ECONOMICS

Chapter 2: People as Resource

People as Resource

Human Resource

Population is an asset for the economy rather than a liability. Population becomes human capital when an investment is made in the form of education, medical care and required training. Population has an ability to contribute to the creation of the Gross National Product.

Overview

People as Resource is a way of referring to a country's working people in terms of their existing productive skills and abilities. Like other resources, the population is also considered as a human resource. When the existing 'human resource' is further developed by becoming more educated and healthier, it is called human capital formation. Investment in human capital (through education, training, medical care) yields a return just like investment in physical capital.

Human capital is superior to other resources like land and physical capital. Total productivity adds to the growth of the economy. Investment in human resource (via education and medical care) can give high rates of return in future. Countries, like Japan,

Investment in Physical Capital

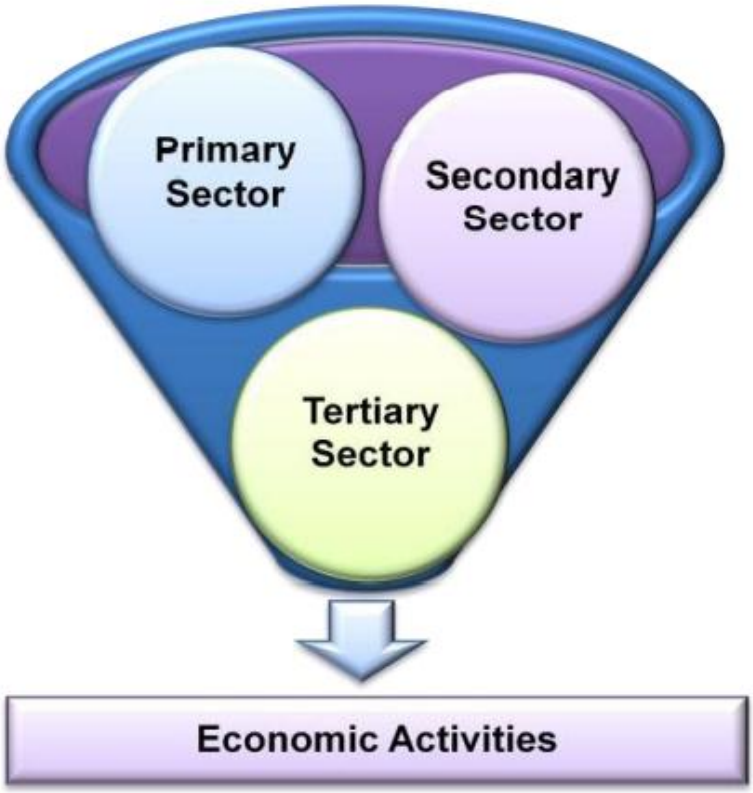
Investment in human capital yields a return just like investment in physical capital. Highly educated, better trained and healthier people are highly productive for an economy. Human capital is superior to other resources such as land and physical capital. Human resource can make use of land and capital, but land cannot be useful on its own.

One who invests in shares and bonds expects higher returns in the future. Similarly, a child's education and health investment can yield a high return in the future in the form of higher earnings and contribution to society. When parents realise the importance of children's education, a virtuous cycle is created. In contrast, a vicious cycle is created by disadvantaged parents who did not look after their children's education and health.

Economic Activities by Men and Women

Economic activities have been classified into three main sectors. The primary sector

includes agriculture, forestry, animal husbandry, fishing, poultry farming and mining. Quarrying and manufacturing are included in the secondary sector. Trade, transport, communication, banking, education, health, services etc. are included in the tertiary sector. These sectors contribute value to the national income.



Sectors under economic activities

(i) Primary Sector

(ii) Secondary Sector

(iii) Tertiary Sector

(i) Primary Sector

It is also known as agriculture sector. This sector considers directly using of natural resources. This sector includes agriculture, forestry, animal husbandry, fishing, poultry farming, mining, and quarrying.

(ii) Secondary Sector

It is also known as manufacturing sector. This sector considers manufacturing of goods.

(iii) Tertiary sector

This sector provides service. This sector includes trade, transport, communication, banking, education, health, tourism, services, insurance.

Activities

Economic activities have two parts: Market and non-market activities.

- Market activities are the activities performed to earn income or the activities performed for pay or profit. For example, production of goods and services (including government service).
- Non-market activities are the production of goods and services for self-consumption.

Division of Labour between Men and Women

Most women are less educated and less skilled. Women are paid lower than men. Women are not paid for their services rendered to the family. However, women with high education are paid at par with men.

Quality of Population

Illiteracy rate, life expectancy rate and skills acquired by the people determine the quality of population. These also decide the growth rate of an economy.

Education

Education provides a way towards the growth of an economy. It improves national income, cultural richness and increases the efficiency of governance. Many educational provisions are made to provide quality education for all.

