

## Very Short Answer Questions

### Q. 1. What is Primary sector?

**Ans.** The activities that are undertaken directly using natural resources fall under primary sector. The industries are engaged in production or extraction of natural resources such as ores, crops and oil.

### Q. 2. Give example of Primary sector.

**Ans. The Cultivation of Cotton:** It takes place within a crop season. For the growth of cotton plant, we depend mainly, but not entirely on natural factors like rainfall, sunshine and climate. The product of this activity, cotton is a natural product.

### Q. 3. How does activity of dairy fall under Primary sector?

**Ans.** In the activity of dairy, we are dependent on biological process of the animals and availability of fodder, etc. The product, milk, also is a natural product.

### Q. 4. Why is primary sector also called agriculture and related sector?

**Ans.** Since most of the natural products we get are from agriculture, dairy, fishing, forestry, this sector is also called agriculture and related sector.

### Q. 5. What is Secondary sector?

**Ans.** The Secondary sector covers activities in which natural products are processed through ways of manufacturing that we associate with industrial activity. The product is not produced by nature but by some process in manufacturing is necessary.

### Q. 6. Give example of Secondary sector.

**Ans.** Using cotton fibre from the plant, we spin yarn and weave cloth. Using sugarcane as raw material, we make sugar or gur, are some of the examples of secondary sector.

### Q. 7. Why is Secondary sector also called as an 'Industrial Sector'?

**Ans.** Since this sector gradually became associated with the different kinds of industries that came up, it is called as industrial sector. The secondary sector includes industries that produce a finished usable products.

### Q. 8. Which activities are categorised under Tertiary sector?

**Ans.** The activities that help in the development of primary and secondary sectors are called tertiary activities. These activities, by themselves, do not produce a good but they are a support for the production process.

### Q 9. Give example of Tertiary activities.

**Ans.** Goods that are produced in the primary or secondary sector would need to be transported by trucks or trains and then sold in wholesale and retail shops. At times it may be necessary to store these in godowns. We may need to communicate with traders or borrow money from banks, etc. to help production and trade. These are examples of tertiary activities.

**Q. 10. Why is Tertiary sector also called the Service sector?**

**Ans.** Since these activities generate services rather than goods, the tertiary sector is also called the service sector.

**Q. 11. Which essential services are included in Tertiary sector?**

**Ans.** Service sector includes some essential services that may not directly help in the production of goods. For example, we require teachers, doctors and those who provide personal services such as washermen, barbers, cobblers, lawyers and people to do administrative and accounting works.

**Q. 12. What is GDP?**

**Ans.** GDP is Gross Domestic Product. The sum of the production in three sectors gives what is called GDP.

**Q. 13. How is GDP calculated?**

**Ans.** The following equation is used to calculate the GDP.

$$\text{GDP} = C + I + G + (X - M)$$

C – Consumer Spending

I – Business investment

G – Government Spending

(X – M) = net exports (exports–imports)

**Q. 14. Who is measuring GDP of India?**

**Ans.** In India, the mammoth task of measuring GDP is undertaken by a Central Government Ministry. This ministry with the help of various government departments of all Indian states and union territories, collects information relating to total volume of goods and services and their prices and then estimates the GDP.

**Q. 15. What changes have been brought in Primary sectors of India?**

**Ans.** As the methods of farming changed and agriculture sector began to prosper, it produced much more food than before. Many people could now take up other activities like transporters, administration or army.

**Q. 16. What changes can be seen in Secondary sector of India?**

**Ans.** New methods of manufacturing were introduced, factories came up and started expanding. People from rural areas migrated to work in factories and demands for manufactured goods has also increased.

**Q. 17. What development has taken place in Tertiary sector of India?**

**Ans.** The service sector has become the most important in terms of production. Most of the working people are also employed in service sector.

