

Chapter-2

People as Resource

1 marks Questions

1. What is meant by human capital formation?

Ans. When the existing human resources are further developed by imparting education and by giving advance health facilities, it is called human capital formation.

2. Which type of investment is known as human capital investment?

Ans. The investment made in the form of education, training and medical care is known as human capital formation.

3. Which Asian country invested their most part of resources on people, especially in the field of education and health?

Ans. Japan.

4. How has Japan become a developed country?

Ans. By investing more on the development of Human Resources.

5. Banking is included in which sector of activity?

Ans. Tertiary sector.

6. Which sector is includes manufacturing?

Ans. Secondary sector.



7. Name any two economic activities associated with secondary sector.

Ans. Manufacturing of cars and manufacturing of cycles.

8. Forestry and agriculture are activities of which sector?

Ans. Primary sector.

9. Mention two factors which decide the quality of population in a country.

Ans. Health and literacy rate.

10. Sarva Shiksha Abhiyan is a significant step toward providing education to children of which age group?

Ans. 6 to 14 years.

11. Which state has poor health indices and a few medical colleges?

Ans. Uttar Pradesh and Bihar.

12. What is infant mortality rate?

Ans. Infant Mortality rate indicates the number of children that die before the age of one year as a proportion of thousand live children born in a particular year.

13. What was the literacy rate of India in 2001?

Ans. 65%.

14. What is the main aim of Sarva Shiksha Abhiyan?

Ans. To provide elementary education to all the children in the age group of 6 to 14 years.

15. What was the expenditure percentage of GDP in 1951-52 on education?



Ans. 0.64%.

16. Which state has the highest literacy rate in India?

Ans. Kerala.

17. What does the increase in unemployment indicate?

Ans. It is an indicator of depressed economy.

18. What is work force population?

Ans. It includes people for 15 years to 59 years of age group.

19. What is meant seasonal unemployment?

Ans. People are not able to find jobs during some months of the year.

20. Which type of unemployment is common in urban areas?

Ans. Educated unemployment.

3 marks Questions

1. Write a short note on Structural Employment.

Ans. This type of employment is caused due to mismatch in the size of population and the structure of the economy.

An underdeveloped infrastructure cannot provide employment to such a large population.

2. Write a short note on Disguised Employment.

Ans. This type of unemployment is a typical of the agricultural sector where more people are working on a piece of farm than are required.

The unemployment is hidden but the acid test of the unemployed force comes when they are withdrawn from the field and it does not lead to fall in production.

3. Write a short note on Seasonal Employment.

Ans. This type of unemployment exists when people cannot find gainful work during some part of the year.

For e.g., in agriculture sector, some farmers are bound to be unemployed for some part of the year due to the seasonal character of the occupation itself

4. Write a short note on Educated Employment.

Ans. This type of unemployment is common in urban areas.

There is unemployment among educated and technically skilled workers because they do not compromise on, low wages while in search of gainful employment.

A person is termed as 'unemployed' when they are capable and willing to do gainful work at prevailing wages but still they cannot get work.



5. Explain the Positive aspects of a large population.

Ans. A large skilled population contributes to the creation of Gross National Product. When 'human resource' is developed through education, training, skills and medical care, it adds to the productive power of the country.

6. Explain the Negative aspects of a large population.

Ans. A large unskilled population leads to low productivity and low economic growth. Large educated, unskilled population is considered a liability. It creates problems related to employment, food, education, and access to health facilities.

7. Write a short note on Primary economic activity.

Ans. These activities are related to natural resources. These activities involve deriving goods directly from nature in their original form. For e.g., agriculture, fishing, forestry, animal husbandry, poultry farming and mining.

8. Write a short note on Secondary economic activity.

Ans. These activities are meant to transform raw materials provided by primary sectors into goods. These activities are also known as manufacturing activities. For e.g., quarrying and manufacturing.

9. Write a short note on Tertiary economic activity.

Ans. These activities are related to services. These activities do not produce any tangible goods rather they result in the production of services. For e.g., trade, banking, communication, health, tourism, transportation, insurance, etc.

10. Write a short note on 'people as resource'.

Ans. 'People as resource' is a way of referring to a country's working people in terms of their existing productive skills and abilities.



These skills and abilities help them in contributing to the creation of Gross National Product. Thus they can act as an asset for the economy.

11. What is the role of education in human capital formation?

Ans. It generates technical skills and creates manpower which is suited for improving labour productivity.

It also stimulates innovation and provides knowledge to understand changes in society and advancements.

It results in social benefits since it spread to others who may not be skilled.

12. What is the role of health in human capital formation?

Ans. Health is a state of complete physical, mental and social well being.

It is an important input for the development of a nation because healthy persons can devote more time for work.

Therefore they can contribute more towards Gross Domestic Product if they are efficient and productive.