Statistical Figures

- Educational outlay was Rs 151 crore in the first plan, and it has increased to Rs 43,825 crore in the tenth plan.
- The expenditure on education as a percentage of GDP has increased from 0.64% in 1951 to 3.98% in 2002–03.
- The literacy rate has increased from 18% in 1951 to 65% in 2001.

- The literacy rate of males is nearly 50% higher than that of females, and it is 50% higher in urban areas as compared to rural areas.

Literacy Rates in India			
Year	**Male**	**Female**	**Person**
1951	27.16	8.86	18.33
1961	40.4	15.35	28.3
1971	45.96	21.97	34.45
1981	56.38	29.76	43.57
1991	64.13	39.29	52.21
2001	75.26	53.67	64.83
2011	82.14	65.46	74.04

Source: Census of India 1951–2011

Health

Healthy people work efficiently and help the firm to maximize its profit. The Indian National policy aims at improving the accessibility of health care, family welfare and nutritional service with special care on the underprivileged segment of the population.

Statistical Figures

- In the year 2000, the life expectancy has increased to over 64 years.
- The infant mortality rate has come down from 147 in 1951 to 75 in 2000.
- The crude birth rate has reduced to 26.1 and the death rate to 8.7 within the same duration of time.

Unemployment

Unemployment is a situation which comes into existence when people are willing to work for low wages and unable to get jobs.

Two types of unemployment found in rural areas:

(i) Seasonal unemployment

(ii) Disguised unemployment

Nature of Unemployment

The nature of unemployment differs in rural and urban areas.

- Seasonal unemployment exists in the rural areas and is disguised in the urban areas.
    - Seasonal unemployment: People have work for a few months of the year and are without a job the remaining months.
    - Disguised employment: More people are employed than the required number of people. For example, when the work requires the service of five people but engages eight people, the three extra people are disguisedly employed.
- On one side, there is unemployment among technically qualified persons, while there is a dearth of technical skills required for economic growth.

Effects of Unemployment

Unemployment leads to unutilised resources in an economy.

- Unemployment tends to increase the economic burden and it affects the overall growth of an economy.
- An increasing trend in the unemployment rate is an indicator of a depressed economy.
- When people cannot be used as a resource, they naturally appear as a liability to the economy.

Unemployment in India

The unemployment rate is low in India. Many people with low income and productivity are considered employed. Their earnings are barely minimal for their day-to-day activities.

Employment Status in Three Sectors

Most of the people are employed in the agricultural sector or the primary sector. Some of them are employed in small-scale manufacturing or the secondary sector, and the remaining people are employed in advanced IT, biotech etc. of the tertiary sector.

Urban areas unemployment

• In urban areas educated unemployment are seen. This problem occurs when an educated

person is willing to work but, he/she unable to find work.

• Number of graduated and post-graduated unemployed has increased faster than among matriculates unemployed.

Infant mortality rate (IMR): Infant mortality rate is the death of a child who is come under one year of age. It is measured by number of death of children under one year of age per 1000 live births.

Birth rates: It is the number of babies born there for every 1,000 people during a particular period of time.

Death rate: It is the number of people per 1,000 who die during a particular period of time.

Gross National Product: Gross national product is the estimation of the value of the final goods and services by the residents of the country in a given time period.