**Q. 18. Which sector has grown the most over thirty years?**

**Ans.** It is the tertiary or service sector, which has grown the most over the thirty years.

**Q. 19. Which basic services are provided by the government in a country?**

**Ans.** In any country, services such as hospitals, educational institutes, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence, transport, banks, insurance companies can be considered basic services. It is the responsibility of the government to provide these basic services.

**Q. 20. How does development of primary and secondary sectors demand for services?**

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

**Q. 21. Which services are more in demand after the income level rise in cities?**

**Ans.** As income levels rise, certain sections of people start demanding many more services like eating out, tourism, shopping, private hospitals, private schools, professional training, etc.

**Q. 22. Which new services have been introduced over the past decade?**

**Ans.** Certain new services such as those based on information and communication technology have become important and essential. The production of these services has been rising rapidly.

**Q. 23. Which kind of workers are not growing economically in Tertiary sector?**

**Ans.** These are a large number of workers engaged in services such as small shopkeeper, repair persons, transport persons, daily wages earners, etc. These people barely manage to earn a living and yet they perform these services because no alternative opportunities for work are available to them.

**Q. 24. Why are larger number of people employed in Primary sector in India even today?**

**Ans.** It is because not enough jobs are created in the secondary and tertiary sectors. Even though industrial output or the production of goods went up by nine times during the period, employment in the industry went up only three times.

**Q. 25. What does underemployment mean?**

**Ans.** In a situation of underemployment, people are apparently working but all of them are made to work less than their potential.

**Q. 26. What is disguised unemployment?**

**Ans.** It is a situation where more than required people are working and even if some people are removed from the work, it won't be affected. Hence, it is called disguised unemployment.

**Q. 27. How can problem of underemployment be reduced by the government?**

**Ans.** Suppose a new dam is constructed and canals are dug to irrigate farms. This could lead to a lot of employment generation within the agricultural sector itself reducing the problem of underemployment.

**Q. 28. Which industries and services can help the underemployed people in rural areas?**

**Ans.** Setting up dal mills to procure and process them, opening cold storages to store their products like potatoes and onions and sell them when the price is good. In villages, near forest areas, honey collection centres can be introduced where farmers can come and sell wild honey.

**Q. 29. What does MG NREGA mean?**

**Ans.** It is Mahatma Gandhi National Rural Employment Guarantee Act 2005.

**Q. 30. What is an organised sector?**

**Ans.** Organised sectors cover those enterprises or places of work where the terms of employment are regular and therefore people are assured of work.

**Q. 31. What benefits does a worker enjoy in an organised sector?**

**Ans.** Workers in organised sectors enjoy security of employment. They are expected to work only for a fixed number of hours. They get paid leaves, payment during holidays, provident fund and gratuity, etc.

**Q. 32. What is an unorganised sector?**

**Ans.** The unorganised sector is characterised by small and scattered units which are largely outside the control of the government.

**Q. 33. What are the drawbacks of an unorganised sector?**

**Ans.** Jobs here are often low paid and often not regular. No provision for creative, paid leave, holidays, leave due to sickness, etc. Employment is not secured.

**Q. 34. Why are a large number of people forced to enter the unorganised sector jobs?**

**Ans.** The organised sector offers jobs that are most sought after. But the employment opportunities in the organised sector have been expanding very slowly. Many organised sectors also refuse to follow laws that protect labourers. Therefore, a large number of people are forced to enter the unorganised sector of jobs which pay a very low salary.

**Q. 35. Which people are vulnerable in unorganised sector of rural areas?**

**Ans.** In the rural areas, the unorganised sector mostly comprises of landless agricultural labourers, small and marginal farmers, share croppers and artisans like weavers, blacksmiths, carpenters and goldsmiths, etc. These are vulnerable people who need protection.

**Q. 36. How can small and marginal farmers be supported?**

**Ans.** Small and marginal farmers need to be supported through adequate facility for timely delivery of seeds, agricultural inputs, credit, storage facilities and marketing outlets.

