

**Chapter-1 (Development)**

**Q1. Mention the characteristics of development .**

Ans- (1) Different people have different development goal. (2) Income is the most important component of development. (3) What may be development for one may not be development for other.

**Q2. Why do different people have different developmental goals?**

Ans- (1) More wages means development for a worker, but it can go against the owner. (2) A rich farmer want to sell foodgrain at a higher price but a poor worker want to purchase it for low prices. (3) Construction of dam means more and cheap power ,but people who will lose their houses will demonstrate.

**Q3. What is the importance of Human Development Index?**

Ans- (1) It indicates the level of development of a country. (2) It can be used for long term planning. (3) Through it ,one come to know life expectancy, & per capita income.

**Q4. 'Money cannot buy all the goods and services that one need to live well.' Explain.**

Ans- (1) Money cannot buy us a pollution free environment. (2) Schools, parks are to be provided by the govt. (3) Money cannot provide us a type of govt. which take decision for our welfare.

**Q5. In what respect is the criterion used by the UNDP for measuring development different from the one used by the world bank ?**

Ans-

| UNDP  | World Bank  |
|---|---|
| 1. It is a broad concept.                                       | It is a narrow concept.   |
| 1. UNDP has ranked the different components of development.     | World Bank has divided the countries into low ,upper and high income countries. |
| 2. UNDP has taken education,health as the base for development. | World bank has taken per capita income as the base for development.             |

**Q6. Why are public facilities needed for the development of the country? Explain.**

Ans- (1) Education-It is required both by the rich as well as the poor. (2) Public Distribution System – It plays an important role in providing food security to the people. (3) Transportation- It include facilities like railways,airways,banking etc.

**Q7. What is meant by sustainable development ? Explain it by taking the case study of water.**

Ans- Sustainable development means the development which is to be continued and maintained for future generation. People of a particular generation must use water in such a way that people of future generation may also be able to use groundwater. People should not degrade the quality of water.

**Q8. Explain the link between development and sustainability with the help of an example.**

Ans- (1) Resources need to be used wisely so that they can be replenished. (2) overuse of resources exhaust them. For example ,Petroleum. (3) If development is not sustainable ,it will give rise to environmental degradation.

**Q9. What is average Income ? What is its importance? How is it calculated? Mention its limitation related to development.**

Ans-Per capita income is average income of each citizen of a nation.



Per capita Income = National Income / Population

No it cannot be regarded as the sole indicator of development because along with income people also seek – (1) Freedom (2) Education, Good environment

**Q10. Explain different bases of comparisons of economic development of different nations.**

Ans- (1) Net attendance Ratio is the total no of children of age group 6-10 attending school.

(2) High life expectancy at birth, is considered the development of a nation.

(3) The more the people are educated, the more developed the nation is.

#### **Chapter-(Sectors of the Indian economy)**

**Q1. Explain the interdependence of all the three sectors with the help of examples.**

Ans- (1) When we exploit natural resources, it is a primary sector. (2) The natural resources are changed into other forms through the process of manufacturing sector. (3) Service sector does not produce a good. For example ATM booth.

**Q2. Explain how a shift has taken place between developed countries.**

Ans- (1) When new methods of manufacturing were introduced, factories came up and started expanding. (2) Secondary sector became the most important in total production. (3) The service sector has become the most important in terms of total employment.

**Q3. Distinguish between final good and intermediate goods.**

Ans-

| Final Good  | Intermediate good   |
|---|---|
| 1. The good which are used for final consumption.               | The good which are used up in producing the final good.           |
| 2. The value of final goods is included in the national income. | The value of intermediate good is not included in national income |
| 3. Bread, Television  | Flour, cotton   |

**Q4. Distinguish between Organised sector and unorganized sector?**

Ans-

| Organised sector                         | Unorganised sector                        |
|--|---|
| 1. The sector is registered by the govt. | The sector is not registered by the govt  |
| 2. The terms of employment are regular.  | The terms of employment are not regular   |
| 3. This sector includes banks, hospital  | This sector include people of small jobs. |

**Q5 Distinguish between Public and private sector.**

Ans-

| Public Sector                                    | Private Sector                                     |
|--|--|
| 1. It is controlled by govt.                     | It is not controlled by govt.                      |
| 2. The main aim of this sector is public welfare | The main aim of this sector is to earn more profit |
| 3. For example-Railway, BSNL                     | For example-Reliance, Tisco                        |

**Q6. Distinguish between primary, secondary and tertiary sector.**

Ans-

| Primary sector                        | Secondary sector                     | Tertiary sector                |
|---------------------------------------|--------------------------------------|--------------------------------|
| 1. It is known as agriculture sector. | It is known as manufacturing sector. | It is known as service sector. |



|                                  |  |                                      |
|----------------------------------|--|--------------------------------------|
| 2. This sector produce goods.    | This sector transforms one good into another | This sector provides useful services |
| 3. This sector is unorganised    | It is organised sector                       | It is organised sector               |
| 4. For example-animal husbandary | Large firms, big firms                       | Banking insurance                    |

**Q7. Highlight the factors responsible for the growth of service sector in the Indian economy.**

Ans- (1) Development of means of transport and communication

(2) More income more services- As the income level rises, people demand more services.

