

# UNIQUE STUDY POINT

By Sumeet Sahu

[www.uniquestudyonline.com](http://www.uniquestudyonline.com)

Unique Study Point, Amitesh Nagar, Indore, MP | Contact: 8103405051

<b>Class:</b> X	<b>Subject:</b> Social Science	<b>Session:</b> 2025-26
<b>Chapter:</b> 02 - Sectors of the Indian Economy	<b>Time:</b> 1½ Hours	<b>Max. Marks:</b> 40

## General Instructions:

1. All questions are compulsory.
2. This question paper contains 20 questions divided into five sections A, B, C, D and E.
3. Section A contains 10 MCQs of 1 mark each.
4. Section B contains 4 questions of 2 marks each.
5. Section C contains 3 questions of 3 marks each.
6. Section D contains 1 question of 5 marks.
7. Section E contains 2 Case Study Based questions of 4 marks each.

## SECTION A - Multiple Choice Questions (1 mark each)

- Q1.** Manufacturing of sugar from sugarcane belongs to which sector?
- (a) Primary sector
  - (b) Secondary sector
  - (c) Tertiary sector
  - (d) None of these
- Q2.** Which one of the following is the largest producing sector in India in 2017-18?
- (a) Primary sector
  - (b) Secondary sector
  - (c) Tertiary sector
  - (d) All equal
- Q3.** What does GVA stand for?
- (a) Gross Value Added
  - (b) General Value Addition
  - (c) Government Value Assets
  - (d) Gross Volume Assessment
- Q4.** How many days of employment does MGNREGA guarantee in a year?
- (a) 50 days
  - (b) 100 days
  - (c) 150 days
  - (d) 200 days
- Q5.** Which of the following activities belongs to the tertiary sector?

- (a) Fishing
- (b) Manufacturing shoes
- (c) Teaching in a school
- (d) Mining of iron ore

**Q6.** TISCO is an example of which sector?

- (a) Public sector
- (b) Primary sector
- (c) Private sector
- (d) Tertiary sector

**Q7.** Which of the following is a feature of the unorganised sector?

- (a) Regular employment
- (b) Fixed working hours
- (c) Pension benefits
- (d) Low wages

**Q8.** Making yarn from cotton fibre is an activity of which sector?

- (a) Primary sector
- (b) Secondary sector
- (c) Tertiary sector
- (d) Service sector

**Q9.** Which sector's activities generate services rather than goods?

- (a) Primary sector
- (b) Secondary sector
- (c) Tertiary sector
- (d) Industrial sector

**Q10.** What percentage of India's workers are in the unorganised sector?

- (a) About 50%
- (b) About 70%
- (c) About 90%
- (d) About 30%

### SECTION B - Short Answer Questions (2 marks each)

**Q11.** What is meant by the Right to Work as per MGNREGA?

**Q12.** Give two reasons why the public sector is needed in a country.

**Q13.** How does the tertiary sector help in the development of primary and secondary sectors?

**Q14.** State two differences between public sector and private sector.

### SECTION C - Short Answer Questions (3 marks each)

**Q15.** "Workers in the unorganised sector need protection." Justify this statement with three points.

**Q16.** Explain with examples why we classify economic activities into primary, secondary, and tertiary sectors. Is this classification useful?

**Q17.** How has the share of the tertiary sector in GVA changed over the last forty years in India? What could be the reasons for this change?

#### SECTION D - Long Answer Question (5 marks)

**Q18.** Compare the conditions of employment in organised and unorganised sectors. Why is there a need to expand formal sources of credit in rural India? Explain.

#### SECTION E - Case Study Based Questions (4 marks each)

**Q19.** Read the following case study and answer the questions that follow:

*In the year 1977-78, the primary sector contributed about 40% to India's GVA and employed around 71% of workers. By 2017-18, the primary sector's share in GVA decreased to about 17%, but it still employed around 44% of the workforce. Meanwhile, the tertiary sector's share in GVA increased from about 30% in 1977-78 to about 54% in 2017-18, but its share in employment rose only from 18% to 31%.*

- (a) What does this data tell us about the change in importance of sectors in production and employment? (2 marks)
- (b) Why has there not been a similar shift in employment from primary to other sectors despite the change in production patterns? (2 marks)