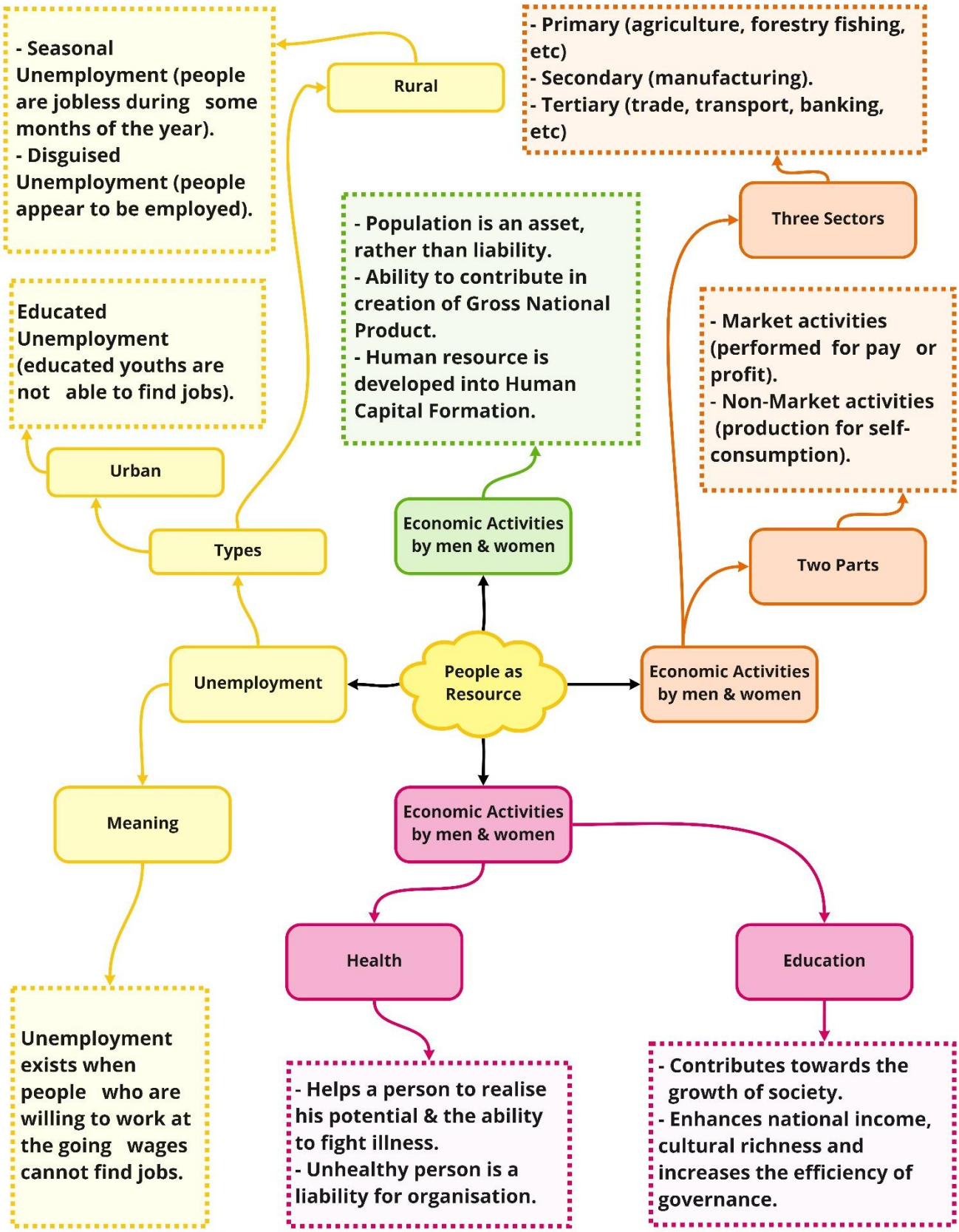
National Income: National Income is the estimation of the value of the final goods and services produced by a country in a given time period.

Human capital: Human capital is the stock of skill and productive knowledge embodied in human beings.

Human capital formation: Human capital formation includes the process of training, medical care etc. Education and health are the source for the human capital formation.

People as resources: It is a way of referring to a country's workforce in terms of existing skills and abilities.

Class : 9th Social Studies (Economics)
Chapter-2: People as Resource



Important Questions

Multiple Choice questions:

Question 1. The quality of the population decides the:

(a) birth rate of the country

(b) death rate of the country

(c) growth rate of the country

(d) none of the above

Question 2. Literate and healthy population are:

(a) an asset for a country

(b) a liability for the economy

(c) could be both (a) and (b)

(d) none of the above

Question 3. The literacy rates have increased from …… in 1951 to …… in 2001.

(a) 18%-45%

(b) 20%-55%

(c) 18%-55%

(d) 18%-65%

Question 4. 'Sarva Siksha Abhiyan' is a significant step towards providing elementary education to all children in age group of:

(a) five to ten

(b) ten to fifteen

(c) six to fifteen

(d) six to fourteen

Question 5. The health of a person helps him to realise his potential and the ability to fight:

(a) the enemy

(b) diseases

(c) illness

(d) none of these

Question 6. Urban areas have mostly:

(a) educated employment

(b) educated unemployment

(c) educated people

(d) none of the above

Question 7. Investment in human capital yields a return just like investment in:

(a) secondary capital

(b) primary capital

(c) physical capital

(d) none of the above

Question 8. Investment in human resources is the same as investment in:

(a) land

(b) property

(c) land and capital

(d) none of these

Question 9. Primary sector includes:

(a) agriculture, forestry, animal hus-bandry, etc.

(b) fishing, quarrying and manufac-turing

(c) trade, transport, banking etc.

(d) none of the above.

Question 10. Territory sector includes:

(a) agriculture, forestry, animal husbandry etc.

(b) fishing, quarrying and manufacturing

(c) trade, transport, banking etc.

(d) none of the above

Question 11. Economic activities have two parts:

(a) market activities and sale activities

(b) market activities and non-market activities

(c) only market activities

(d) none of the above.

Question 12. In early times, women generally looked after domestic choices and man:

(a) work in offices

(b) work in factories

(c) work in the fields

(d) all the above

Very Short Questions:

Question 1. Begging is which category of activity?

Question 2. Construction is an activity of which sector?

Question 3. Sprinkling crops with insecticide is an activity of which sector?

Question 4. Navodaya Vidyalayas have been started for which kind of school children?

Question 5. Sarva Shiksha Abhiyan is meant to provide what kind of education?

Question 6. What is the age group of population which is treated as the workforce?

Question 7. Unemployment wastes what resources?

