NCERT Solutions for Class 10 Social Science ECONOMICS – Sectors of Indian Economy



NTSE | CBSE | State Boards | Class 8th - 10th

1. How does the primary sector continue to be the largest employer in India while the tertiary sectors contribute the highest share in the G.D.P.?

- **Ans.** (i) It is because not enough jobs were created in the secondary and tertiary sectors. Even though industrial output or the production of goods went up by eight times, employment in the industry went up by only 2.5 times.
  - (ii) The same applies to the tertiary sector as well. While production in the service sector rose by 11 times, employment in the service sector rose less than three times.
  - (iii) As a result, more than half of the workers in the country are working in the primary sector, mainly in agriculture, producing only a quarter of the GDP. In contrast to this, the secondary and tertiary sectors produce three-fourth of the produce whereas they employ less than half the people.
  - (iv) It means that there are more people in agriculture than necessary. So, even if we move a few people out, production will not be affected. In other words, workers in the agricultural sector are underemployed.
- 2. What do you understand by underemployment? Why is it called disguised unemployment? Explain with an example each from urban and rural areas.
- **Ans.** (i) If more people are employed in an activity than required it is known as under employment. In this situation of underemployment, where people are apparently working, but all of them are made to work less than their potential. The production will not be affected even if the surplus workers are thrown out.
  - (ii) 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.
  - (iii) All members in a family work in a plot of land throughout the year in rural areas since they have nowhere else to go for work. Each one is doing some work but no one is fully employed. This is the situation of underemployment.
  - (iv) 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 do not find work every day. Similarly, there are people on the street 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.













### 3. Suggest a few measures that can be adopted to tackle the problem of underemployment. (Measures to solve problem of unemployment in Rural areas)

- **Ans.** (i) The Government can spend some money or banks can give loans to improve the methods of cultivation and to absorb surplus workers in new areas.
  - (ii) Construction of canals and dams can improve agricultural activities and create more employment opportunities.
  - (iii) If the Government invests some money in transportation and storage of crops or make better rural roads, it helps the farmers to sell their crops in the towns and create more job opportunities.
  - (iv) Identify, promote and locate industries in semi-rural areas where a large number of people may be employed.
  - (v) Adopt measures to bring all children to schools, which require more buildings, more teachers and other staff. It can create 20 lakh job opportunities in India.
  - (vi) Development of tourism can create additional employment to 35 lakh people every year.
  - (vii) Improve health facilities in India, which will provide a large number of employment opportunities.

#### 4. How are activities in an economy classified based on employment conditions?

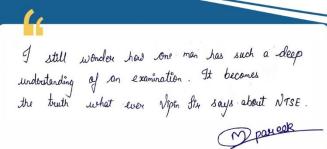
#### **Ans. Organized Sector:**

- (i) Organized sector covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work.
- (ii) They are registered by the government and have to follow its rules and regulations which are given in various laws such as the Factories Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishments Act etc.
- (iii) It is called organized because it has some formal processes and procedures. Workers in the organized sector enjoy security of employment. They are expected to work only a fixed number of hours. If they work more they have to be paid overtime by the employer. They also get several other benefits from the employers.
- (iv) They get paid leave, payment during holidays, provident fund, gratuity etc. They are supposed to get medical benefits, under the laws, the factory manager has to ensure facilities like drinking water and a safe working environment. When they retire, these workers get pensions as well.

#### **Unorganized Sector:**

- (i) The unorganized sector is characterized by small and scattered units which are largely outside the control of the government.
- (ii) There are rules and regulations but these are not followed. Jobs here are low paid and often not regular.
- (iii) There is no provision for overtime, paid leave, holidays, leave due to sickness etc. Employment is not secure. People can be asked to leave without any reason. When there is less work, such as during some seasons, some people may be asked to leave. Jobs also depend on the whims of the employer.
- (iv) This sector includes a large number of people who are employed on their own doing small jobs such as selling on the street or doing repair work. Similarly, farmers work on their own and hire labourers as and when they require.











#### 5. Who are the vulnerable people in the unorganized sector, who need protection?

- **Ans.** (i) In the rural areas, the unorganized sector mostly comprises landless agricultural labourers, small and marginal farmers, sharecroppers and artisans (such as weavers, blacksmiths, carpenters and goldsmiths).
  - (ii) Nearly 80 per cent of rural households in India are in small and marginal farmer category. These farmers need to be supported through adequate facility for timely delivery of seeds, agricultural inputs, credit, storage facilities and marketing outlets.
  - (iii) In the urban areas, the unorganized sector comprises mainly workers in small scale industry, casual workers in construction, trade and transport etc.
  - (iv) Those who work as street vendors, head load workers, garment makers, rag pickers etc. need protection.
  - (v) The casual workers in both rural and urban areas need to be protected.

MULTIPLE CHOICE QUEST	TIONS
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1. When goods are produced by exploiting natural resources, it is an activity of the \_\_\_\_\_\_ sector.

(A) Primary

(B) Secondary

(C) Tertiary

(D) None of the above

Ans: (A)

- 2. \_\_\_\_\_ sector covers activities in which natural products are changed into other forms through ways of manufacturing.
  - (A) Primary

(B) Secondary

(C) Tertiary

(D) None of the above

Ans: (B)

**3.** Which of the following sectors is the largest employer in India?

(A) Primary Sector

(B) Secondary Sector

(B) Tertiary Sector

(D) IT Sector

Ans: (A)

- **4.** What is NREGA?
  - (A) National Rural Employment Guarantee Act
  - (B) National Regional Employment Act
  - (C) Nation's Rural Employment Guarantee Act
  - (D) None of the above

Ans: (A)



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- 5. On which of the following basis, the sectors are classified into public and private sector?
  - (A) Employment conditions
  - (B) The nature of economic activity
  - (C) Ownership of enterprises
  - (D) Number of workers employed in the enterprise

Ans: (C)

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