**Q. 37. Which people are vulnerable in unorganised sectors of urban areas?**

**Ans.** In the urban areas, unorganised sector comprises mainly of workers in small-scale industry, casual workers in construction, trade and transport, etc., and those who work as street vendors, head load workers, garment makers, rag picker, etc., are vulnerable, so they need to be protected.

**Q. 38. Why do schedule caste and schedule tribe workers also need to be protected by the government?**

**Ans.** Majority of workers from SC, ST and backward communities find themselves in unorganised sectors. Besides getting the irregular and low paid work, these workers also face social discrimination. Therefore, their protection is necessary.

**Q. 39. What is Public sector?**

**Ans.** In Public sector, the government owns most of the assets and provides all the services.

**Q. 40. What is the main purpose of the Public sector?**

**Ans.** The purpose of public sector is not just to earn profit but also to think about social justice.

**Q. 41. Give examples of Public sector.**

**Ans.** Railways, post offices, banks, etc., are owned by the government so they fall under public sector.

**Q. 42. What is Private sector?**

**Ans.** In the private sector, ownership of assets and delivery of service is in the hands of private individuals or companies.

**Q. 43. What is the objective of private sector?**

**Ans.** Private Sectors are guided by the motive to earn profits. To get such services, we have to pay money to these individuals and companies.

**Q. 44. Which activities are undertaken only by the government, not by the private sector?**

**Ans.** Some of the activities need large sum of investment, which is beyond the capacity of private sector. Even if the private sectors provide these facilities, they would charge a high rate for their use.

**Q. 45. Which activities are undertaken only by Public sector?**

**Ans.** Construction of roads, bridges, railways, harbour, generating electricity, providing irrigation through dams, etc., have to be undertaken by the government, who makes it sure that these facilities are available for everyone.

**Q. 46. Which activities are supported by the government?**

**Ans.** The private sector may not continue their production or business unless government encourages it, like selling electricity at the cost of generation may push up the costs of production of goods in many industries. Government here steps in by producing and supplying electricity at rates which these industries can afford. Government has to bear part of the cost.

**Q. 47. How does government support both farmers and consumers?**

**Ans.** The government in India buys wheat and rice from farmers at a fair price. This it stores in its godowns and sells at a lower price to consumers through ration shops. Here government has to bear some of the cost. In this way, the government supports both farmers and consumers.

**Q. 48. How can you say that provision of education is the responsibility of the government?**

**Ans.** Running proper schools and providing quality education particularly elementary education, is the duty of the government. India's size of illiterate populations is one of the largest in the world, so government must spend on it.

## Short Answer Questions

**Q. 1. Differentiate between economic and non-economic activities. Give any two points.**

**Ans. (i)** Economic activities are such activities which gets you some income while performing them. For example, a doctor earning his income by treating his patients.

**(ii)** Non-economic activities are the activities which do not earn you any income. For example, a doctor treating his own family members doesn't earn any income.

**Q. 2. Explain the objective of implementing the MG NREGA, 2005.**

**Ans.** Its main objective was to provide employment to the unemployed.

According to MG NREGA, all those who are able to and are in need of work would be guaranteed 100 days of employment in a year by the government.

If the government fails in its duty to provide employment, it will give unemployment allowances to the people.

**Q. 3. In what ways can employment be increased in urban areas?**

**Ans.** Rapid industrialisation can create employment opportunities for a number of people in urban areas.

Tourism can be developed in cities providing massive number of jobs by opening hotels, restaurants for the tourists.

Setting up of new services like IT has also opened up new vistas for plenty of people and provided jobs in urban areas.

**Q. 4. How would income and employment increase if farmers were provided with irrigation and marketing facilities?**

**Ans.** Suppose a new dam is constructed and canals are dug to irrigate many such farms, it could lead to a lot of employment generation within the agricultural sector itself and in reducing the problem of underemployment.

Farmers required to transport their products to a nearby town. If the government invests some money in transportation and storage of crops or makes better rural roads so that mini trucks can reach everywhere. This activity can provide productive employment to not just farmers but also others such as those in services like transport or trade.

