self-employed workers and hired workers.

Ans. Difference between self-employed and hired workers are as follows:

S. No.	Self-Employed Workers	Hired Workers
(i)	Those workers who does not serve as an employee but work for themselves (run their own business profession) are called self-employed workers.	Hired workers are those workers who are paid by their employers for their work.
(ii)	A doctor working in his own clinic	Teacher working in school is an example of hired worker.

Q 5. "Regular salaried employees more in urban areas than in rural areas." Discuss.

Ans. Regular salaried employees are more in urban areas because urban people have a variety of employment opportunities due to their educational attainments and skills. Moreover, the nature of work is different in urban areas and enterprises require workers on a regular basis.

On the other hand, only 7% of rural people are engaged as regular salaried employees due to illiteracy and lack of skills.

Q 6. Why are less women found in regular salaried employment? (CBSE 2020)

Ans. Lesser women are found in regular salaried employment in India, as such jobs require skills and high level of literacy. Lack of mobility among women in India due to social constraints.

Q 7. "In India women participation rate is lower in urban areas than in the rural areas." Explain with valid arguments. (CBSE SQP 2022, Term-2)

Ans. As the urban families usually earn comparatively higher income than the rural families and, further, poverty in the urban areas is not as widespread as that of in the rural areas, so, there is lessen need for female members to get themselves employed.

Q 8. Compare and analyse the "Women Worker Population Ratio" in Rural and Urban areas based on following information: (CBSE SQP 2022, Term-2)

2017-2018 Worker Population Ratio (In %)			
Sex	Total	Rural	Urban
Men	52.1	51.7	53.0
Women	16.5	17.5	14.2
Total	34.7	35.0	33.9

Ans. The data in the given table reveals that:

- (i) Women constitute 16.5% of the total workers population in the economy.
- (ii) The number of women workers in rural areas (17.5%) are relatively higher than the women workers in urban (14.2%). Due to the abject poverty in rural areas, rural women are compelled to work more than their urban counter part.

Q 9. "In recent times the Indian Economy has experienced the problem of Casualisation of the workforce. This problem has only been aggravated by the outbreak of COVID-19."

Do you agree with the given statement? Discuss any two disadvantages of casualisation of the workforce in the light of the above statement.

Ans. The given statement is quite appropriate with reference to the 'casualisation of labour' in India.

- (i) For casual workers, the rights of the labour are not properly protected by labour laws. Particularly, during pandemic times as demand for goods and services fell the casual workers were left jobless, without any compensation or support.
- (ii) During the COVID-19 lockdown, millions of casual workers lost their jobs, raising the question of their survival. Also, additional health expenditure added to their troubles. Had such workers been working under the formal sector, it would have given them some respite in their difficult times.

Q 10. "India has failed to implement the recommendations of Education Commission of 1964-66." Give valid arguments in support of the given statement. (CBSE SQP 2022-23)

Ans. The given statement is appropriate. Investment in education system in India has been a woeful failure. The fact of the matter is that, in 1952 we were spending a meager 0.6% of our GDP on education that rose to only 4% in 2014. This has fallen well short of 6% target as proposed by the Education Commission, 1964.

Moreover, throughout this period the increase in education expenditure has not been uniform and there has been irregular rise and fall.

Q 11. "Casual wage work is the major source of employment in rural India." Defend or refute the given statement with valid reason. (CBSE SQP 2022-23)

Ans. The given statement is refuted. In rural areas, non-farm job opportunities are limited. People generally do not show preference to acquire skill and training

for non-farm occupation. They prefer to stay on family farms and fields as self-employed.

Q 12. Defend or refute the following statement with valid explanation:

"Disguised unemployment is a common form of unemployment in rural India." (CBSE SQP 2022-23)

Ans. The above statement is true. Disguised unemployment is a situation where the marginal productivity of labour is zero. In India, this situation is often witnessed, as farming is more of a family affair in rural areas and most of the members are generally engaged on the farms without any direct contribution to the production process. This problem persists in rural India due to lesser availability of jobs.

Q 13. "In rural areas of India, more members of a family are engaged in work, yet the gross income of the family is generally low."

Identify the type of unemployment indicated in the above statement and explain the paradox associated with it. (CBSE 2023)

Ans. The type of unemployment indicated in the given statement is disguised unemployment. Disguised unemployment is a situation where the marginal productivity of labour is zero. In India, this situation is often witnessed, as farming is more of a family affair in rural areas and most of the members are generally engaged on the farms without any direct contribution to the production process. This problem persists in rural India due to lesser availability of jobs.

Q 14. Define worker population ratio. Discuss its usefulness. (CBSE SQP 2022-23)

Ans. Worker Population Ratio: Worker population ratio is the percentage of total population engaged in work. **Usefulness of Worker Population Ratio:** Worker population ratio is useful in knowing the proportion of population that is actively contributing to the production of goods and services of a country.

Q 15. "Kavya works on her family farm and is neither paid in cash nor in the form of grains."

Can she be categorised as a worker? Give valid reasons in support of your answer. (CBSE 2023)

Ans. This type of employment is disguised unemployment as she is not getting paid also. Disguised unemployment is a situation where the marginal productivity of labour is zero. In India, this situation is often witnessed, as farming is more of a family affair in rural areas and most of the members are generally engaged on the farms without any direct contribution to the production process. This problem persists in rural India due to lesser availability of jobs.

Q 16. "Mr Rishi, after completing his education, has joined his family business but his marginal productivity is zero."

Comment upon the employment status of Mr Rishi. Give valid reasons in support of your answer.

(CBSE 2023)

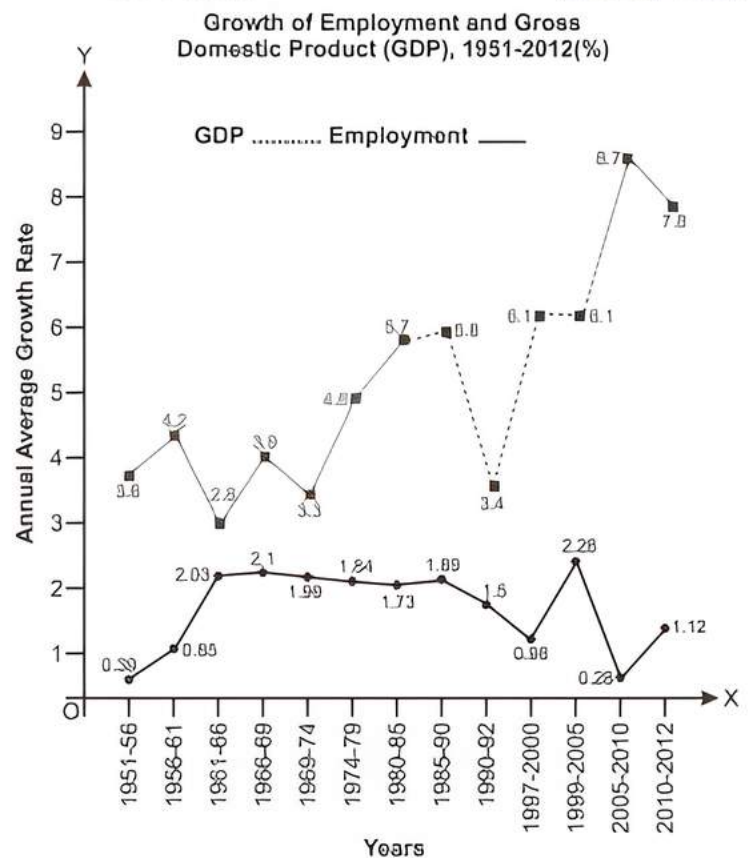
Ans. The employment status of Mr Rishi is disguised unemployment because his marginal productivity is zero.