(3) Basic services- As more people are employed to provide basic services, the share of tertiary sector in GDP increases.

**Q8. How to create more employment in rural areas? Explain with the help of example.**

Ans-(1) Diversification of agriculture- Farmers should be encouraged to adopt horticulture, animal rearing.

(2) Cheap Credit-Govt. should encourage the commercial banks to provide loans to the farmers.

(3) Provision of basic facilities- Investments in rural areas can provide employment to the farmers and others also.

**Q9. "workers are not exploited in organised sector." Do you agree with the statement?**

Ans- Yes, Because -(1) they enjoy security of employment.

(2) If they work more they have to be paid overtime.

(3) They also get provident fund, gratuity etc.

(4) They also get medical benefits.

**Q10. Distinguish between open and disguised employment.**

Ans- Under open unemployment, the worker is ready to work, but he is unable to find any work.

(2) Under disguised unemployment, worker is working but if he is removed, the production does not fall.

### **Chapter- Money and Credit**

**Q1. "The rupee is widely accepted as a medium of exchange." Explain**

Ans-(1) It is authorized by the govt. (2) Its demand and supply controlled by central bank.

(3) the value of each good and service is measured in rupees.

**Q2. What are advantages of depositing money in banks. What are demand deposits.**

Ans- (1) It is a safer place to keep money as compared to the house. (2) People can earn interest on deposited money. (3) People can also make payments through cheques.

(B)---- The deposits in the bank account which can be withdrawn on demand are known as demand deposits.

**Q3. "Cheap and affordable credit is crucial for the country's development." Explain**

Ans-(1) Cheap production and credit-Crop production involves considerable costs on seeds, fertilizers, electricity, water etc. (2) No surplus money- Most of the farmers do not have any saving. (3) Diversification of agriculture-Cheap and affordable credit is also required for diversification of agriculture.

**Q4. Describe the sources of formal and informal credit in India.**

Ans- (1) Govt. and other formal sources- State Govt. also provide credit to the farmers through various schemes. (2) Professional and agriculture money lenders-about 18% of rural households still dependent on them for their credit needs. (3) cooperatives and commercial



banks :- More than 50% of the rural household credit is financed by cooperatives and commercial banks. (4) SHGs- Main motive of this is to pool the savings of the poor people.

**Q5. Explain the functions of SHGs .**

Ans- (1) A typical SHGs can have 15 to 20 members. (2) The main motive of the SHGs is to pool the savings of the poor people. (3) Saving per member can vary from 25 to 100. (4) The SHGs provide loans to their members at a reasonable rate. (5) Loan is sanctioned in the name of the group with the main motive to create self employment.

### **Chapter- Globalisation and the Indian Economy**

**Q1. Multinational corporations interlink production across countries. Explain with the help of a example.**

Ans- The activities of MNCs are spread over many countries. Their parent corporation is located in one country, and the subsidiaries are scattered in many countries.  
For example:-Research is carried out in USA , The goods are manufactured in china ,maximum demand in mexico and Eastern European countries ,and company's customer care centre in delhi and Bengaluru.

**Q2. What are the advantages of Multinational Corporations?**

Ans- (1) Availability of capital and foreign investment (2) Availability of foreign exchange (3) Promotion of small scale industries. (4) Helpful in growth of local producers (5) Foreign trade and integration of markets

**Q3. Explain with example how the opening up of foreign trade result in connecting the markets of different countries.**

Ans- (1) Main channel for connecting countries(2) Expansion of local market (3) Better choice for the buyers (4) Impact on prices (5) Competition (6) Trade and globalization

**Q4. How information and communication technology has played a major role in spreading out production of services across countries. Explain.**

Ans- (1) Due to this ,goods can be transported throughout the world.(2) Computers and internet has given a big boost to the process of globalization.(3) Transfer of money across the countries.(4) To link the Market (5) To set up consumer care centres.

**Q5. What is WTO ? Mention its major aims . Mention its limitations.**

Ans-It is an organization which deals with the rules of trade among the nations.

(1)The main aim is to conduct the international trade among countries. (2) WTO also handles trade disputes. (3) it also provide technical assistance to different economies.

**LIMITATIONS:-** Developed countries have unfairly retained trade barriers.

**Q6. How has globalization been advantageous to both the producers as well as consumers in India ? Explain.**

Ans- (1)Variety of product (2)Development in the infrastructure (3) Boost to Foreign direct investment (4)Boost to the Indian companies (5)Boost to service sector

*mddav\_city@yahoo.co.in*