Question 8. In which category of activity will you place a social worker educating poor children for free?

Question 9. Is it correct that disguised unemployment is very common in urban areas?

Question 10. When we refer to a woman as a 'resource', we are referring to which of her skills?

Short Questions:

Question 1. Why do educated parents invest more in their children's education and health?

Question 2. Why are rural women employed at very low wages?

Question 3. Describe any three steps taken by government in the field of education.

Question 4. What do you understand by 'people as a resource'?

Question 5. What part does health play in the individual's working life?

Question 6. What are the various activities undertaken in the Primary sector, Secondary sector and Tertiary sector?

Question 7. What is 'human capital formation'?

Question 8. How can investment be made in human capital?

Question 9. How is human capital superior to other resources?

Question 10. How can a large population of India be turned as an asset rather than a liability?

Long Questions:

Question 1. What are various activities which are classified into the three main sectors? Name each sector with suitable examples.

Question 2. What is the difference between economic activities and non-economic activities?

Question 3. Why does unemployment have a detrimental effect on the overall growth of an economy?

Question 4. Explain why Infant Mortality Rate (IMR) and literacy rate are considered to be indicators of human resource development.

Question 5. Do you notice any difference between the two friends Vilas and Sakal? What are those?

Question 6. Visit a nearby village or a slum area and write down a case study of a boy or girl of your age facing the same condition as Vilas or Sakal.

Question 7. Can you imagine some village which initially had no job opportunities but later came up with many?

Question 8. Which capital would you consider the best – land, labour, physical capital and human capital? Why?

Assertion Reason Questions:

1. In the following questions, a statement of Assertion (A) followed by a statement of Reason (R) is given. Choose the correct option out of the choices given below each question.

   Assertion (A) : Educated parents are found to invest more heavily on the education of their child.

   Reason (R) : They want their child should have a good future.

   A) Both A and R are true and R is the correct explanation of A.

   B) Both A and Rare true, but R is not the correct explanation of A.

   C) A is true, but R is false.

   D) A is false, but R is true.

2. In the following questions, a statement of Assertion (A) followed by a statement of Reason (R) is given. Choose the correct option out of the choices given below each question.

   Assertion (A) : People dependent upon agriculture usually face problem of seasonal unemployment.

   Reason (R) : There are certain busy seasons when sowing, harvesting, weeding and threshing is done. Certain months do not provide much work to the people dependent on agriculture.

   A) Both A and R are true and R is the correct explanation of A.

   B) Both A and Rare true, but R is not the correct explanation of A.

C) A is true, but R is false.

D) A is false, but R is true.

Case Study Based Question:

1. Read the source and answer the following.

Unemployment leads to wastage of manpower resource. People who are an asset for the economy turn into a liability. There is a feeling of hopelessness and despair among the youth. People do not have enough money to support their family. Inability of educated people who are willing to work to find gainful employment implies a great social waste.

Unemployment tends to increase economic overload. The dependence of the unemployed on the working population increases. The quality of life of an individual as well as of society is adversely affected. When a family has to live on a bare subsistence level there is a general decline in its health status and rising withdrawal from the school system.

Hence, unemployment has detrimental impact on the overall growth of an economy. Increase in unemployment is an indicator of a depressed economy. It also wastes the resource, which could have been gainfully employed. If people cannot be used as a resource they naturally appear as a liability to the economy.

(1) A person is not able to find work despite having skills he is termed as:

A) Asset of the country.

B) Liability of the country

C) Unemployed person

D) Both (b) and (c)

(2) A person is a home-maker who has started a Tiffin service to deliver food to nearby offices. That person is

A) An unemployed person

B) An employed person

C) An entrepreneur

D) None of the above

(3) From the above source, what do you understand by depressed economy?

A) High economic growth

B) Low economic growth

C) Mild economic growth

D) Very high economic growth

(4) Unemployment is responsible for:

A) Depressed economy of a nation

B) Wastes the resources

C) Make human capital as a liability for the country

D) All of the above

2. Read the source and answer the following:

In case of India we have unemployment in rural and urban areas. However, the nature of unemployment differs in rural and urban areas. In case of rural areas, there is seasonal and disguised unemployment. Urban areas have mostly educated unemployment. Seasonal unemployment happens when people are not able to find jobs during some months of the year. People dependent upon agriculture usually face such kind of problem. There are certain busy seasons when sowing, harvesting, weeding and threshing is done.

Certain months do not provide much work to the people dependent on agriculture.

In case of disguised unemployment people appear to be employed. They have agricultural plot where they find work. This usually happens among family members engaged in agricultural activity. The work requires the service of five people but engages eight people. Three people are extra. These three people also work in the same plot as the others. The contribution made by the three extra people does not add to the contribution made by the five people.

If three people are removed the productivity of the field will not decline. The field requires the service of five people and the three extra people are disguised unemployed.

(1) Suppose a farm labourer. After harvesting season you have no work to feed your family. You are facing which type of unemployment?