Disguised unemployment is a situation where the marginal productivity of labour is zero. In India, this situation is often witnessed, as farming is more of a family affair in rural areas and most of the members are generally engaged on the farms without any direct contribution to the production process. This problem persists in rural India due to lesser availability of jobs.



Short Answer Type-II Questions

Q 1. Study the following chart showing the Growth of Employment and Gross Domestic Product (GDP) and analyse the trend of the two variables from 1990-2012. (CBSE SQP 2020)



Ans. Between the period 1990 to 2012, the introduction of economic reforms in India has changed everything in India. Variables shown in the given graph show that GDP growth rate has taken an upwards trend over the years, whereas, the situation of employment growth rate has seen major fluctuations while going down in overall trend.

GDP growth rate has increased from a meager 3.4% in 1991 to 7.8% in 2012. However, the employment growth rate has shown declining trends from 1.5% in 1991 to 1.12% in 2012. Between the period 1999-2005, the employment generation rate was at peak since independence i.e. 2.28% p.a. with the corresponding GDP growth rate standing at a decent 6.1% p.a.

The gap between the two variables is maximum between the period 2005-10, when the employment growth rate hit the lowest in history of Independent India, i.e. 0.28%. In the same period, the GDP growth

rate had hit the highest level since independence to the tune of 8.7% p.a. Indian economy has witnessed the peculiar phenomena of 'jobless growth' over all these years. Learning from the situation, government had put in serious efforts on employment front and brought it to a level of 1.12% p.a. between the period 2010-12.

In all the period between 1990-2012, it has been a real roller coaster ride for the Indian economy on the two front of GDP and employment growth rate.

Q 2. Analyse the trends in sectoral distribution of workforce in India on the basis of data: (CBSE 2020)

Trends in Employment Pattern (Sector-wise), 1972-2012 (In %)

Sectors	1972-73	1983	1993-94	1999-2000	2011-2012
Primary	74.3	68.6	64	60.4	48.9
Secondary	10.9	11.5	16	15.8	24.3
Services	14.8	16.9	20	23.8	26.8
Total	100.0	100.0	100.0	100.0	100.0

Ans. The given data shows that over the given period, the proportion of workforce in primary sector has decreased. Whereas, the employment share of both secondary sector and the services sector has increased. While the share of secondary sector (between 1993-94 and 2011-12) has increased by approximately 9%, the corresponding figure for services sector has increased by approximately 7%.

Q 3. "It is necessary to create employment in the formal sector rather than in the informal sector." Defend or refute the given statement with valid arguments. (CBSE 2020)

Ans. The given statement is true and can be defended on the following arguments:

- (i) Formal sector of employment provides greater job security as compared to informal sector of employment.
- (ii) Under the formal sector of employment, people get social security benefits.

Q 4. The following table shows distribution of workforce in India for the year 1972-73. Analyse it and give reasons for the nature of workforce distribution. You will notice that the data is pertaining to the situation in India 30 years ago:

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural	125	69	194
Urban	32	7	39

Ans. The following points can be analysed with the help of given data:

(i) More Proportion of Rural Population: The total workforce in India in the year 1972-73 was 233 million, out of which major portion 83% (194 million) belonged to rural population and the rest

17% (39 million) belonged to the urban population. It happened because a majority of rural population was engaged in agricultural and allied sectors.

(ii) More Proportion of Males: Males used to dominate the workforce. In both rural and urban areas. The rural workforce comprises of 125 million males (around 64%) as compared to just 69 million females (around 36%). On the contrast, the urban workforce comprises of about 82% of male workforce and 18% of female workforce. The participation of males was higher due to lack of opportunities available to women for acquiring education and female members were often confined to household work only.

(iii) More Proportion of Rural Females: Females in the rural areas formed 36% of the workforce as compared to just 18% females in the urban workforce.

Q 5. The following table shows the population and worker population ratio for India in 1999-2000. Can you estimate the workforce (urban and total) for India?

Region	Estimates of Population (in crores)	Worker Population Ratio	Estimated No. of Worker (in crores)
Rural	71.88	41.9	$\frac{71.88}{100} \times 41.9 = 30.12$
Urban	28.52	33.7	?
Total	100.40	39.5	?

Ans. Urban Workforce = $\frac{28.52}{100} \times 33.7 = 9.61$ crore
Total Workforce = $30.12 + 9.61 = 39.73$ crore

Q 6. Do you think that in the last 50 years, employment generated in the country is commensurate with the growth of GDP in India? How?

Ans. No, employment generated in the country does not match with the growth of GDP. Generally, the increased output is achieved by generating more employment opportunities.

(i) However, in the last 50 years, India has witnessed jobless economic growth where there was an overall acceleration in the growth rate of GDP without corresponding expansion in employment opportunities.

(ii) It happened because rise in GDP occurred due to use of modern and advanced technology, which substituted labour for machines. It failed to generate new employment opportunities and employment growth started declining and reached the level of growth that India had in the early stages of planning.

Q 7. Is it necessary to generate employment in the formal sector rather than in the Informal sector? Why? Formal sector is the organised sector of the economy, which includes all the public enterprises and private establishments that hire 10 or more workers.

Ans. Workers of the formal sectors enjoy social security benefits and they remain protected by the labour laws. On the other hand, people engaged in the informal sector do not enjoy any social security benefits and do not have any protection or regulation from the government. As a result, informal workers are generally very poor and live in slums.

So, it is necessary to generate employment in the formal sector rather than in the Informal sector as more jobs in the formal sector will not only absorb workforce from the Informal sector but will also help in reducing poverty and Income Inequalities.

Q 8. How will you know whether a worker is working in the informal sector?

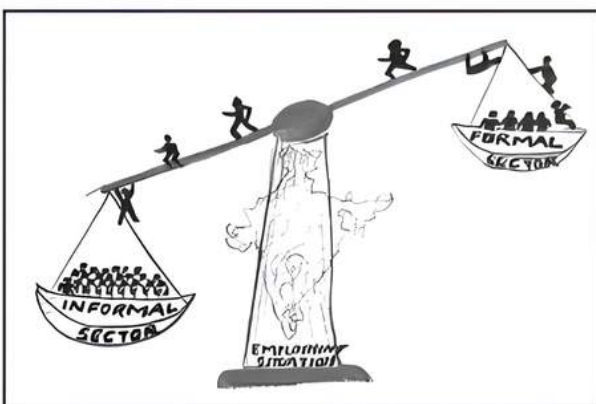
Ans. A worker is working in the informal sector, if:

- (i) He works in a private enterprise, which employ less than 10 workers. For example, farmers, agricultural labourers, owners of small enterprises, etc.
- (ii) He does not get regular income and does not have any protection or regulation from the government.
- (iii) he has the risk of being dismissed without any compensation.