**Q20.** Read the following case study and answer the questions that follow:

*Ramesh owns a two-hectare plot of unirrigated land where he grows jowar and arhar. All five members of his family work on this land throughout the year, but the production is barely enough for subsistence. A nearby village recently got a government-sponsored irrigation canal. The farmers there can now grow two crops a year and have also started vegetable cultivation. Some families have also set up dairy farms. Their income has increased significantly, and they can now send their children to better schools.*

- (a) What kind of unemployment exists in Ramesh's family? Explain with reasoning. (2 marks)
- (b) How has irrigation helped the nearby village? Suggest two more ways to create employment in Ramesh's village. (2 marks)

---

Made with ♥ by Sumeet Sahu

Unique Study Point, Amitesh Nagar, Indore, MP

Website: [uniquestudyonline.com](http://uniquestudyonline.com)



SECTION A - Answers to MCQs

**Ans 1. (b) Secondary sector**

Manufacturing sugar from sugarcane involves processing of natural products into another form, which is characteristic of the secondary or industrial sector.

**Ans 2. (c) Tertiary sector**

By 2017-18, the tertiary sector has emerged as the largest producing sector in India, contributing more than half of the GVA.

**Ans 3. (a) Gross Value Added**

GVA measures the contribution of different sectors to the economy after adjusting for taxes and subsidies.

**Ans 4. (b) 100 days**

MGNREGA guarantees 100 days of employment in a year to all those who are able to work and are in need of work in rural areas.

**Ans 5. (c) Teaching in a school**

Teaching is a service activity that does not produce goods but helps in development, making it part of the tertiary sector.

**Ans 6. (c) Private sector**

Tata Iron and Steel Company Limited (TISCO) is a privately owned company, making it part of the private sector.

**Ans 7. (d) Low wages**

The unorganised sector is characterized by low wages, irregular employment, and lack of benefits.

**Ans 8. (b) Secondary sector**

Making yarn from cotton involves manufacturing, which is an activity of the secondary sector.

**Ans 9. (c) Tertiary sector**

The tertiary sector generates services rather than goods, which is why it's also called the service sector.

**Ans 10. (c) About 90%**

Approximately 90% or more of India's workers are in the unorganised sector, highlighting the need for protection and support.

SECTION B - Answers to Short Answer Questions

**Ans 11. Right to Work under MGNREGA**

**Meaning:** MGNREGA 2005 recognizes the Right to Work, which means all those who are able to

work and are in need of work in rural areas are guaranteed 100 days of employment in a year by the government.

**Key features:**

- If the government fails to provide employment, it must give unemployment allowance to the people
- The types of work given preference are those that will help increase production from land in the future
- This is implemented in about 625 districts across India
- It provides a legal guarantee for employment, making work a right rather than a privilege

**Ans 12. Need for public sector**

**1. Large investments:** Some activities need large sums of money which is beyond the capacity of the private sector. Also, collecting money from thousands of users is not easy. Examples include construction of roads, bridges, railways, dams, and providing electricity. The government ensures these facilities are available for everyone at reasonable rates.

**2. Primary responsibility of government:** There are activities that are the primary responsibility of the government, such as providing health and education facilities for all, especially elementary education. Running proper schools and providing quality education is the duty of the government as the private sector may not reach all areas or all sections of society.

**Ans 13. Tertiary sector supporting other sectors**

The tertiary sector helps in the development of primary and secondary sectors by providing essential services:

**1. Transport and trade:** Goods produced in primary and secondary sectors need to be transported by trucks or trains and then sold in wholesale and retail shops. Without these services, producers cannot reach consumers.

**2. Storage facilities:** Agricultural products and manufactured goods need to be stored in godowns before being sold. This helps maintain supply throughout the year.

**3. Banking and credit:** Producers need to borrow money from banks to help production and trade. Banking services facilitate investment and expansion of businesses in all sectors.