**Q. 5. What is an organised sector? Give any three benefits of the organised sector.**

**Ans.** Organised sector covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work. They are registered by the government.

**Benefits of the organised sector:**

**(i)** Workers enjoy security of employment. They are expected to work only for a fixed number of hours.

**(ii)** If they work more, they have to be paid overtime by the employer.

They get paid leaves, payment during holidays, provident fund, gratuity, etc.

**Q. 6. What do you mean by ‘unorganised sector’? Give two disadvantages of the unorganised sector.**

**Ans.** Unorganised sector is characterised by small and scattered units which are largely outside the control of the government.

**Two disadvantages:**

**(i)** Employment is not secure.

**(ii)** Jobs here are low-paid and often not regular and there is no provision for overtime, paid leaves, holidays, etc.

**Q. 7. Why is the public sector required to provide certain things at a reasonable cost?**

**Ans. (i)** The purpose of the public sector is not just to earn profits but to think about the social benefits also.

**(ii)** There are several things needed by the society as a whole but which the private sector will not be able to provide at a reasonable cost.

**(iii)** Some of these require large sums of money to be spent, which is beyond the capacity of the private sector.

**Q. 8. Why is tertiary sector also called ‘service sector’?**

**Ans.** Since the activities of tertiary sector generate services rather than goods, it is called service sector. It includes some essential services that may not directly help in the production of goods. We require teachers, doctors and those who provide personal services such as washermen, barbers, cobblers, lawyers and people to do administrative and accounting works. In recent times, certain new services based on information technology such as Internet cafe, ATM booths, call centres, software companies, etc. have become important.

**Q. 9. Other than agriculture, in which sectors can under employment occur?**

**Ans.** Underemployment can also happen in other sectors.



There are thousands of casual workers in the service sector in urban areas who search for daily employment. They are employed as painters, plumbers, repair persons and others doing odd jobs. Many of them don't find work every day. We also see other people of the service sector on the streets pushing a cart or selling something where they may spend the whole day but earn very little. They are doing this work because they do not have better opportunities.

**Q. 10. How is tertiary sector different from other sectors?**

**Ans.** In primary sector, most of the activities are undertaken by exploiting our natural resources.

The secondary sector does the processing of the raw material produced by primary sectors in manufacturing industries.

Tertiary sector neither produces goods nor transforms the shape of natural resources, but the activities undertaken by this sector support both primary and secondary sectors.

**Q. 11. What development has taken place in developed countries for each sector?**

**Ans.** In the past 100 years, there has been a further shift from secondary to tertiary sector in developed countries. The service sector has become the most important in terms of total production. Most of the working people are also employed in the service sector. This is the general pattern observed in the developed countries.

## Long Answer Questions

### Q. 1. What is Skill Development? How does it help in creating employment?

**Ans.** Skill Development is the development of a particular skill with proper professional training. A trained person can get employment easily than non-skilled labour.

**(i)** Suppose the government opens new schools to educate people, the teachers will be required to run the school.

**(ii)** A study conducted by the Planning Commission estimates that nearly 20 lakh jobs can be created in the education sector alone.

**(iii)** Similarly, if we have to improve the health situation, we need many more doctors, nurses, health workers, etc., to work in various parts of our country.

### Q. 2. What are the different types of unemployment in India?

**Ans. (i) Underemployment or disguised unemployment:** A situation where there are more people in agriculture than necessary. So, even if you move a few people out, production will not be affected. It is called underemployment. This kind of underemployment is hidden in contrast to someone who does not have a job and is clearly visible as unemployed. Hence, it is also called disguised unemployment.

**(ii) Seasonal unemployment:** When people are unemployed for a particular season, it is called as seasonal unemployment. For example, if farmers are ploughing land only for rabi season, then they become unemployed for the rest of the seasons.

### Q. 3. What are the various ways to provide employment opportunities in rural areas?

**Ans. (i)** The government can spend some money or banks can provide a loan, to construct wells for irrigation.

**(ii)** Dams can be constructed along with canals, which will lead to a lot of employment generation.

**(iii)** Government can invest some money on the construction of roads for running mini trucks and providing jobs opportunity in transportation.