Q 9. "Since independence, the government has been playing an important role in generating employment directly or indirectly." Discuss. (CBSE SQP 2023-24)

Ans. Since independence, governments have recognised the importance of employment in promoting economic growth and development. Direct Interventions such as public sector job creation, entrepreneurship promotion and skill development programmes as well as indirect interventions like creating an enabling business environment, have been key strategies employed by governments to generate employment opportunities.

Q 10.



Identify the situation depicted in the given image. Suggest the impact of the indicated situation, on the Indian economy. (CBSE SQP 2023-24)

Ans. The given image depicts the drift of the Indian workforce from the formal sector to the Informal sector employment. This situation is known as

'informalisation of the workforce'.

In Indian economy, informal sector consists of activities that focus on the primary production of goods and the generation of employment and income on a small-scale basis.

In Informal sector, there is no guarantee of a fixed job or wages and no fixed working hours.

The workers in this sector don't have any such rules or regulations and they use outdated technologies. The government is taking steps to safeguard the interests of the workers in the informal sector.

Q 11. "Casual wage work is the major source of employment in rural India."



In the light of the above statement and image, discuss the concept of self-employed and hired workers.

Ans. Self-Employed: Workers who own and operate an enterprise to earn their livelihood are known as self-employed. e.g. Cement shop owner is self-employed.

Hired Worker: Hired workers are those workers who work for others. They render their services to others and get wages/salaries as reward. There are two types of hired workers: (i) Casual Workers and (ii) Regular Workers.



Long Answer Type Questions ↘

Q 1. Explain the causes of unemployment in India.

Ans. Causes of unemployment in India are as follows:

- (i) **Slow Economic Growth:** Indian economy is a developing economy. The growth rate is very slow. Economy fails to generate enough employment opportunities in the country. The size of labourforce is much higher than the available employment opportunities. Thus, there is unemployment in the country.
- (ii) **Population Explosion:** In India, the population is increasing at an alarming rate. The number of job seekers is higher than the available employment opportunities. Thus, population explosion is one of the main causes of unemployment in India.
- (iii) **Joint Family System:** In India, joint family is still prevalent. In joint families there is a high tendency to survive on joint income. It encourages disguised unemployment.
- (iv) **Law Saving and Investment:** In India, there is

a scarcity of capital. Due to this, there is low investment in the economy. This leads to low level of savings in the economy, as a result to this employment opportunities are not generated as per the requirement. Thus, unemployment prevails in the economy.

(v) **Limited Mobility of Labour:** In India, the mobility of labour is very low. people are not willing to move far off places even when the job is available there. Also, another reason for immobility of labour is diversity of language, food, religion etc.

(vi) **Agriculture is Seasonal Occupation:** Agriculture is a seasonal occupation which offers seasonal employment to the people. The farmers remain idle for 2-4 months in a year. Agriculture is unable to provide stable job to them throughout the year.

Q 2. What are the consequences of unemployment?

Ans. The consequences of unemployment is divided into two parts:

(i) **Economic Consequences:** The economic consequences include the following:

(a) Due to unemployment, manpower is not fully

utilised.

(b) Due to unemployment, there is a loss of output in the economy.

(c) Due to unemployment, the consumption level increases whereas saving level decreases.

Thus, there is low capital formation in the economy.

(d) Due to unemployment, there is low productivity in the economy.

(ii) **Social Consequences:** Social consequences includes the following:

(a) Due to unemployment, there is low standard of living and low quality of life in the economy.

(b) Due to unemployment, there is inequality of income.

(c) Due to unemployment, there is social unrest in the country. Unemployed youths are compelled to go for illegal activities like chain snatching, theft, terrorism etc.

(d) Due to unemployment there is class struggle in the economy is divided into haves and have nots.

Sustainable Economic Development

▶ **Environment:** It refers to all those conditions and their effects which influence human life. It includes all the biotic (birds, animals, plants, forests, etc.) and abiotic (water, sun, land, mountains, etc.) components that influence each other and are inter-dependent.

▶ **Physical Environment:** It includes land, water, climate, mountains, minerals and all other sources which nature provides to us as a free gift.

▶ **Biological Environment:** It includes human, animals, birds, plants and all micro organisms.

▶ **Functions/Importance/Significance of Environment**

➤ **Offers Resources for Production:** Resources include both renewable and non-renewable sources of energy.

➤ **Sustains Life:** Environment helps in the existence of life on Earth. Because life without sun, water, soil is impossible.

➤ **Absorb Waste:** Environmental components help in their degradation, thereby preventing their accumulation.

➤ **Enhance Quality of Life:** Man finds peace and tranquility in these surroundings, enhancing his quality of life.

▶ **Challenges to India's Environment**

- Land degradation
- Soil erosion
- Air pollution
- Deforestation
- Biodiversity loss

▶ **Global Warming:** It is a gradual but consistent rise in earth's atmospheric temperature. It occurs due to carbon dioxide, methane and other gases which have the capacity to absorb heat.

▶ **Causes of Global Warming**

- Burning of coal and petroleum products
- Deforestation

▶ **Main Effects of Global Warming**

- Ice is melting worldwide
- Rise in sea level

▶ **Sustainable Development:** It refers to that development, which will allow all future generations to have a potential average quality of life, that is, at least as high, which is being enjoyed by the current generation.

Knowledge BOOSTER



According to the United Nations Conference on Environment and Development—"Development strategy that meets the need of present generation without compromising the ability of future generation to meet their on needs."

▶ **How to Achieve Sustainable Development?**

- Restrict use of renewable resources
- Substitute non-renewable resources with renewable resources
- Become input-efficient
- Keep a check on population

▶ **Strategies for Sustainable Development**

- Use of non-conventional sources of energy
- Use of cleaner fuels
- Establishment of mini-hydel plants
- Traditional knowledge and practices
- Use of bio-compost
- Control of bio-pest



Practice Exercise



Multiple Choice Questions ↘

- Q 1. Environment supplies:**
a. only renewable resources
b. only non-renewable resources
c. Both a. and b.
d. None of the above
- Q 2. 'Eco' mark on a product certifies that the product is:**
a. economical
b. environment friendly
c. non-perishable
d. good quality product
- Q 3. Which of the following features indicates that Indian economy is prosperous?**
a. India has abundant natural resources in terms of iron ore, coal and natural gas.
b. Rich quality of soil
c. Ideal geographical location
d. All of the above
- Q 4. According to World Health Organisation, percent of diseases are caused by polluted water.**
a. 16
b. 11
c. 18
d. 24
- Q 5. Factor contributing to degraded environment in India is:**
a. Rapid growth of population
b. Urbanisation
c. Industries
d. All of the above
- Q 6. Sustainable development emphasis the need for:**
a. increase in per capita income
b. industrial development
c. rational use of natural resources and protection of environment
d. balanced growth
- Q 7. The suggested measure to achieving sustainable development is the:**
a. development of human resources
b. rapid industrial development
c. rate of extraction of non-renewable resources should not exceed the rate of generation of renewable substitutes
d. technological progress
- Q 8. Central Pollution Control Board was set up in:**
a. 1950
b. 1974
c. 1991
d. 2011
- Q 9. Benefit of sustainable economic development is obtained by:**
a. Present Generation
b. Future Generation
c. Both a. and b.
d. Neither a. nor b.
- Q 10. Global warming is caused by:**
a. Oxygen gas
b. Greenhouse gases
c. Both a. and b.
d. Neither a. nor b.
- Q 11. is not a cause for environmental degradation.** (CBSE SQP 2022-23)
a. Waste management
b. Deforestation

c. Global warming
d. Guarding green cover

- Q 12. is not the strategy for Sustainable Development.** (Choose the correct alternative) (CBSE SQP 2022-23)
a. Use of bio-gas
b. Use of solar power
c. Use of thermal power
d. Use of hydel power