A) Disguised unemployment

B) Seasonal unemployment

C) Educational unemployment

D) All of the above

(2) A person is a post-graduate student, who is unable to find work despite of having first class division in his course. The person is facing:

A) Seasonal Unemployment

B) Educational Unemployment

C) Disguised Unemployment

D) None of the above

(3) Seasonal and disguised unemployment are common phenomena in which of the following places?

A) Rural areas

B) Urban areas

C) Semi-urban areas

D) None of the above

(4) What can be done to reduce the unemployment rate in rural areas?

A) To provide skill training to farm labourers and small farmers

B) To provide incentive to people who want to open a manufacturing unit.

C) To establish factories in the rural and nearby areas

D) All of the above

Answer Key:

MCQ

1. Answer: (c) growth rate of the country
2. Answer: (a) an asset for a country
3. Answer: (a) 18%-45%
4. Answer: (a) five to ten
5. Answer: (c) illness
6. Answer: (b) educated unemployment
7. Answer: (c) physical capital
8. Answer: (c) land and capital
9. Answer: (a) agriculture, forestry, animal hus-bandry, etc.
10. Answer: (c) trade, transport, banking etc.
11. Answer: (b) market activities and non-market activities
12. Answer: (c) work in the fields

Very Short Answers:

1. **Answer:** Begging does not involve production of any goods or services and also does not add to national income. So, it is a non-economic activity.

2. **Answer:** Construction is an activity of the Secondary sector.
3. **Answer:** Since, this is an activity which is a part of agriculture, it is an activity of the Primary sector.
4. **Answer:** Navodaya Vidyalayas have been started for talented school children residing in rural areas.
5. **Answer:** Sarva Shiksha Abhiyan is meant to provide elementary education (up to class VIII) to children in the age group of 6 to 14 years.
6. **Answer:** The workforce population in India includes people from the age of 15 to 59 years. In other countries, this may be slightly different. For instance, it is 16 to 65 years in USA.
7. **Answer:** Unemployment refers to human beings and thus it washes human resources,
8. **Answer:** Since, the social worker is not earning any money, his activity will be classified as a non-market activity.
9. **Answer:** No, it is incorrect, as disguised unemployment is very common in rural areas, particularly in agriculture.
10. **Answer:** When a person is referred to as a resource, it refers to that person's productive skills and abilities.

Short Answers:

1. **Answer:** Educated parents invest more in their children's education and health because they realise that poor education and indifferent health is detrimental to their children's well-being and future.
2. **Answer:** In rural areas, girls are not given a proper education or given skill training for doing jobs due to being involved in household dudes and the view that they should not go out of the home to work. Due to these factors, when they need a job, they are not able to demand as high wages as men can
3. **Answer:** (i) A child, too with investment made on his/her education can yield a higher return in future in the form of higher earning and greater contribution to society.
   (ii) Educated parents realise the importance of education.
   (iii) They are conscious of proper nutrition and hygiene.
4. **Answer:** 'People as a resource' is a way of referring to a country's working people in terms of their existing productive skills and abilities. Because the humans contribute to GDP, they are also considered as a resource.
5. **Answer:** Health plays an important part in the individual's working life because
   (i) An unhealthy person cannot work efficiently.
   (ii) If the body is healthy then only the mind can perform well.
   (iii) A healthy person is able to work harder and better, thus earning more and living a better life.

6. **Answer:** Primary Sector Activities Agriculture, forestry, animal husbandry, fishing, poultry farming and mining. Secondary Sector Activities Manufacturing and construction. Tertiary Sector Activities Trade, transport, communication, banking, education, health, tourism, services and insurance.
7. **Answer:** When the existing 'human resource' is further developed by becoming more educated and healthy, we call it 'human capital though education training and medical care formation' that adds to the productive power of the country.
8. **Answer:** Investment in human capital through education training and medical care yields a return just like investment in physical capital. Higher income is earned because of higher productivity of the more educated or the better trained persons, as well as the higher productivity of healthier people.
9. **Answer:** Human Capital is in one way superior to other resources like land and physical capital: human resource can make use of land and capital but otherwise land and capital cannot become useful on its own.
10. **Answer:** A large population can be turned into a productive asset by investment in human capital by spending resources on education and health for all, training of industrial and agricultural workers in the use of modern technology, and useful scientific researches etc.

Long Answers:

1. **Answer:** The three sectors of economic activities are:

   a. Primary Sector Which harvests or extracts natural products from the Earth; it involves production of raw materials and food products. Examples, include agriculture, dairy farming, mining and quarrying.

   b. Secondary Sector Which involves manufacture of finished goods. Examples includes manufacturing and construction.

   c. Tertiary Sector All activities which support the Primary and Secondary sectors with services. Examples are transportation, banking, trade, insurance, legal services, administration and government.

