

 **Short Answer** Type Questions 

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

Ans. Difference between economic and non-economic activities are:

S. No.	Basis of Difference	Economic Activities	Non-economic Activities
(i)	Meaning	Activities that give an income in return are called economic activities.	Activities which do not give any income in return are called non-economic activities.
(ii)	Outcome	It gives monetary benefit in return.	It gives mental satisfaction in return.
(iii)	Examples	People going for work in factories, farms, banks, hospitals, schools, etc.	Doing social work, helping the poor, going to temple, etc.

Q 2. Why is primary sector important?

Ans. Importance of primary sector can be brought forward through the following points:

- (i) This sector forms the base for all other products that are subsequently made and contributes around 20% towards the GDP of India.
- (ii) It covers a wide range of activities such as agriculture, dairy, fishing, forestry, etc.
- (iii) More than half of the workers in the country are working in the primary sector, mainly in agriculture.

Q 3. 'Primary sector was the most important sector of economic activity at initial stages of development.' Evaluate the statement.

Ans. At the initial stages of development, primary sector was the most important sector of economic activity because of the following aspects:

- (i) As indicated by the history of developed countries, primary sector was considered important. With the change in methods of farming and as the agriculture sector began to prosper, it produced much more food than before and most people were also employed in this sector.
- (ii) Over more than a hundred years, when new methods of manufacturing were introduced, factories came up and began to expand. Thus, the secondary sector gradually became the most important in total production as well as employment.
- (iii) In the past 100 years, there has been a further shift from secondary and tertiary sectors in developed countries. The service sector has

become the most important in terms of total production. This pattern has been observed in developed countries.

Q 4. Explain any three points of importance of secondary sector in the Indian economy.

Ans. Importance of secondary sector can be brought forward through the following points:

- (i) It provides employment to the people.
- (ii) It provides goods to the people like cloth, sugarcane, iron and steel.
- (iii) Secondary sector contributes approximately 20% towards the GDP of India.
- (iv) It promotes the development of primary and tertiary sector.

Q 5. Why is the tertiary sector becoming more important in India? Explain. (CBSE 2020)

OR

Why is the 'tertiary sector' becoming important in India? Explain any three reasons. (CBSE 2019)

OR

Why is 'Tertiary Sector' becoming important in India? Explain. (CBSE 2023)

Ans. The tertiary sector is becoming important in India due to the following reasons:

- (i) The need for tertiary sector is increasing as there is more need of services like financial institutions, educational institutions, etc. in Indian economy.
- (ii) The tertiary sector has created huge employment even for the uneducated and unskilled workers.
- (iii) The tertiary sector has created new services based on information and communication technology which are essential in a global world with technological advancement.
- (iv) The tertiary sector accounts for most of the national and per capita income of India.
- (v) The tertiary sector is responsible to distribute its services and goods to different consumers.



TIP

Students should mention the contribution of tertiary services in the national economy of our country.

Q 6. 'Tertiary sector activities help in the development of the primary and secondary sectors'. Evaluate the statement. (CBSE 2020)

OR

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

Ans. Tertiary sector is also called service sector. This sector provides the facilities regarding transportation, communication, insurance, banking, etc. It is different from the other sectors in the following aspects:

- (i) This sector helps primary and secondary sectors to sell the product in the market by providing services related to transport and marketing.
- (ii) In the primary and secondary sectors, goods are made and then sold with the help of tertiary sector.
- (iii) In primary and secondary sector, only those activities are included which are directly related to the production of goods, but the tertiary sector also includes some services which do not help in the production of goods, such as services of teachers, lawyers, etc.

Q 7. With the example of sugarcane, explain the interdependence of all the three sectors of the economy.

Ans. The primary, secondary and tertiary sectors of a country are interdependent. This can be explained with the help of sugarcane:

- (i) Cultivation of sugarcane is an agricultural activity which falls under the purview of primary sector.
- (ii) Sugarcane is used as raw material for making sugar through a manufacturing process in the secondary sector.
- (iii) Tertiary sector assists in the production as well as marketing of sugar by providing services such as transportation, communication, storage, etc.

Q 8. "All the services of the 'service sector' are not growing equally well." Evaluate the statement.

Ans. The given statement can be evaluated in the following ways:

- (i) Service sector in India employs many different kinds of people but there are a limited services that employ highly skilled and educated workers such as managers, lawyers, accountants, etc.
- (ii) There are a very large number of workers engaged in services such as small shopkeepers, repair persons, transport persons. They manage to earn a living and even then perform these services.
- (iii) There is no alternative opportunity for these workers but only a part of this sector is growing in reality.

Q 9. How do we count various goods and services for calculating Gross Domestic Product (GDP) of a country? Explain with example. (CBSE 2019)

Ans. The various goods and services are counted on the basis of the value of goods or services and not on the basis of the actual numbers.

- (i) The value is the value of final goods and services and not the value of intermediate goods.
- (ii) The value of final goods already includes the value of all intermediate goods that are used in making the final goods.

(iii) The total production of each sector is calculated by adding the value of all final goods and services of the sector in a year.

(iv) The total production of all three sectors within a country is known as the Gross Domestic Product of the country. For example, the value of a table includes the value of wood as well as polish, so the value of wood and polish is not counted separately. In another case, the value of biscuits (final goods) already includes the value of flour, so its value is not counted.



TIP

The definition of GDP should be written in explanation. Mention any example also to explain the fact.

Q 10. Why didn't shift out of primary sector happen in case of employment, although there has been a change in the share of three sectors in GDP?

OR

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

(CBSE 2015)

Ans. There has been a big change in the level of economic activities performed in the primary, secondary and tertiary sectors but a similar shift has not taken place in the share of employment. This is because of the following facts:

- (i) At the time of independence, primary sector was the largest contributor towards GDP and also employed the largest number of people.
- (ii) Today the tertiary sector contributes the highest towards GDP but primary sector continues to be the largest employer. This is because enough jobs were not created in the secondary and tertiary sectors.
- (iii) More than half of the workers in the country are working in the primary sector producing only one-quarter of the goods. Whereas secondary and tertiary sectors produce three-fourths of the produce employing half of the country's workers.
- (iv) Primary sector has disguised unemployment whereas workers in secondary and tertiary sectors work overtime.

Q 11. Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain how.

Ans. It is very useful to classify the economic activities into primary, secondary and tertiary sectors as:

- (i) The broad classification of an economy on the basis of different sectors show the implications of economic activities on the national income of the country.