Statement Based Questions ↘

- Q 13. Read the following statements carefully:**
Statement I: Presently, global atmosphere is warming up.
Statement II: The depletion of the stratospheric ozone layer has resulted in an increase in ultraviolet radiation reaching the earth.
In the light of the given statements, choose the correct alternative:
a. Statement I is true and statement II is false
b. Statement I is false and statement II is true
c. Both statements are true
d. Both statements are false
- Q 14. Read the following statements carefully:**
Statement I: In India, land suffers from different types of degradation.
Statement II: In India, there are appropriate management practices to avoid land degradation.
In the light of the given statements, choose the correct alternative:
a. Statement I is true and statement II is false
b. statement I is false and statement II is true
c. Both statements are true
d. Both statements are false

Fill in the Blank Type Questions ↘

- Q 15. In an economy, when the rate of resource extraction is lower than the rate of regeneration of the resource, the environment may operate** (CBSE 2023)
(Fill up the blank with correct alternative)
a. within its carrying capacity
b. beyond its absorptive capacity
c. beyond its carrying capacity
d. beyond its aesthetic capacity
- Q 16. The Environment Protection Act was made in**
(Choose the correct alternative to fill up the blank)
a. 1988
b. 1987
c. 1986
d. 1980
- Q 17. and are the**

elements of environment.

(Choose the correct alternative to fill up the blanks)

- a. Air, water b. Tree, air
c. Biotic, abiotic d. Water, tree

Q 18. Biotic elements include and

(Choose the correct alternative to fill up the blanks)

- a. plants, animals b. human, birds
c. plants, human d. None of these

Q 19. Abiotic elements include and

(Choose the correct alternative to fill up the blanks)

- a. water, land b. plants, birds
c. human, plants d. animals, water

Q 20. resources are not depleted on use. (Choose the correct alternative to fill up the blank)

- a. Non-renewable b. Renewable
c. Waste d. None of these

Q 21. resources are depleted on use. (Choose the correct alternative to fill up the blank)

- a. Non-renewable b. Renewable
c. Waste d. None of these

Q 22. capacity means exploitation of resources should not be more than regeneration of resources.

(Choose the correct alternative to fill up the blank)

- a. Consumption b. Production
c. Carrying d. Output

Q 23. Environmental crisis occur when exploitation of resources is than regeneration of resources.

(Choose the correct alternative to fill up the blank)

- a. more b. less
c. Both a. and b d. None of these

 **True/False** Type Questions 

- Q 24. Poverty leads to deforestation.
Q 25. Public transport is more eco-friendly than private transport.
Q 26. Environment pollution leads to loss of National wealth.
Q 27. Larger traffic signal on roads, greater is the environment pollution.
Q 28. Input efficiency technology is environment friendly.

 **Match the Column** Type Questions 

Q 29. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Mountain, water	1. Over use of resources

B. Plants, animals	2. Misuse of resources
C. Excessive use of resources	3. Biotic elements
D. Wrong use of resources	4. Abiotic elements

- A B C D
a. 1 2 3 4
b. 4 3 1 2
c. 4 3 2 1
d. 1 4 3 2

Q 30. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Appiko Movement	1. Ozone depletion
B. Chipko Movement	2. Solar power
C. Photoactive cells	3. North India
D. Halons	4. South India

- A B C D
a. 4 3 2 1
b. 1 2 3 4
c. 3 4 1 2
d. 1 4 3 2

Q 31. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Brundtland Commission	1. Prevention and control of air and water pollution
B. Central Pollution Control Board	2. Environment friendly products
C. Ecomark	3. High opportunities cost
D. Negative Environmental Impacts	4. Emphasis on protecting future generation

- A B C D
a. 1 2 3 4
b. 4 3 2 1
c. 4 1 2 3
d. 3 1 4 2

 **Assertion & Reason** Type Questions 

Directions (Q.Nos.32-36): There are two statements marked as Assertion (A) and Reason (R). Choose the correct option from the options given below:

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
b. Both Assertion (A) and Reason (R) are true, but

Reason (R) is not the correct explanation of Assertion (A).

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

Q 32. Assertion (A): Environmental problem in India are caused by poverty as well as by affluence.

Reason (R): Environmental crisis is poverty induced in the same that poor people depends on natural assets for their survival. They collect forest produce and firewood for their very existence.

On the other hand, due to affluent consumption standards of the rich, huge amount of water is generated.

Q 33. Assertion (A): Environment crisis is only a recent phenomenon.

Reason (R): There was no environmental crisis in the past. In the past, when industrialisation did not take place, demand for environmental resources was much less than their supply. This implied that pollution was well within the absorptive capacity of the environment. The rate of extraction of resources was less than their rate of generation. Hence, environment problems did not happen.

Q 34. Assertion (A): Sustainable development is development that meets the needs of the present generation without compromising the ability of the future generations.

Reason (R): Future generations have also the right

to enjoy the same quality of life that is enjoyed by the present generation. Hence, future generations should not suffer at the cost of present generation well-being.

Q 35. Assertion (A): Promotion of natural resources, conservation, preserving regenerative capacity of ecological system, reducing environmental degradation, and avoiding the imposition of environmental risks on future generations would lead to sustainable development.

Reason (R): Sustainable development meets the basic needs of all, particularly the poor majority, for employment, food, energy, water, housing and ensures growth of agriculture, manufacturing, power and services to meet these needs.

Q 36. Assertion (A): Supply demand reversal of environmental resources is a major global environmental issue. It refers to a situation of environmental crisis where demand of environmental resources is much more than their supply.

Reason (R): Prior to industrialisation, urbanisation and phenomenal increase in population, the rate of resource extraction was less than the rate of regeneration of environmental resources. After industrialisation and increase in population, there is heavy pressure on the absorptive capacity of the environment.

Answers

1. (c) Both a. and b.
2. (b) environment friendly
3. (d) All of the above
4. (b) 11
5. (d) All of the above
6. (c) rational use of natural resources and protection of environment
7. (c) rate of extraction of non-renewable resources should not exceed the rate of generation of renewable substitutes
8. (b) 1974
9. (c) Both a. and b.
10. (b) Greenhouse gases
11. (d) Guarding green cover
12. (c) Use of thermal power
13. (c) Both statements are true
14. (a) Statement I is true and statement II is false
15. (b) beyond its absorptive capacity
16. (c) 1986
17. (c) Biotic, abiotic
18. (a) plants, animals
19. (a) water, land
20. (b) Renewable
21. (a) Non-renewable
22. (c) Carrying
23. (a) more

24. True: Because poor people cut down trees for domestic fuel and to earn money by selling tree wood.
 25. True: Because public transport reduces the number of cars, truck on roads, this reduces air pollution and noise pollution.
 26. True: Because environment includes soil, water, air and other natural resources, so the degradation of environment leads to loss of national wealth.
 27. True: Because when large number of vehicles will stop, then its leads to the increase in unwanted emission of smoke.
 28. True: Because it needs less number of inputs and reduces pressure on country's resources.
- | | A | B | C | D |
|---------|---|---|---|---|
| 29. (b) | 4 | 3 | 1 | 2 |
| 30. (a) | 4 | 3 | 2 | 1 |
| 31. (c) | 4 | 1 | 2 | 3 |
32. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 33. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
 34. (a) Both Assertion (A) and Reason (R) are true and

Reason (R) is the correct explanation of Assertion (A).

35. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
36. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).



Case Study Based Questions

Case Study 1

Read the extract given below and answer the questions on the basis of the same:

Environmental degradation and disturbed ecosystems aggravate disasters and their impacts such as 2020's COVID-19 pandemic, super cyclone and a deadly pest attack, one after the other. This is the year of reflection, to sit back and analyse what has infuriated nature so much that it is unfolding such shocks.

Nature is a sort of giver that never demands anything in return. It's the source of all food, air and water. But today the planet that has been tendering our civilisations has turned ill and needs time for recovery. Our carbon footprint has become so large that it would take 1.6 Earths to meet the demand that humans make on nature each year.

Today's greatest environmental threats are climate change, species, extinction, biodiversity loss, pollution, water stress, draining of natural resources, soil degradation and deforestation. It will take combined action from business, cities, citizens and countries to improve the environment's health. Governments and green organisations are trying for that but the task needs individual contribution.

Source: Times of India, June 5, 2020

- Q 1. Environment degradation is caused due to:
- a. burning of fossil fuels b. water pollution
c. cutting of trees d. All of these
- Q 2. In today's world, the exploitation of resources is more than regeneration of resources, there is environment
- a. crisis b. development
c. pollution d. contribute
- Q 3. Government and green organisations are trying to improve the environment's health but the task needs contribution.
- a. individual b. moral
c. economic d. None of these
- Q 4. Check on and control over are

required for reducing environment degradation.

- a. population, pollution
b. pollution, population
c. publicity, pollination
d. None of the above

Answers

1. (d) 2. (a) 3. (a) 4. (a)

Case Study 2

Read the extract given below and answer the questions on the basis of the same:

Ganga river flows through 100 cities with populations over 1,00,000; 97 cities with population between 50,000 to 1,00,000 and about 48 towns with population between 50,000 to 1,00,000. A large proportion of the sewage water with higher organic load in the Ganga is from this population through domestic water usage. Because of the establishment of a large number of industrial cities on the banks of the Ganga like Kanpur, Prayagraj, Varanasi and Patna, countless tanneries, chemical plants, textile mills, distilleries, slaughterhouses, and hospitals prosper and grow along this and contribute to the pollution of the Ganges by dumping untreated waste into it. One coal-based power plant on the banks of the Pandu River, a Ganges tributary near the city of Kanpur, burns 6,00,000 tons of coal each year and produces 2,10,000 tons of fly ash. The ash is dumped into ponds from which a slurry is filtered mixed with domestic wastewater, and then released into the Pandu river. Fly ash contains toxic heavy metals such as lead and copper. The amount of parts per million of copper released in the Pandu before it even reaches the Ganges is thousand times higher than what is there in the uncontaminated water.

- Q 1. Which form of pollution highlighted in the above case?
- a. Water pollution b. Air pollution
c. Soil pollution d. Noise pollution
- Q 2. What is/are the causes of pollution identified in the above case?
- a. Sewage water
b. Dumping of untreated waste
c. Dumping of ash
d. All of the above
- Q 3. Fly ash contains toxic heavy metals such as



and

Q 4. water is that which is changed due to the presence of chemicals, microbes or physical adulterations.

Answers

1. (a)
2. (d)
3. lead, copper
4. Contaminated

Case Study 3

Read the extract given below and answer the questions on the basis of the same:

Sustainable development is synonymous in the minds of many with the colour green and for good reason. Twenty years ago, at the first Earth Summit in Rio de Janeiro, leaders set out what today is conventional wisdom human progress—both social and economic—cannot be divorced from environmental protection. Unless both are advanced together, both will flounder or fail.

Sustainable development is as much about health, education and jobs, as it is about ecosystems. It is about ever widening inclusion and movement away from decisions that erode democratic space and do not address social inequality, intolerance and violence. Sustainable development is about change that transforms impoverished people, communities and countries into informed, educated, healthy and productive societies. It is about wealth creation that generates equality and opportunity; it is about consumption and production patterns that respect planetary boundaries; it is about increasing tolerance and respect for human rights.

Building on the human development legacy that originated with Amartya Sen and Mahbub-ul-Haq and was captured by the first human development report in 1990, UNDP has long promoted alternative approaches to measuring human progress, including with the human development index. Today, we are building on this legacy by exploring how to adjust the index to reflect environmental sustainability, so that governments and citizens might better track real progress towards truly sustainable development. This must be our collective objective.

Source: UNDP Report, June, 2012

Q 1. Explain sustainable development. How to achieve sustainable development.?

Ans. **Sustainable Development:** It refers to that development, which will allow all future generations to have a potential average quality of life, that is, at least as high, which is being enjoyed by the current generation.

Sustainable Development is achieved by:

- (i) Restrict use of renewable resources.
- (ii) Substitute non-renewable resources with renewable resources.
- (iii) Become input-efficient.
- (iv) Keep a check on population.

Q 2. Explain the significance of environment in the light of above paragraph.

Ans. (i) Offers resources for production
(ii) Sustains life
(iii) Absorb waste
(iv) Enhance quality of life.

Case Study 4

Read the extract given below and answer the questions on the basis of the same:

In recent years, awareness of the harmful effect of chemical-based fertilizers and pesticides on our health is on a rise. Conventional agriculture relies heavily on chemical fertilizers and toxic pesticides etc, which enter the food supply, penetrate the water sources, harm the livestock, deplete the soil and devastate natural ecosystems.

Efforts in evolving technologies which are eco-friendly, are essential for sustainable development and one such technology which is eco-friendly is organic farming.

In short, organic agriculture is a whole system of farming that restores, maintains and enhances the ecological balance. There is an increasing demand for organically grown food to enhance food safety throughout the world.

Q 1. What do you mean by organic farming?

Ans. Organic farming may be defined as the production of unpolluted plants products by the use of manures, biofertilizers, biopesticides with healthy cropping system.

Q 2. What are the advantages of conventional farming?

Ans. (i) Higher output. (ii) Cost effective. (ii) Wider range

Case Study 5

Read the extract given below and answer the questions on the basis of the same:

Sustainable development is the development that meets the needs of the present, without compromising the ability of future generations to meet their own needs. India is critical in determining the success in a pursuit to achieve sustainable development.

The Union Budget 2023 presented by Finance Minister Nirmala Sitharaman builds on India's commitment to lead the global action against climate change, preserve biodiversity and support

sustainable development.

The government has accelerated the pace of Green Growth as India is facing the grave reality of depleting natural resources, limited supply of water, minerals and fossil fuels. In a bid to counter the climate threat, India has committed to achieving net zero by 2070; released a low-carbon development strategy; and introduced the concept of 'LiFE' (Lifestyle for Environment) to promote responsible consumption.