**(iv)** Local banks can provide credit at reasonable interest to the farmers for their farming to improve.

**(v)** Identify, promote and locate industries and services in semi-rural areas where a large number of people may be employed.

**(vi)** Setting up of dal mills, opening cold storages, honey collection centres and industries to process vegetables and other agricultural products, which can be sold in outside markets.

**(vii)** More and more schools should be opened which would create about 20 lakhs jobs in the education sector alone.

**(viii)** To improve the health situation, we need more doctors, nurses, health workers, etc. to work in the rural areas.

**(ix)** If tourism as a sector is improved every year, we can give additional employment to more than 35 lakh people.

**Q. 4. How can workers be protected in the unorganised sector?**

**Or**

**Why agriculture is an activity of unorganised sector in India? Explain.**

**Ans.** There is a need for protection and support to the workers in the unorganised sector.

**(i)** In rural areas:

**(a)** In the rural areas, the unorganised sector mostly comprises of landless agricultural labourers, small and marginal farmers, sharecroppers and artisans.

**(b)** Nearly 80 per cent of the rural households in India are in small and marginal farmer category.

**(c)** These farmers need to be supported through timely provision of seeds, agricultural inputs, credits, storage facilities and marketing outlets, etc.

**(ii) In urban areas:**

**(a)** In the urban areas, the unorganised sector comprises mainly of the workers in small scale industries, casual workers in construction, trade and transport, etc., and those who work as street vendors, head load porters and rag pickers, etc.

**(b)** Small-scale industries also need government's support for procuring and processing raw material and for marketing of output.

**(c)** The casual workers are required to be protected in their jobs and wages.

**(iii) SC and STs:**

**(a)** Majority of workers from the scheduled castes, tribes and backward communities find themselves in the unorganised sector.

**(b)** Besides getting the irregular and low-paid work, these workers also face social discrimination.

**(c)** Protection and support to the unorganised sector workers is thus, necessary for both economic and social development.

**Q. 5. Distinguish between Public sector and Private sector.**

**Ans. Public sector:**

- (i) It is controlled and managed by the government.
- (ii) The main aim of the sector is public welfare.
- (iii) The sector provides basic facilities like education, health, food and security to the people. For Example: Railways, Post office, BSNL.

**Private sector:**

- (i) It is controlled and managed by an individual or a group.
- (ii) The main aim of the sector is to earn profits.
- (iii) Private sector does not provide any service at a reasonable rate. For example: Tatas, Birlas, Reliance.

**Q. 6. Classify industries on the basis of their economic activities with examples.**

**Ans. (i) Primary sector:**

- (a) There are many activities that are undertaken by directly using natural resources.
- (b) They are called primary since it forms the base for all other products that are subsequently produced.
- (c) Since most of the natural products we get are from agriculture, dairy, fishing, forestry, this sector is also called agriculture and related sector.

**For example:** In activities like dairy, we are dependent on the biological process of the animals and availability of fodder, etc.

**(ii) Secondary sector:**

- (a) It covers activities in which natural products are changed into other forms through ways of manufacturing that we associate with industrial activity.
- (b) The product is not produced by nature but has to be made and therefore, some process of manufacturing is essential.
- (c) Since this sector gradually becomes associated with the different kinds of industries that come up, it is also called an industrial sector.

**For example:** Using sugarcane as a raw material, we make sugar or gur.

**(iii) Tertiary activities:**

- (a) These are activities that help in the development of the primary and secondary sectors.

**(b)** These activities, by themselves, do not produce a good but they are an aid or a support for the production process.

**(c)** Since these activities generate services rather than goods, the tertiary sector is also called the service sector.

**For example:** Goods that are produced in the primary or secondary sector need to be transported by trucks or trains and then sold in wholesale and retail shops.

