

# Human Capital Formation in India

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## 1 Marks Questions

### 1. What is meant by human capital formation?

**Ans.** Human capital formation refers to the process of adding to the stock of human capital overtime.

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### 2. Define human capital.

**Ans.** Human capital is the stock of 'skill and expertise' of a nation at a point of time.

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### 3. What is investment in education?

**Ans.** Expenditure on education by the government is known as investment in education.

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### 4. Which five year plan recognized the importance of human capital?

**Ans.** The seventh five year plan puts in print the importance of human capital in economic growth.

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### 5. Why do we need to invest in human capital?

**Ans.** It is necessary to invest in human capital and to make use of the physical capital in an efficient manner and to develop man's ability to increase productive capacity of a country.

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### 6. What is on the job training?

**Ans.** On the job training refers to the training provided to the workers by the firm to hone their specialized skills. It makes them more efficient and productive.



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**7. What is the difference between literacy and education?**

**Ans.** Education is a much wider concept than literacy. Literacy refers to the ability to read and write. Education includes three parameters primary, secondary and tertiary education. All educated people are literate but all literate people are not necessary educated.

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**8. What do you mean by the term sources of human capital formation?**

**Ans.** Source of human capital formation are the ways of adding to the existing stock of human capital.

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**9. How does human capital formation improve quality of life?**

**Ans.** Literate, healthy, skilled and trained people are an asset for an economy therefore it is the quality of population which means more economic growth.

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**10. Name the movement started by national literacy mission.**

**Ans.** The movement started by national literacy mission is 'Education for all'.

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**11. What is meant by training?**

**Ans.** The movement started by national literacy mission is 'Education for all'.

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**12. What is the literacy rate of India?**

**Ans.** 70.04% (2011)