The Green Growth actions include several pointed measures that would facilitate the much-needed steady decarbonisation of Indian industries, reduce dependency on fossil fuel imports and establish technology and market leadership in this sunrise sector. For instance:

The allocation of ₹ 35,000 crore of priority capital investment towards achieving net zero by 2070 and clean energy transition ensures the country's energy security.

The outlay of ₹ 19,700 crore for the Green Hydrogen Mission will mobilise a green hydrogen production capacity of 5 metric million tonnes by 2030.

Moreover, to encourage the optimal use of wetlands, enhance biodiversity, carbon stock, eco-tourism opportunities and income generation for local communities, the Amrit Dharohar scheme will be implemented over three years.

(CBSE SQP 2023-24)

Source: <https://economictimes.indiatimes.com/industry/renewables/view-budget-2023-ensured-india-is-primed-for-green-growth>

Q 1. Define sustainable development.

Ans. Sustainable Development: It refers to that development, which will allow all future generations to have a potential average quality of life, that is, at least as high, which is being enjoyed by the current generation.

Q 2. Briefly elaborate, any two reasons behind the objective of green growth being set up by the Indian Government.

Ans. Green growth is a sustainable development strategy that aims to promote economic growth while reducing negative environmental impacts. The Indian Government has set up the objective of green growth for the following reasons:

- (i) The objective of green growth aims to balance economic growth with environmental protection and sustainability.
- (ii) The objective of green growth also presents significant economic opportunities for India. By investing in clean energy, sustainable

agriculture and eco-tourism. India can create new jobs and industries while reducing its dependence on fossil fuels.

To counter the climate threat, India has committed to achieving net zero target by the year 2070.



Very Short Answer Type Questions

Q 1. What is environment?

Ans. Environment refers to all those conditions and their effects which influence human life. It includes all the biotic and abiotic components that influence each other and are inter-dependent.

Q 2. What are the two elements of environment?

Ans. The two elements of environment are as follows:
(i) Biotic environment
(ii) Abiotic environment

Q 3. What is biotic environment?

Ans. Biotic environment means living elements of environment which impact human life. For example, plant, animal, etc.

Q 4. What is abiotic environment?

Ans. Abiotic environment means non-living elements which impact human life. For example, mountain, desert, river, soil, etc.

Q 5. What are the two basic problems related to environment?

Ans. The two basic problems related to environment are as follows:
(i) Pollution
(ii) Environmental Degradation

Q 6. What happens when rate of resources extraction exceeds that of their regeneration?

Ans. When the rate of resources extraction exceeds that of their regeneration then the waste generated will be beyond the absorptive capacity of the environment. This will create environment crisis.

Q 7. What do you mean by renewable resources?

Ans. Renewable resources refer to those resources which do not get exhausted or depleted on use. For example, forests, sea animals, water, sunshine, etc.

Q 8. What do you mean by non-renewable resources?

Ans. Non-renewable resources refer to those resources which get exhausted or depleted on use. For example, coal, crude oil, etc.

Q 9. What do you mean by Carrying Capacity?

Ans. Carrying capacity refers to the ability of environment to absorb the wastes.



Short Answer Type-I Questions

Q 1. Interpret the given picture on account of current environmental challenges. (CBSE SQP 2022-23)



Ans. The given picture indicates towards the environmental challenge 'Global Warming'.

Global Warming: It is a gradual but consistent rise in earth's atmospheric temperature. It occurs due to carbon dioxide, methane and other gases which have the capacity to absorb heat.

The statement given 'we are running out of time, act now before it's too late' represents the urgency of action to be taken to control the situation.

The main causes of global warming are:

- (i) Burning of coal and petroleum products.
- (ii) Deforestation

Q 2. Interpret the situation of earth as depicted in the given picture, with reference to current environmental challenges: (CBSE 2023)



Ans. The given image indicates towards the environmental challenge of 'Global Warming'.

Global Warming It is a gradual but consistent rise in earth's atmospheric temperature. It occurs due to carbon dioxide, methane and other gases which have the capacity to absorb heat.

Q 3. "Serious concerns over the climate change is taking over the attention for the world."



In the light of the above statement and image, discuss any two strategies to tackle this global concern of Environmental degradation. (CBSE 2023)

Ans. The following strategies are tackle to global concern of environmental degradation:

- (i) **Use of Renewable Resources:** India is well enriched with sunlight, water and wind energy.

These are the free gift of nature that are non-exhaustible and pollution free. Thus, attempts should be made to harness solar and wind energy by employing different technologies. It not only solves the problem of economic growth but also the problem of sustainable economic development.

(ii) Use of the Input Efficient Technology: The input efficient methods and techniques should be devised so that more production is possible at per unit of input. This efficient utilisation of the natural resources leads to lesser exploitation of the natural resources.

Q 4. Explain absorptive capacity of environment with example. (CBSE 2023)

Ans. Absorptive capacity of the environment means the ability of the environment to absorb degradation. For example, the past development has polluted and dried up the rivers which lead to water as an economic good. Now, the economy is at the verge of environmental crisis.

Q 5. Interpret the given picture on account of current environmental challenges.



Ans. The given picture indicates towards the environmental challenge 'Climate Change'.

Global warming is just one symptom of the much larger problem of climate change. Climate change mean human caused changes on natural ones, such as ice ages. Besides burning fossil fuels, humans can cause climate changes by emitting aerosol pollution the tiny particles that reflect sunlight and cool the climate into the atmosphere, or by transforming the Earth's landscape.

Q 6. Population explosion and the advent of industrial revolution have resulted in environmental crisis. Discuss.

Ans. With population explosion and with the advent of industrial revolution, to meet the growing needs of the expanding population, the demand for resources for both production and consumption went beyond the rate of regeneration of the resources and the pressure on the absorptive capacity of the environment increased tremendously. We are now faced with increased demand for

environmental resources and services but their supply is limited due to overuse and misuse. Hence, the environmental issues of waste generation and pollution have become critical today.

Q 7. Identify six factors contributing to land degradation in India.

Ans. The factors responsible for land degradation in India are:

- (i) Loss of vegetation occurring due to deforestation.
- (ii) Unsustainable fuel, wood and fodder extraction.
- (iii) Shifting cultivation.
- (iv) Reduction of forest lands.
- (v) Forest fires and overgrazing.
- (vi) Non-adoption of adequate soil conservation measures.

Q 8. Explain how Bio-composting can be helpful in achieving the objectives of sustainable development.

(CBSE SQP 2022, Term-2)

Ans. Recycling the nutrients of biodegradable waste to form manure is referred as bio-composting. It is used to increase the fertility of land which ultimately leads to an increase in productivity of the land.

Q 9. State any four pressing environmental concerns of India.

Ans. Four pressing environmental concerns of India are:

- (i) Land degradation and solid waste management.
- (ii) Biodiversity loss.
- (iii) Air pollution with special reference to vehicular pollution in urban cities.
- (iv) Management of freshwater.

Q 10. Write a short note on Global Warming.

Ans. It is a gradual but consistent rise in Earth's atmospheric temperature. It occurs due to carbon dioxide, methane and other gases which have the capacity to absorb heat.