**Ans 14. Public sector vs Private sector**

**Public Sector:**

- Owned and controlled by the government
- Purpose is not just to earn profits but to serve people
- Examples: Indian Railways, Post Office, government hospitals

**Private Sector:**

- Owned by private individuals or companies
- Main motive is to earn profits
- Examples: TISCO, Reliance Industries, private schools

**SECTION C - Answers to Short Answer Questions**

**Ans 15. Protection needed for unorganised sector workers**

Workers in the unorganised sector need protection for the following reasons:

### **1. Poor working conditions and exploitation:**

- Workers in the unorganised sector face exploitative working conditions
- They receive low and irregular wages that are often below minimum wage levels
- They work long hours without overtime pay
- Example: A daily wage laborer may work 12 hours a day but earn very little with no fixed income

### **2. No job security:**

- Workers can be removed from their jobs without any notice or reason
- There is no security of employment
- Example: A construction worker can be asked to leave the site any day without compensation

### **3. No benefits or social security:**

- Workers do not get benefits like paid leave, provident fund, gratuity, or medical facilities
- No pension after retirement
- In case of illness or injury, they have no support
- Majority of workers from scheduled castes, tribes, and backward communities work in this sector and also face social discrimination

Protection and support through proper laws and their enforcement is necessary for both economic and social development.

## **Ans 16. Classification of economic activities**

### **Why we classify into three sectors:**

Economic activities are classified based on the nature of activity:

#### **1. Primary Sector:**

- Activities that directly use natural resources
- Forms the base for all other products
- Example: Cultivation of cotton depends on natural factors like rainfall and climate. The product (cotton) is a natural product.

#### **2. Secondary Sector:**

- Activities where natural products are changed into other forms through manufacturing
- Products are not produced by nature but have to be made
- Example: Using cotton fiber, we spin yarn and weave cloth. This involves a manufacturing process.

#### **3. Tertiary Sector:**

- Activities that help in the development of primary and secondary sectors
- Generate services rather than goods
- Example: Transport services help move cotton from farms to textile mills and cloth to markets.

### **Is this classification useful?**

Yes, this classification is very useful because:

- It helps us understand the structure and changes in an economy
- We can analyze which sector contributes most to production (GVA)
- We can identify which sector employs most people
- It helps in policy-making to address sector-specific problems
- Example: We can see that while tertiary sector produces most, primary sector employs most people, indicating need for creating more jobs in other sectors

## Ans 17. Changes in tertiary sector's share in GVA

### Changes over forty years:

- In 1977-78, the primary sector was the largest producing sector
- By 2017-18, the tertiary sector has emerged as the largest producing sector
- The tertiary sector's share has increased the most among all three sectors
- It now contributes more than half of India's GVA

### Reasons for this change:

#### 1. Basic services requirement:

- In a developing country, the government has to take responsibility for basic services like hospitals, schools, post and telegraph, police stations, courts, defence, transport, banks, insurance
- These services are essential for development

#### 2. Support to primary and secondary sectors:

- Development of agriculture and industry leads to development of services like transport, trade, and storage
- Greater the development of these sectors, more is the demand for such services

#### 3. Rising income levels:

- As income levels rise, people demand more services like eating out, tourism, shopping, private hospitals, private schools, professional training
- This change is visible especially in cities

#### 4. New information technology-based services:

- Services based on information technology like internet cafes, ATM booths, call centers, software companies have become important
- These new services have grown rapidly in recent years

## SECTION D - Answer to Long Answer Question

## Ans 18. Employment conditions and need for formal credit

### PART A: Comparison of employment conditions

#### Organised Sector:

1. **Employment terms:** Regular employment with fixed terms and conditions
2. **Registration:** Enterprises are registered with the government and follow rules like Factories Act, Minimum Wages Act
3. **Working hours:** Fixed working hours, usually 8 hours a day
4. **Wages:** Regular salary paid on time
5. **Overtime:** If workers work more hours, they get overtime pay
6. **Benefits:** Workers get paid leave, provident fund, gratuity, medical benefits
7. **Facilities:** Employers provide facilities like drinking water, safe working environment
8. **Job security:** Workers cannot be removed easily; there is security of employment
9. **Retirement benefits:** Workers get pension after retirement

#### Unorganised Sector:

1. **Employment terms:** No fixed terms; jobs are irregular
2. **Registration:** Units are not registered; rules and regulations are not followed
3. **Working hours:** Long working hours, often 10-12 hours or more

4. **Wages:** Low and irregular pay; often below minimum wages
5. **Overtime:** No concept of overtime payment
6. **Benefits:** No benefits like paid leave, provident fund, or medical facilities
7. **Facilities:** Poor working conditions; no safety measures
8. **Job security:** No job security; can be removed anytime
9. **Retirement benefits:** No pension or retirement benefits

## **PART B: Need for formal credit in rural India**

There is an urgent need to expand formal sources of credit in rural India:

