

MCOs - NCERT Economics Ch.2, Class 10th - Sectors of the Indian Economy

(Note: Please read the summary before attempting the questions)

Q1. Which of the following pairs are **correctly matched**?

Sectors of the economy	Examples
1. Primary Sector	Agriculture, fisheries, dairy, food processing
2. Secondary sector	Textile mills, mining, artisan production
3. Tertiary Sector	Transport, banking, insurance

- All are correctly matched
- 3 only
- 2 and 3 only
- 1 and 3 only

Q2. Consider the following statement about calculation of GDP:

- Every goods and service produced and sold is considered.
- Only final goods and services are considered.

Which of the given statements are **correct**?

- 1 only
- 2 only
- Both the statements
- None of the statements

Q3. Which of the following statements is **correct**?

- Primary sector has always been the largest contributor to the GDP.
- Tertiary sector employs the maximum workforce in the country.
- The phenomena of underemployment is only associated with primary sector.
- Surveys on the employment and unemployment are conducted by NSSO.

Q4. Underemployment occurs when people

- Do not want to work
- Are working in lazy manner
- Are working less than what they are capable of doing
- Are not paid for their work

Q5. Consider the following statements?

- More than 40 percent workers are employed in organised sector.
- Unorganised sector is completely outside the control of the government.

Which of the given statements are **correct**?

- A) 1 only
- B) 2 only
- C) Both the statements
- D) None of the statements

Answers & Explanations

Q1. Answer: (b)

Explanation:

Sectors of the economy	Examples
1. Primary Sector	Agriculture, fisheries, dairy, mining
2. Secondary sector	Textile mills, artisan production, food processing
3. Tertiary Sector	Transport, banking, insurance

1. **Primary sector (Agriculture and related sector):**

- When goods are produced by exploiting natural resources.
- It forms the base for all other products that are subsequently made.
- Most of the natural products that we get are from agriculture, dairy, fishing, forestry. Hence, this sector is also called as Agriculture and related sector.
- E.g. – Cotton, milk, minerals and ores etc.

2. **Secondary sector (Industrial sector):**

- When natural products are changed into other forms through ways of manufacturing.
- This sector is associated with different kinds of industries, therefore, known as Industrial sector.
- E.g. – Manufacturing of sugar using natural raw material sugarcane, clothes are manufactured from natural raw material cotton etc.

3. **Tertiary sector (Service sector):**

- When activities are performed to support primary and secondary activities.
- These activities do not produce a good but they are an aid or a support for the production process.
- These activities generate services rather than goods, therefore, known as service sector.
- E.g. – Transport, storage, communication, banking, trade etc.

Q2. Answer: (b)

Explanation:

Statement 1 is incorrect: 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.

Statement 2 is correct: Value of final goods and services are considered for GDP calculation.

Q3. Answer: (4)

Explanation:

Statement 1 and 2 are incorrect: Please see the below table

	<u>Contribution of sectors in GDP (%)</u>			<u>Contribution of sectors in employment (%)</u>		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
1973-74	40	12	48	71	11	18
2013-14	14	18	68	44	25	31

Statement 3 is incorrect: The phenomena of underemployment can also happen in other sectors. For e.g. – In service sector, due to lack of opportunity, people are engaged in such activities where their full potential are not utilised.

Q4. Answer- (3)

Explanation:

Underemployment - where people are apparently working but all of them are made to work less than their potential.

There are more number of people engaged in primary sector, mainly in, agriculture than required. This reflects underemployment in agriculture sector.

Q5. Answer- (D)

Explanation:

Statement 1 is incorrect: Organise sector employs less than 20 percent workers.

Statement 2 is incorrect: Unorganised sector is **largely** outside the control of the government and not **completely**. There are rules and regulations but these are not followed.