Due to global warming, the earth surface is becoming warmer. During the past century, the earth's temperature has increased by 0.6°C .

Global warming leads to melting of glaciers and imbalance of ecology. It is a threat to the human life.

Q 11. "Stimulating public mode of transportation may lead to promote sustainable development." Explain with valid arguments.

Ans. Sustainable transport contributes to a reduction in damaging carbon dioxide (CO_2) emissions, and therefore, to a reduction in atmospheric pollution and improved air qualities in cities. Sustainable mobility contributes to the 2030 Agenda for sustainable development.

Q 12. "If the rate of resource extraction exceeds the rate of regeneration, it leads to reduction in carrying capacity of the environment." Discuss the rationale of the given statement with valid reasons.

(CBSE SQP 2022, Term-2)

Ans. The environment is able to perform its functions uninterrupted so long as the demand for these functions is within the carrying capacity of the environment. This means that the resources are not

extracted beyond the rate of their regeneration. If there is a disequilibrium (demand being more than supply), the environment fails to replenish itself and it will lead to environmental crisis. Thus, to maintain a healthy environment the carrying capacity of the environment must be valued and respected.

Q 13. Explain how the opportunity costs of negative environment impacts are high.

Ans. (i) Due to excessive utilisation of resources, we are forced to spend a huge amount of money on technology and research to explore new resources.

(ii) Besides, there are the health costs of degraded environment. Decline in air and water supply have resulted in increased incidence of respiratory and water-borne diseases leading to increase in expenditure on health.

(iii) Global environment issues like as global warming and ozone depletion also contribute to increased financial commitments for the government.

Thus, the opportunity costs of negative environmental impacts are high.

Q 14. Is environmental crisis a recent phenomenon? If so, why?

Ans. Yes, it is recent phenomenon. In the early days, when civilisation just began and before phenomenal increase in population, urbanisation and industrialisation, demand for environmental resources was less than their supply. In other words, rate of resource extraction was less than the rate of regeneration of resources. Hence, environmental problems did not arise.

But with population explosion and with advent of industrial revolution and increasing urbanisation, demand of resources is more than their supply. Shortage of supply is because of overuse and misuse of resources. In other words, extraction of environmental resources is more than their regeneration. It is a reversal of supply-demand relationship. Hence, the result is environmental degradation, pollution, problem of waste generation. All these lead to environmental crisis.

Q 15. State and discuss any two environmental concerns faced by India in the present times. (CBSE 2020)

Ans. Two environmental concerns faced by India are:

(i) **Air Pollution:** In India, air pollution is widespread in urban areas where vehicles and industries are major contributors to pollution. Air pollution results in health problems and causes severe damage to the environment.

(ii) **Global Warming:** Global warming is the observed projected increase in the average temperature of earth's atmosphere and oceans due to increase

In greenhouse gases in the recent past. This has become a major global concern for the world.

Short Answer Type-II Questions ↘

Q 1. What happens when the rate of resource extraction exceeds that of their regeneration?

Ans. The carrying capacity of the environment implies that the resource extraction is not above the rate of regeneration of resources and the waste generated is within the assimilating capacity of the environment. Carrying capacity of the environment helps to sustain life. If carrying capacity is not maintained, there will be environmental crisis. Therefore, if rate of resource extraction exceeds, the rate of resource generation, the environment will not be able to sustain life.

Q 2. What measures have been taken by government to control pollution?

Ans. Measures taken by the government to control pollution are as follows:

- (i) Government tried to control pollution by initiating certain policy measures, for example, National Forest Policy 1988, National Conservation Strategy in 1992, Policy statement for abatement of pollution, 1992 etc.
- (ii) Government initiated ecomark scheme to increase environment-friendly products like paper bags, jute bags, clay pots, etc. and create awareness to not to use plastic bags.
- (iii) Government set policies for action plan for 140 polluted rivers.
- (iv) 'Common Effluent Plants' scheme was set up to form cluster of SSI units.
- (v) Supreme Court passed order to not to establish industrial units in the residential areas.
- (vi) Percentage of smoke by using coal should not be more than about 35%.
- (vii) Government initiated the use of compressed natural gas and low sulphur diesel in vehicles.

Q 3. Why is the concept of sustainable development important for the nation?

Ans. Sustainable development is a paradigm shift in development thinking. Following this path ensures lasting development and non-declining welfare for all. Economic development, which aimed at increasing the production of goods and services to meet the needs of a rising population, puts greater pressure on the environment. In the initial stages of development, the demand for environmental resources was less than that of supply. Now the world is faced with increased demand for environmental resources but their supply is limited due to overuse and misuse. Sustainable development aims at promoting the kind of development that minimises environmental problems and meets the needs of the present

generation without compromising the ability of the future generation to meet their own needs.

Q 4. Give two instances of:

- (i) **Overuse of environmental resources.**
- (ii) **Misuse of environmental resources.**

Ans. (i) Instances of overuse of environmental resources are as follows:

- (a) **Deforestation:** The continuous increase in demand due to growing population has resulted in large scale deforestation.
- (b) **Land Degradation:** India suffers from land degradation due to unstable use and inappropriate management practices.

(ii) Instances of misuse of environmental resources are as follows:

- (a) **Water Contamination:** Discharge of domestic and industrial waste pollutes the water and makes it unfit for use.
- (b) **Ozone Depletion:** Use of Chlorofluorocarbons (CFCs) in AC and refrigerators has led to ozone depletion.

Q 5. Differentiate between economic development and sustainable development.

Ans. Difference between economic development and sustainable development are:

S. No	Economic Development	Sustainable Development
(i)	Economic development is related to the problems of under developed economies.	Sustainable development is related to the problems of both developed and underdeveloped economies.
(ii)	It doesn't pay due attention to check pollution and to protect environment.	It pays due attention to check pollution and to protect environment.
(iii)	In it, there is a long-term increase in per capita income and economic welfare.	In it, attention is paid to maintain real per capita income and economic welfare of the future generation.
(iv)	In it, natural resources are exploited.	In it, natural resources are rationally utilised to give benefit to the future generation.

Q 6. What are the causes of deforestation in India?

Ans. Following are the causes of deforestation:

- (i) Construction of buildings due to the growing population.
- (ii) Use of overgrazing and encroachments.
- (iii) Indiscriminating sites of development projects.

(iv) Diversion of forestry for non-forestry purposes.



Long Answer Type Questions

Q1. Explain the factors which contribute to the environment crisis in India.

Ans. The factors which contribute to the environment crisis in India:

(i) **Rising Population:** Rising population is also responsible for degradation of environment. It is a burden on natural resources. Rising population will create difficulty for housing, health services, pollution free air, safe drinking water etc.

(ii) **Air Pollution:** It leads to global warming and ozone depletion which will badly affect the climate. Vehicles are the major source of air pollution in cities and towns, results in several health problems like asthma, hypertension, cardiac vascular problem. The government has to spend a lot of money to control these diseases.

(iii) **Water Contamination:** Water pollution makes water health hazard or unfit for use. Contaminated water destroys aquatic life and reduce reproductive ability. Management of fresh water has become a serious problem for the government. 70% of water in India is polluted. Polluted water has resulted in increased incidence of respiratory and water related diseases.