### **1. High interest rates of informal credit:**

- Currently, most farmers and rural poor depend on moneylenders who charge very high interest rates (sometimes 3-5% per month)
- This pushes farmers into a debt trap
- Example: If Ramesh borrows Rs 10,000 at 4% per month, he pays Rs 4,800 as interest in one year, which is 48% annual interest

### **2. Exploitation by informal lenders:**

- Moneylenders may force farmers to sell their produce to them at low prices
- They may take land or other assets if farmers cannot repay
- There is no regulation of these informal lenders

### **3. Supporting agricultural development:**

- Farmers need credit to buy seeds, fertilizers, pesticides, and agricultural equipment
- Without cheap credit, they cannot invest in improving their farms
- Example: If Laxmi wants to dig a well for irrigation, she needs a loan. Banks can provide this at reasonable rates (say 10% per year) compared to moneylenders' high rates

### **4. Enabling income growth:**

- With cheap credit, farmers can invest in better technology and multiple cropping
- This increases production and income
- It also creates more employment opportunities

### **Conclusion:**

Banks and cooperative societies (formal credit sources) should expand their reach in rural areas. They should provide loans at reasonable interest rates and with simple procedures. This will help break the dependency on moneylenders and support rural development.

## **SECTION E - Answers to Case Study Based Questions**

### **Ans 19. Case study on sectoral changes**

**(a) What the data tells us:** (2 marks)

#### **About production:**

- There has been a significant change in the pattern of production over forty years
- The primary sector's importance has declined drastically from 40% to 17% of GVA
- The tertiary sector has emerged as the most important sector, contributing 54% of GVA
- India has followed the pattern observed in developed countries where services become dominant

#### **About employment:**

- A remarkable fact is that employment pattern has not changed as much as production pattern
- Primary sector still employs 44% of workers, though its production share is only 17%
- This shows a mismatch between contribution to production and employment
- Workers in agriculture are not producing as much as they could

**(b) Why employment shift didn't happen:** (2 marks)

**Main reason - Insufficient job creation:**

- Not enough jobs were created in the secondary and tertiary sectors
- Even though industrial output went up by nine times, employment in industry grew only three times
- Similarly, service sector production rose 14 times, but employment rose only five times

**Consequences:**

- More than half the workers are working in primary sector producing only one-sixth of GVA
- This indicates underemployment or disguised unemployment
- There are more people in agriculture than necessary
- Workers in agriculture are not producing as much as they could

**Need for intervention:**

- Government needs to create more employment opportunities in secondary and tertiary sectors
- Programs like MGNREGA are needed to provide alternative employment
- Investment in infrastructure and rural industries is necessary

## Ans 20. Case study on unemployment and solutions

**(a) Type of unemployment in Ramesh's family:** (2 marks)

**Disguised unemployment or underemployment exists in Ramesh's family.**

**Reasoning:**

- All five members of Ramesh's family are working on a two-hectare plot
- However, two hectares of unirrigated land typically needs only 2-3 people to cultivate
- This means that 2-3 family members are apparently working but not fully employed
- If 2 people are removed from this work, production will not be affected because they are not actually needed
- These people appear to be employed but are actually not contributing much to production
- This is disguised unemployment where people seem to be working but their labor effort gets divided
- Each one is doing some work but no one is fully employed to their potential

**(b) How irrigation helped and other solutions:** (2 marks)

**Benefits of irrigation in nearby village:**

- Farmers can now grow two crops a year (multiple cropping) instead of one
- They have started vegetable cultivation which gives better returns
- Some have started dairy farms as allied activity
- Income has increased significantly, improving living standards
- Better income allows investment in children's education
- More employment generated throughout the year

**Two more ways to create employment in Ramesh's village:**

**1. Provide cheap credit facilities:**

- Local banks should provide loans at low interest rates
- Ramesh could borrow money to dig a well or buy a pumpset
- With credit, he can invest in better seeds, fertilizers, and equipment
- This would increase production and income
- The extra income could be used to start other activities like poultry or dairy

**2. Set up rural industries:**

- Establish agro-processing industries like dal mills (since jowar and arhar are pulse crops)
- Set up cold storage facilities for vegetables
- This would provide employment to surplus workers from agriculture
- People can work in these industries instead of being underemployed on farms
- It would also help farmers get better prices for their products

---

Made with ♥ by Sumeet Sahu

Unique Study Point, Amitesh Nagar, Indore, MP

Website: [uniquestudyonline.com](http://uniquestudyonline.com)