2. **Answer:** Economic Activities which result in production of goods and services which add to the national income are called economic activities. The activities classified in the three sectors are economic activities. Non-Economic Activities Those activities which are not performed for pay or profit, e.g., parents looking after their children or a mother cooking food for her family is a non-economic activity, as it is neither performed for pay or profit and nor does it add to the national income.
3. **Answer:** Unemployment tends to increases economic overload, i.e., the dependence of the unemployed persons on the people who are working goes up. This adversely affects the quality of life of people, as they have to live at subsistence level, which leads to poor health

and even increase in school dropouts. Ultimately this has a detrimental effect on the growth of the economy if it continues, as it wastes resources who can be gainfully employed.

4. **Answer:** Infant Mortality Rate is a factor that can be associated with the well-being of a population. High infant mortality rates could reflect improper childcare owing to poverty, lack of education and other factors. Similarly, the literacy rate reflects the quality of a population. An illiterate and unhealthy population shows poor human development, whereas a literate and healthy population shows proper human development. Thus, infant mortality rate and literacy rate are considered to be indicators of human resource development.

5. **Answer:** The differences between the two friends Sakal and Vilas were:
   a. Vilas's father died when Vilas was two years old whereas Sakal was living with his parents.
   b. Sakal went to school, but Vilas did not go to school.
   c. Sakal was interested in studies whereas Vilas was not interested in studies.
   d. Sakal did a – course in computers and became employed whereas Vilas remained illiterate and was not employed.
   e. The condition of Sakal and his family became better whereas Vilas and his family lived in poverty.

6. **Answer:** A typical case study can be written as follows. I visited my ancestral village and found some families in a similar plight to Vikas. One boy, Puran, who is 15 years old, works as a farm labourer. In fact, all his family members are farm labourers, as they are landless and uneducated. Since, there is no secondary school in the village, Puran did not study beyond class five. He does not have enough clothes and whatever clothes he is wearing are also torn and worn out with use. He and his family members are undernourished. His father has already become a patient of tuberculosis and may not live long. He feels he will forever remain a poor person.

7. **Answer:** Health plays an important role in human capital formation for the following reasons:
   a. Only a healthy person can perform to his full potential.
   b. A healthy person can do the work in a more effective manner.
   c. A healthy person can contribute to the growth and development of the economy by doing productive work.
   d. An unhealthy person becomes a liability for an organisation. Indeed, health is an indispensable basis for realising one's well-being. Realising the importance of health, improvement in the health status of the population has been the priority of the government.

8. **Answer:**
   a. Agriculture sector in India is suffering from disguised unemployment and there is no

more possibility of further employment.

b. Unemployed rural labour force is now migrating to the cities to work in the industrial sector, where many industries have been set-up and have the maximum capacity to provide employment.

c. The educated unemployed can also find jobs in the Service sector or the Tertiary sector.

Assertion Reason Answer:

1. A) Both A and R are true and R is the correct explanation of A.
2. A) Both A and R are true and R is the correct explanation of A.

Case Study Answer:

1. **Answer:**

   (1) D) Both (b) and (c)

   (2) C) An entrepreneur

   (3) B) Low economic growth

   (4) D) All of the above

2. **Answer:**

   (1) B) Seasonal unemployment

   (2) B) Educational Unemployment

   (3) A) Rural areas

   (4) D) All of the above

Important Questions

Multiple Choice questions:

Question 1. The quality of the population decides the:

(a) birth rate of the country

(b) death rate of the country

(c) growth rate of the country

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Question 7. Can you imagine some village which initially had no job opportunities but later came up with many?

Question 8. Which capital would you consider the best – land, labour, physical capital and human capital? Why?

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1. In the following questions, a statement of Assertion (A) followed by a statement of Reason (R) is given. Choose the correct option out of the choices given below each question.

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   C) A is true, but R is false.

   D) A is false, but R is true.

2. In the following questions, a statement of Assertion (A) followed by a statement of Reason (R) is given. Choose the correct option out of the choices given below each question.

   Assertion (A) : People dependent upon agriculture usually face problem of seasonal unemployment.

   Reason (R) : There are certain busy seasons when sowing, harvesting, weeding and threshing is done. Certain months do not provide much work to the people dependent on agriculture.

   A) Both A and R are true and R is the correct explanation of A.

   B) Both A and Rare true, but R is not the correct explanation of A.

   C) A is true, but R is false.

   D) A is false, but R is true.

Case Study Based Question:

1. Read the source and answer the following.

   Unemployment leads to wastage of manpower resource. People who are an asset for the economy turn into a liability. There is a feeling of hopelessness and despair among the youth. People do not have enough money to support their family. Inability of educated people who are willing to work to find gainful employment implies a great social waste.

   Unemployment tends to increase economic overload. The dependence of the unemployed on the working population increases. The quality of life of an individual as well as of society is adversely affected. When a family has to live on a bare subsistence level there is a general decline in its health status and rising withdrawal from the school

system.