13. What part does health play in individual's working life?

Ans. Health plays an important role in an individual's working life.

The health of a person helps him to know his capacity and the ability to fight illness.

A healthy person can act as an asset for an organization as it helps in increasing the production.

14. Why are women employed in low paid work?

Ans. Women are employed in low paid work due to historical and cultural reasons as the majority of them have meager education and low skill formation.

Education and skill are the major determinants of the earning of an individual but due to lack of education and skill formation, women are paid lower than men.

They do not have job security due to this reason.



15. Explain the term ‘unemployment’.

Ans. Unemployment refers to a situation where all able and willing persons are not able to find work at the prevailing wage rate or activities to provide them with a means of living. The person cannot be counted as unemployed if he does not fall within the age group of 15-59 years.

Further, if the person is not willing to work, then also we not be considered as unemployed.

16. Why is ‘educated unemployed’ a peculiar problem of India?

Ans. Educated unemployed is a peculiar problem of India as it leads to wastage of manpower resource.

The massive expansion on the education facilities-both at the school and the university levels is a major reason for this.

Greater enrolment of people in educational institute and the widespread craze for having university degrees, have all contributed to the growth of educational persons who are on the lookout for white-collared jobs.

17. In which field do you think that India can build the maximum employment opportunity?

Ans. Indian economy is divided into three sectors on the basis of economic activities performed by people of earning their livelihood.

Out of these three sectors maximum employment opportunity can be seen in the secondary sector. Within in this sector village and small scale manufacturing is the most labour absorbing.

However, in case of tertiary sector various new services are now appearing like biotechnology and the information technology.

18. Can you suggest some measures in the education system to migrate the problem of the educated unemployed?

Ans. Emphasis should be given on vocational education so that people can find suitable jobs after completion of education.



Such education will help them in starting self employment ventures.

Higher education of high quality of high quality and high standards and research oriented should be imparted.

Institutes imparting technical education to students should be opened.

19. Statistically, unemployment rate in India is low. Explain.

Ans. Statistically the unemployment is low in India. A large number of people represented with low income and productivity are counted as employed.

They appear to work throughout the year but in terms of their potential income.

It is not adequate for them; the work that they are perusing seems force upon them.

They may therefore want other work for their choice.

20. Explain the virtuous cycle of human development.

Ans. Educated parents are found to invest more heavily on the education of their children.

This because they have realized the importance of education for themselves.

They are also conscious of proper nutrition and hygiene.

They accordingly look after their children's needs for education at school and good health.

A virtuous cycle is thus created in this case.

21. Explain how investment in human resource helped the country in becoming a developed country.

Ans. Due to investment on human capital the output of the persons is increased.

With the investments made on her education and health, can yield a high return in the future in the form of higher earnings and greater contribution to society.

By investing more on education and health, the educated people have made efficient use of other resources like land and capital.

Efficiency and the technology evolved by people have made their countries rich and developed.

22. Unemployment leads to wastage of manpower resources. Explain.



Ans. Unemployment leads to wastage of manpower resource. People who are in asset for the economy turn into a liability.

There is a feeling of hopelessness and despair among the youth.

People do not have enough money to support their family. Inability of educated people who are willing to work to find gainful employment implies a great social waste.

23. Explain the vicious cycle of human development.

Ans. A vicious cycle may be created by disadvantaged parents.

These parents are uneducated and lacking in hygiene.

They keep their children disadvantaged state.

These parents are unable to investments on the education and health of their children.

24. Define Market and Non Market activities.

Ans. Market activities remuneration to anyone who performs i.e., activities performed for pay or profit these include production of goods or services including government services. Non market activities are the production for self consumption. These can be consumption and processing of primary products and own account production fixed assets.

25. Define Birth rate, Death Rate and Infant Mortality rate.

Ans. Birth rate is the number of babies born there for every one thousand people during a particular period of time. Death rate is the number of people per one thousand who died during a particular period of time.

Infant mortality rate is the death of a child under one year of age.

26. What efforts have been taken by the government in the field of education?

Ans. There is a provision made for providing universal access, retention and quality elementary education with a special emphasis on girls.

There is also an establishment of pace setting of schools like Navodaya Vidyalaya in each district.

Vocational streams have been developed to equip large number of high school students with



occupations related to knowledge and skills.

27. What is mid day meal schemes? Explain.

Ans. Mid-day scheme is to provide nutritional food to students during the school time. This scheme has been implemented to encourage attendance and retention of children in schools. It aims at improving the nutritional status of the children.

28. What efforts have been taken by the government in t health?

Ans. Our national policy aims at improving the accessibility of health care, family welfare and nutritional service with the special focus on the under privileged segment of population. India has built up vast health infrastructure and has developed man power required at primary, secondary and tertiary sector in government as well as in the private sector. Many medical collages are opened by the government.