**Q. 7. How do we count the various goods and services and know the total production in each sector?**

**Ans. (i)** Economists suggest that the values of goods and services should be used rather than adding up the actual numbers. The value of goods and services in the three sectors are calculated and then added up.

**(ii)** Not every good (or service), that is produced and sold, needs to be counted. It makes sense only to include final goods and services.

**For example:** A farmer sells wheat to a flour mill for ₹ 8 per kg. The mill grinds the wheat and sells the flour to a biscuit company for ₹ 10 per kg. The biscuit company uses flour, sugar and oil to make the packets of biscuits. It sells biscuits in the market to the consumer for ₹ 15 per packet. Now, biscuits are the final goods, i.e., goods that reach the consumer.

**(iii)** Intermediate goods are used up in producing final goods and services. The value of final goods already includes the value of all the intermediate goods that are used in making the final goods.

So, the value of final goods and services produced in each sector during a particular year, provides the total production of the sector for that year. And the sum of production in three sectors gives us the 'Gross Domestic Product or GDP'.

**Q. 8. What is GDP of a country? Who has undertaken this task of measuring GDP in India?**

**Ans.** The value of final goods and services produced in each sector during a particular year provides the total production of the sector for that year. And the sum of production in the three sectors gives what is called the Gross Domestic Product or GDP of a country.

In India, the mammoth task of measuring GDP is undertaken by the central government ministry. This ministry with the help of various government departments of all the Indian States and Union Territories, collects information related to total volume of goods and services and their prices and then estimates the GDP.

**Q. 9. Which local industries in semi-rural areas can provide job opportunities for the unemployed?**

**Ans. (i)** Setting up dal mills to procure and process pulses and then sell them in the cities.

**(ii)** Opening a cold storage could give an opportunity for farmers to store their products like potatoes and onions and sell them when the price is good.

**(iii)** In villages near forest areas we can start honey collection centres, where farmers can come and sell wild pure honey.

**(iv)** It is also possible to set up industries that process vegetables and agricultural produce like potato, sweet potato, rice, wheat, tomato, fruits, which can be sold in outside markets. This will provide employment in industries located in semi-rural areas and not necessarily in large urban centres.

**Q. 10. What are the advantages of working in the organised sectors?**

**Ans.** Advantages of working in the organised sectors are:

**(i)** Workers of organised sector get regular and assured employment.

**(ii)** They are registered by the government and have to follow its rules and regulations which are given in various laws such as Factories Act, Minimum Wages Act, Payment of Gratuity Act.

**(iii)** Workers in organised sectors enjoy security of job and are expected to work only for a fixed number of hours.

**(iv)** They also get several other benefits like paid leave, payment during holidays, provident fund, gratuity, etc.

**(v)** They are also supposed to get medical benefits, pension, etc.

**(vi)** There is a provision of overtime, in case the workers do their duties after fixed working hours.

**Q. 11. Why a large number of workers are forced to enter unorganised sector?**

**Ans.** The organised sector offers jobs that are the most sought after. But the employment opportunities in the organised sector have been expanding very slowly.

It is also common to find many organised sector enterprises in the unorganised sector jobs, which pay a very low salary.

As a result, a large number of workers are forced to enter the unorganised sector jobs, which pay a very low salary.

They are often exploited and not paid a fair wage.

Their earnings are low and not regular. These jobs are not secure and have no other benefits.

## Hots (Higher Order Thinking Skills)

**Q. 1. “When a country develops, the contribution of primary sector declines and that of secondary and tertiary sector increases”. Analyse the statement.**

Or

**What historical changes have been brought about in the primary, secondary and tertiary sectors?**

**Ans. (i) Primary sector:**

- As the methods of farming changed and the agricultural sector began to prosper, it produced much more food than before.
- Many people could now take up other activities. Buying and selling activities increased many times.
- However, at this stage most of the goods produced were natural products from the primary sector and most people were also employed in this sector.