Hence, unemployment has detrimental impact on the overall growth of an economy. Increase in unemployment is an indicator of a depressed economy. It also wastes the resource, which could have been gainfully employed. If people cannot be used as a resource they naturally appear as a liability to the economy.

(1) A person is not able to find work despite having skills he is termed as:

A) Asset of the country.

B) Liability of the country

C) Unemployed person

D) Both (b) and (c)

(2) A person is a home-maker who has started a Tiffin service to deliver food to nearby offices. That person is

A) An unemployed person

B) An employed person

C) An entrepreneur

D) None of the above

(3) From the above source, what do you understand by depressed economy?

A) High economic growth

B) Low economic growth

C) Mild economic growth

D) Very high economic growth

(4) Unemployment is responsible for:

A) Depressed economy of a nation

B) Wastes the resources

C) Make human capital as a liability for the country

D) All of the above

2. Read the source and answer the following:

In case of India we have unemployment in rural and urban areas. However, the nature of unemployment differs in rural and urban areas. In case of rural areas, there is seasonal and disguised unemployment. Urban areas have mostly educated unemployment. Seasonal unemployment happens when people are not able to find jobs during some months of the year. People dependent upon agriculture usually face such kind of problem. There are certain busy seasons when sowing, harvesting, weeding and

threshing is done.

Certain months do not provide much work to the people dependent on agriculture.

In case of disguised unemployment people appear to be employed. They have agricultural plot where they find work. This usually happens among family members engaged in agricultural .activity. The work requires the service of five people but engages eight people. Three people are extra. These three people also work in the same plot as the others. The contribution made by the three extra people does not add to the contribution made by the five people.

If three people are removed the productivity of the field will not decline. The field requires the service of five people and the three extra people are disguised unemployed.

(1) Suppose a farm labourer. After harvesting season you have no work to feed your family. You are facing which type of unemployment?

A) Disguised unemployment

B) Seasonal unemployment

C) Educational unemployment

D) All of the above

(2) A person is a post-graduate student, who is unable to find work despite of having first class division in his course. The person is facing:

A) Seasonal Unemployment

B) Educational Unemployment

C) Disguised Unemployment

D) None of the above

(3) Seasonal and disguised unemployment are common phenomena in which of the following places?

A) Rural areas

B) Urban areas

C) Semi-urban areas

D) None of the above

(4) What can be done to reduce the unemployment rate in rural areas?

A) To provide skill training to farm labourers and small farmers

B) To provide incentive to people who want to open a manufacturing unit.

C) To establish factories in the rural and nearby areas

D) All of the above

Answer Key:

MCQ

1. Answer: (c) growth rate of the country
2. Answer: (a) an asset for a country
3. Answer: (a) 18%-45%
4. Answer: (a) five to ten
5. Answer: (c) illness
6. Answer: (b) educated unemployment
7. Answer: (c) physical capital
8. Answer: (c) land and capital
9. Answer: (a) agriculture, forestry, animal hus-bandry, etc.
10. Answer: (c) trade, transport, banking etc.
11. Answer: (b) market activities and non-market activities
12. Answer: (c) work in the fields

Very Short Answers:

1. **Answer:** Begging does not involve production of any goods or services and also does not add to national income. So, it is a non-economic activity.
2. **Answer:** Construction is an activity of the Secondary sector.
3. **Answer:** Since, this is an activity which is a part of agriculture, it is an activity of the Primary sector.
4. **Answer:** Navodaya Vidyalayas have been started for talented school children residing in rural areas.
5. **Answer:** Sarva Shiksha Abhiyan is meant to provide elementary education (up to class VIII) to children in the age group of 6 to 14 years.
6. **Answer:** The workforce population in India includes people from the age of 15 to 59 years. In other countries, this may be slightly different. For instance, it is 16 to 65 years in USA.
7. **Answer:** Unemployment refers to human beings and thus it washes human resources,
8. **Answer:** Since, the social worker is not earning any money, his activity will be classified as a non-market activity.

9. **Answer:** No, it is incorrect, as disguised unemployment is very common in rural areas, particularly in agriculture.
10. **Answer:** When a person is referred to as a resource, it refers to that person's productive skills and abilities.

Short Answers:

1. **Answer:** Educated parents invest more in their children's education and health because they realise that poor education and indifferent health is detrimental to their children's well-being and future.
2. **Answer:** In rural areas, girls are not given a proper education or given skill training for doing jobs due to being involved in household dudes and the view that they should not go out of the home to work. Due to these factors, when they need a job, they are not able to demand as high wages as men can
3. **Answer:** (i) A child, too with investment made on his/her education can yield a higher return in future in the form of higher earning and greater contribution to society.
   (ii) Educated parents realise the importance of education.
   (iii) They are conscious of proper nutrition and hygiene.
4. **Answer:** 'People as a resource' is a way of referring to a country's working people in terms of their existing productive skills and abilities. Because the humans contribute to GDP, they are also considered as a resource.
5. **Answer:** Health plays an important part in the individual's working life because
   (i) An unhealthy person cannot work efficiently.
   (ii) If the body is healthy then only the mind can perform well.
   (iii) A healthy person is able to work harder and better, thus earning more and living a better life.
6. **Answer:** Primary Sector Activities Agriculture, forestry, animal husbandry, fishing, poultry farming and mining. Secondary Sector Activities Manufacturing and construction. Tertiary Sector Activities Trade, transport, communication, banking, education, health, tourism, services and insurance.
7. **Answer:** When the existing 'human resource' is further developed by becoming more educated and healthy, we call it 'human capital though education training and medical care formation' that adds to the productive power of the country.
8. **Answer:** Investment in human capital through education training and medical care yields a return just like investment in physical capital. Higher income is earned because of higher productivity of the more educated or the better trained persons, as well as the higher productivity of healthier people.