(iv) **Affluent Consumption Standards:** The affluent consumption and production standard of the developed (such as use of cars, ACs etc. on a large scale) lead to generation of greenhouse gases. As a result, government is forced to explore alternative environment friendly resources.

(v) **Illiteracy:** Illiteracy and ignorance often cause irreversible damage to the environment. Lack of knowledge and education generally leads

to overuse as well as the misuse of the scarce resources.

(vi) **Industrialisation:** Industrialisation leads to air, water and noise pollution.

(vii) **Deforestation:** Deforestation in India is done on a large scale. It causes several problems such as soil erosion, shortage of rainfall, global warming etc.

(viii) **Poaching:** Poaching (i.e., illegally killing of animals) badly affects the environment. Due to poaching, a number of animal species are either endangered or on the verge of disappearance.

(ix) **Global Warming:** Global warming leads to melting of glaciers across the world. It has led to steep rise in sea level and coastal flooding. Hurricanes and storms are likely to become stronger. It has increased the incidence of tropical diseases like malaria, cholera, dengue, etc.

Q2. What is meant by sustainable development? Discuss briefly any two strategies of sustainable development. (CBSE 2020)

Ans. **Sustainable development:** It refers to the development process that meets the needs of present generation without compromising on the ability of the future generations to meet their respective needs.

Two strategies of sustainable development are:

(i) **CNG in Urban Areas:** In some cities of India, the use of Compressed Natural Gas (CNG) as fuel in public transport system has significantly lowered air pollution and the air has become cleaner in the last few years.

(ii) **Wind Power:** In areas where speed of wind is usually high, wind mills can provide electricity without any adverse impact on the environment. The initial cost is high but the long term benefits easily absorb the cost incurred.



Chapter Test

Multiple Choice Questions

Q1. The development of human capital formation requires:

- a. discipline
- b. honesty
- c. education
- d. mortality

Q2. The period of 1991-2003 is known as:

- a. Green Revolution
- b. Blue Revolution
- c. Second Green Revolution
- d. Golden Revolution

Fill in the Blank Type Questions

Q3. The daily wage earners are known as workers.

(Choose the correct alternative to fill up the blank)

- a. regular
- b. casual
- c. hired
- d. labour

Q4. Greater proportion of women workers are found in areas as a component of Indian workforce.

(Choose the correct alternative to fill up the blank)

- a. single
- b. dual
- c. rural
- d. urban

True/False Type Questions

Q5. Public transport is more eco-friendly than private



transport.

Q 6. Input efficiency technology is environment friendly.

Match the Column Type Question

Q 7. From the following statements given in Column I and Column II, choose the correct pair of statements:

Column I	Column II
A. Jobless growth	1. Economic consequence of unemployment
B. Low capital formation	2. Social consequence of unemployment
C. Social unrest	3. Campaign by government to generate employment opportunities
D. Skill India	4. GDP growth is faster than employment opportunities

- A B C D
a. 1 2 3 4
b. 4 1 2 3
c. 3 2 1 4
d. 4 3 2 1

Assertion and Reason Type Questions

Directions (Q.Nos. 8-9): There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is true, but Reason (R) is false.
- Assertion (A) is false, but Reason (R) is true.

Q 8. Assertion (A): Urban people have a variety of employment opportunities.

Reason (R): In urban areas, the nature of work is different and enterprises required workers on a regular basis.

Q 9. Assertion (A): Renewable resources include trees, fish and water.

Resources (R): Renewable resources refers to those resources which do not get exhausted or depleted on use.

Case Study Based Question

Q 10. Read the extract given below and answer the questions on the basis of the same:

Along with being a basic human need, water is also a basic constituent for the survival of ecosystems of which people and their cultures are important components. The water resources

distribution in India predominantly an agrarian, economy, is highly asymmetric and has been accompanied by severe decline in per capita water availability during the past 50 years, with agriculture being the maximum water user, leading to over exploitation of groundwater and steadily depleting water tables along with a heavy energy bill.

Gujarat State falls in a water stressed zone of the country and is also the victim of intra-state asymmetric water availability leading to an unwanted socio-economic disparity, with the following results.

A poor literacy rate in water-deficit districts; concentration of industry and housing in regions with better water resources endowment; and demographic change, e.g., the shift of the prime workforce from drought-prone districts to water-surplus districts. This in turn denies the right to life, development, health, food education and work for these migrant communities.

To ensure a balanced development when there is less than one acre per capita of cultivable landholding and over 14,000 villages out of 18,563 are suffering from water scarcity, there is no other alternative but to transfer water from surplus to scarce areas of the state.

(i) Which of the following is not an objective of sustainable development?

- Control over growth rate of population
- Maintain ecological balance
- Maintain a dynamic balance of water resources by reducing water consumption
- To bring about a gradual and sometimes, catastrophic transformation of environment

(ii) Which of the following is not included in the strategies of sustainable development?

- Maintain carrying capacity of environment
- Maintain Inter and Intra-generation equity
- Bring gender disparity and diversity.
- None of the above

(iii) The commission emphasis on protecting the future generation.

- Brundtland
- Mundell
- Indian
- French

(iv) Water is an important resource for all biotic components. Over use of water has posed a serious threat on the future generations. Which of the following measures can be taken to improve availability of water across generations?

- Encouraging rainwater harvesting
- Check on overuse of groundwater level
- Spreading awareness about water conservation
- All of the above

Q 11. Read the extract given below and answer the questions on the basis of the same:

Global warming is a gradual increase in the average temperature of the Earth's lower atmosphere as a result of the increase in greenhouse gases since the Industrial Revolution. Much of the recent observed and projected global warming is human-induced. It is caused by man-made increases in carbon dioxide and other greenhouse gases through the burning of fossil fuels and deforestation. Adding carbon dioxide, methane and such other gases (that have the potential to absorb heat) to the atmosphere with no other changes will make our planet's surface warmer. The atmospheric concentrations of carbon dioxide and CH_4 have increased by 31% and 149% respectively above pre-industrial levels since 1750. During the past century, the atmospheric temperature has risen by 1.1°F (0.6°C) and sea level has risen several inches. Some of the long term results of global warming are melting of polar ice with a resulting rise in sea level and coastal flooding; disruption of drinking water supplies dependent on snow melts; extinction of species as ecological niches disappear; more frequent tropical storms; and an increased incidence of tropical diseases. Among factors that may be contributing to global warming are the burning of coal and petroleum products (sources of carbon dioxide, methane, nitrous oxide, ozone); deforestation, which

increases the amount of carbon dioxide in the atmosphere; methane gas released in animal waste; and increased cattle production, which contributes to deforestation, methane production, and use of fossil fuels. A UN Conference on Climate Change, held in Kyoto, Japan, in 1997, resulted in an international agreement to fight global warming which called for reductions in emissions of greenhouse gases by industrialised nations.

(i) What do you mean by global warming?

(ii) How is global warming affecting us?

Very Short Answer Type Questions

Q 12. What do you mean by labour force?

Q 13. Write two basic problems related to environment.

Short Answer Type-I Question

Q 14. State any three disadvantages of unorganised sector.

Short Answer Type-II Question

Q 15. State any four pressing environment concerns of India.

Long Answer Type Question

Q 16. What is sustainable development? Outline the steps involved in attaining sustainable development in India.