**(ii) Secondary sector:**

- Over a long time, and especially because new methods of manufacturing were introduced, factories came up and started expanding.
- Those people who had earlier worked on farms now began to work in factories in large numbers.
- Secondary sector gradually became the most important sector in the total production and employment.
- Hence, over time, a shift had taken place. This means that the importance of the sectors had changed.

**(iii) Tertiary sector:**

- In the past 100 years, there has been a further shift from secondary to tertiary sector in developed countries.
- The service sector has become the most important, in terms of total production.
- Most of the working people are also employed in the service sector. This is the general pattern observed in developed countries.

**Q. 2. “There has been a big change in the three sectors of economic activities in India but similar shift has not taken place in the share of employment”. Explain the above statement on the basis of facts.**

**Ans. (i)** There has been a big change in the three sectors of Indian economy.

**(ii)** In primary sector, modern technology has been introduced in agriculture. With the arrival of green revolution, increased irrigational methods, there are noticeable changes in this sector.

(iii) Industrial production has also increased several times therefore providing more employment opportunities to the unemployed and underemployed in this sector.

(iv) Similarly in tertiary sector, there are more people coming for getting employment. New development of primary and secondary sectors leads to the development of service like transport, trade, storage, etc.

(v) There are lots of casual workers in the service sector in urban areas who search for daily employment. In the rural areas too, a lot of casual workers sometimes intermittently do not get jobs. Many of them are disguisedly unemployed. So besides change unemployment still exists in India.

**Q. 3. How can employment opportunities be generated in the tourism and information technology sectors?**

**Ans. (i)** The government must promote business as tourism helps a lot of Indian states and their artisans to earn recognition and income.

(ii) Tourist places, hotels, roads, etc. infrastructure should be prepared for attracting more tourists.

(iii) Government should frame policies for providing job opportunities in IT Sector like BPOs.

(iv) Tourism and IT Sector at present also is booming in India which are providing more job opportunities to younger generation, artists, etc.

**Q. 4. How far is it correct to say that in recent past, India has experienced some significant changes in the contribution of GDP service sector? Explain.**

**Ans.** Not all service sectors are growing equally well. Service sector in India employs many different kinds of people.

At one end, there are limited number of services that employ highly skilled and educated workers. At the other end, these are a very large number of workers engaged in services such as small shopkeepers, repair persons, transport persons, etc.

But in terms of GDP, the service sector emerged as the largest producing sector in India replacing the primary sector.

In 1972, share of tertiary sector in GDP was almost 35% which increased to more than 58% in 2011.

As income of people rises, they began to demand many more services like eating out, tourism, shopping malls, etc.

Particularly this area, the post decade IT Sector or BPO's provided jobs to many urban educated unemployed youth too.

**Q. 5. Give reasons for the growth of service sector in India.**



Or

**How is the tertiary sector gaining importance in India?**

**Ans. (i)** In any country, several services such as hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence, transport, banks, insurance companies, etc., are required. These can be considered as basic services.

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

**(iii)** As income levels rise, certain sections of people start demanding many more services like eating out, tourism, shopping, private hospitals, private schools, professional training institutes, etc. These changes can be seen in big cities.

**(iv)** Over the past decade or so, certain new services such as those based on information and communication technology have become important and essential. Therefore, production of these services has been rising rapidly.

**Q. 6. How would income and employment increase if farmers were provided with irrigation and marketing facilities?**

**Ans. (i)** The government can spend some money or banks can provide loans to construct wells to irrigate the land of poor farmers.

**(ii)** Government can develop tourism or regional craft industries. It would encourage the small farmers to get additional income.

**(iii)** Suppose a new dam is constructed and canals are dug to irrigate many farms, this could lead to lot of employment generation within the agricultural sector itself reducing the problem of underemployment.

**(iv)** Poor farmers need seeds, fertilizers, and agricultural equipments. If the local banks give them credit at reasonable rate of interest, they will be able to buy them in time and cultivate their land.

**(v)** Another way, by which we can tackle this problem, is to identify, promote and locate industries and services in semi-rural areas where a large number of people may be employed.