9. **Answer:** Human Capital is in one way superior to other resources like land and physical capital: human resource can make use of land and capital but otherwise land and capital cannot become useful on its own.

10. **Answer:** A large population can be turned into a productive asset by investment in human capital by spending resources on education and health for all, training of industrial and agricultural workers in the use of modern technology, and useful scientific researches etc.

Long Answers:

1. **Answer:** The three sectors of economic activities are:
   a. Primary Sector Which harvests or extracts natural products from the Earth; it involves production of raw materials and food products. Examples, include agriculture, dairy farming, mining and quarrying.
   b. Secondary Sector Which involves manufacture of finished goods. Examples includes manufacturing and construction.
   c. Tertiary Sector All activities which support the Primary and Secondary sectors with services. Examples are transportation, banking, trade, insurance, legal services, administration and government.

2. **Answer:** Economic Activities which result in production of goods and services which add to the national income are called economic activities. The activities classified in the three sectors are economic activities. Non-Economic Activities Those activities which are not performed for pay or profit, e.g., parents looking after their children or a mother cooking food for her family is a non-economic activity, as it is neither performed for pay or profit and nor does it add to the national income.

3. **Answer:** Unemployment tends to increases economic overload, i.e., the dependence of the unemployed persons on the people who are working goes up. This adversely affects the quality of life of people, as they have to live at subsistence level, which leads to poor health and even increase in school dropouts. Ultimately this has a detrimental effect on the growth of the economy if it continues, as it wastes resources who can be gainfully employed.

4. **Answer:** Infant Mortality Rate is a factor that can be associated with the well-being of a population. High infant mortality rates could reflect improper childcare owing to poverty, lack of education and other factors. Similarly, the literacy rate reflects the quality of a population. An illiterate and unhealthy population shows poor human development, whereas a literate and healthy population shows proper human development. Thus, infant mortality rate and literacy rate are considered to be indicators of human resource development.

5. **Answer:** The differences between the two friends Sakal and Vilas were:
   a. Vilas's father died when Vilas was two years old whereas Sakal was living with his parents.

b. Sakal went to school, but Vilas did not go to school.

c. Sakal was interested in studies whereas Vilas was not interested in studies.

d. Sakal did a – course in computers and became employed whereas Vilas remained illiterate and was not employed.

e. The condition of Sakal and his family became better whereas Vilas and his family lived in poverty.

6. **Answer:** A typical case study can be written as follows. I visited my ancestral village and found some families in a similar plight to Vikas. One boy, Puran, who is 15 years old, works as a farm labourer. In fact, all his family members are farm labourers, as they are landless and uneducated. Since, there is no secondary school in the village, Puran did not study beyond class five. He does not have enough clothes and whatever clothes he is wearing are also torn and worn out with use. He and his family members are undernourished. His father has already become a patient of tuberculosis and may not live long. He feels he will forever remain a poor person.

7. **Answer:** Health plays an important role in human capital formation for the following reasons:

   a. Only a healthy person can perform to his full potential.

   b. A healthy person can do the work in a more effective manner.

   c. A healthy person can contribute to the growth and development of the economy by doing productive work.

   d. An unhealthy person becomes a liability for an organisation. Indeed, health is an indispensable basis for realising one's well-being. Realising the importance of health, improvement in the health status of the population has been the priority of the government.

8. **Answer:**

   a. Agriculture sector in India is suffering from disguised unemployment and there is no more possibility of further employment.

   b. Unemployed rural labour force is now migrating to the cities to work in the industrial sector, where many industries have been set-up and have the maximum capacity to provide employment.

   c. The educated unemployed can also find jobs in the Service sector or the Tertiary sector.

Assertion Reason Answer:

1. A) Both A and R are true and R is the correct explanation of A.
2. A) Both A and R are true and R is the correct explanation of A.

Case Study Answer:

1. **Answer:**

   (1) D) Both (b) and (c)

   (2) C) An entrepreneur

   (3) B) Low economic growth

   (4) D) All of the above

2. **Answer:**

   (1) B) Seasonal unemployment

   (2) B) Educational Unemployment

   (3) A) Rural areas

   (4) D) All of the above