29. Give an example to prove that investment in human capital yields a rich return.

Ans. A large population can be turned into a productive asset by investing in education, training and health.

For Example, Japan has invested heavily on the development of human resources. They did not have any natural resource. This country is developed and rich country. They have invested on people especially in the field of education and health. These people have made efficient use of other resources like land and capital.

30. Write a short note on Educated Employment.

Ans. This type of unemployment is common in urban areas.

There is unemployment among educated and technically skilled workers because they do not compromise on, low wages while in search of gainful employment.

A person is termed as 'unemployed' when they are capable and willing to do gainful work at prevailing wages but still they cannot get work



5 marks Questions

1. Explain any five benefits of investment in human capital formation.

Ans. More educated or the better trained persons or the healthier people are good resources of the country.

Due to investment on human capital the output of the persons is increased.

With the investments made on her education and health, can yield a high return in the future in the form of higher earnings and greater contribution to society.

By investing more on education and health, the educated people have made efficient use of other resources like land and capital.

Efficiency and the technology evolved by people have made their countries rich and developed.

2. 'Human resources are indispensable factor of production'. Explain.

Ans. Yes, human resources are indispensable factor of production.

Human resources have ability to put together land labor and physical capital.

With the efforts of human resources the production process is possible.

Every process of production is organized by combining land labour and physical capital and human capital.

The quality of human resource is the symbol of economic and social status of people. As such, human development requires improvements.

The healthy, educated, efficient and skilled people are the asset of the nation.

3. Why are educated parents found to invest more heavily on the education of their child?

Ans. Educated parents are found to invest more heavily on the education of their children.



This because they have realized the importance of education for themselves.
They are also conscious of proper nutrition and hygiene.
They accordingly look after their children's needs for education at school and good health.
A virtuous cycle is thus created in this case.

4. Why did Japan emerge as a developed country in spite of its poor natural resources?

Ans. Japan has invested heavily on the development of human resources.
They did not have any natural resource. This country is developed and rich country.
They have invested on people especially in the field of education and health.
These people have made efficient use of other resources like land and capital.
Efficiency and the technology evolved by people have made these countries rich and developed.

5. Describe the policy of government on higher education as per Eleventh Plan.

Ans. Emphasis should be given on vocational education so that people can find suitable jobs after completion of education.
Such education will help them in starting self employment ventures.
Higher education of high quality of high quality and high standards and research oriented should be imparted.
Institutes imparting technical education to students should be opened.

6. How is human resource different from other resources like land and physical capital?

Ans. Human resource means the size and quality of people have skills, knowledge and expertise in a country whereas land is a natural resource and physical capital consists of buildings, plant and machinery equipments, etc. required for future production of goods and services.
Human resource increase efficiency to produce goods and services.
These resources have ability to improve through education, training and health care.
Other resources like land and physical capital have no ability to bring about changes in themselves by their own effort.



Human resources can make use of land and capital but land and capital cannot become useful on their own.

7. Mention any five characteristics of women workforce of India

Ans. The household work done by women is not recognized as a productive work. Women are ill paid because they are less educated and low skill formation. Most of the women are working in unorganized sector where there is no job security. Women with high education and skill formation are paid at par with the men. Indian society is conservative society; they don't allow the women to work outside the home.

8. Explain the unemployment problem of urban areas.

Ans. In case of urban areas educated unemployment has become a common phenomenon. Many youth with matriculation, graduation and post graduation degrees are not able to find job. A study showed that unemployment of graduate and post graduate has increased faster than among matriculate. A paradoxical manpower situation is witnessed as surplus of manpower in certain categories coexist with shortage of manpower in others. There is unemployment among technically qualified person on one hand, while there is a dearth of technical skills required for economic growth.

9. Mention the peculiarities of literacy in India.

Ans. The literacy rates have increased from 18% in 1951 to 74% in 2010-11. Literacy is not only a right, it is also needed if the citizens are to perform their duties and enjoy their rights properly. However a vast difference is noticed across different sections of population. Literacy among males is nearly 16.6% higher than females and it is about 16.1% higher in urban areas as compared to the rural areas. In 2011 literacy rates vary from 94% in Kerala to 62% in Bihar. The Primary school system has expanded to over 7.68 lakhs in 2004-05.



10. What are the major factors for unemployment in India?

Ans. Rapid growth of population is major cause of unemployment in India.

Due to the shortage of capital and other essential inputs, the industrialization process is very slow. Underdevelopment is also responsible for unemployment.

Faulty education policy is also a major cause of unemployment.

Decline in cottage industry is also a cause of unemployment in India. In rural areas cottage industry was the only means of employment particularly of the land less people.

Dependence of maximum population of India on the agriculture.

