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Sectors of Indian Economy

On the basis of nature of Raw material

- Primary
- Secondary
- Tertiary



Issues associated 🚱 [Comparison, Historical Change]

Rise in tertiary sector?

Where are most of the people employed?

How to create more employment?

On the basis of working condition

- Organised
- Unorganised

On the basis of ownership

- Public
- Private



Importance of public sector



At the initial stages of development, which one of the following sectors was the most important of economic activity?

CBSE Board Paper Term I (2021) Set [32/1/4]

a. Primary

b. Secondary

c. Tertiary

d. Quaternary





Primary sector

(Agricultural sector, uses natural resources)

Secondary sector

(Industrial sector, natural product are changed into finished product through manufacture)

Tertiary sector

(Service sector helps in the growth of primary and secondary sector)

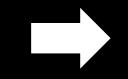
Comparing the three sectors



- Intermediate goods are used up in making final goods and services Ex: Biscuit production
- The sum of the value of final goods and services produced in the country during a particular year gives us GDP

Historical Change in Sectors

Primary Sector



Secondary Sector



Tertiary Sector









Which one of the following pair is correctly matched?

CBSE Board Paper 2023 - Set [32/5/1]

a. Primary Sector - Fishermen

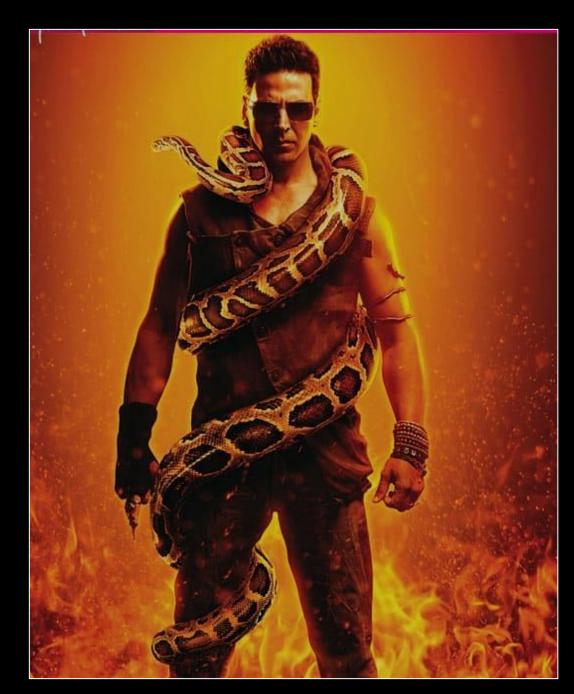
b. Secondary Sector - Priest

c. Tertiary Sector - Basket Weaver

d. Quaternary Sector - Gardener



Why only final goods and services counted in GDP?





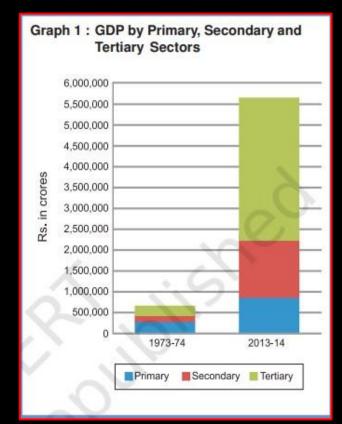






Because the value of final goods and services is already included in the value of final goods and services (Explained through the example of Akshay Kumar, Baba Ramdev and chandu Seth) - Aleovera example (kahani yaad rakhna 😅)





Primary, Secondary and Tertiary sector in India

Production (Most in tertiary sector)

Employment: Similar shift has not taken place in employment





Essential services are required, growth of primary and secondary sector leads growth of tertiary, Rise in income leads to more service consumption, emergence of new services.

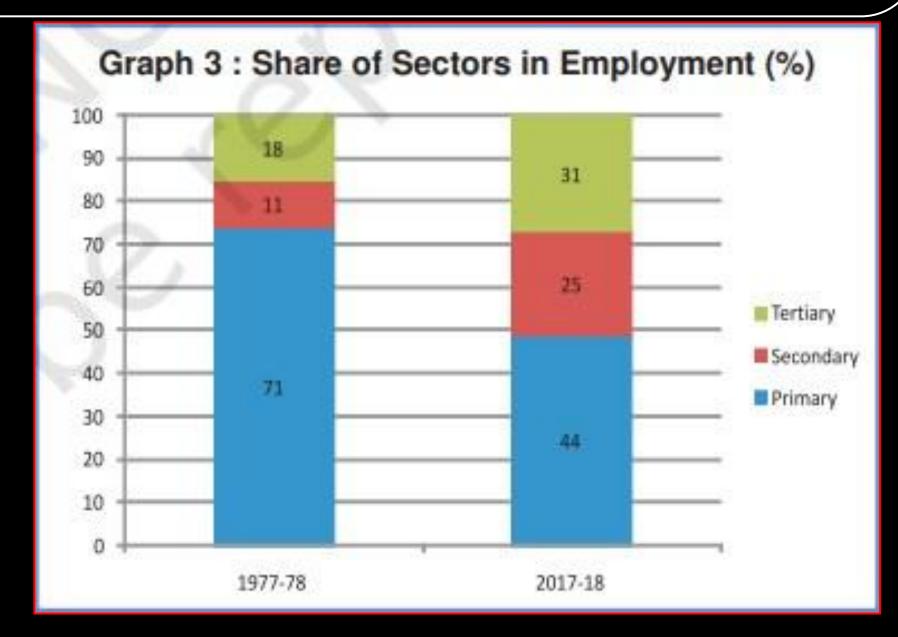
- Majority people are employed in Primary sector
- Not enough jobs were generated
- underemployment/disguised, unemployment in agriculture

(* But not all services are growing equally)

How to create more employment?

- Irrigation facilities \rightarrow Transportation \rightarrow Cheap credit \rightarrow Small scale industries.
- Exploring New sectors (Education, Health, Tourism) + MGNREGA 2005





- Law implementing right to work
- All those who are able to, and are in need of, work are guaranteed
 100 days of employment in a year by the government.
- Unemployment Allowance.



Which one of the following sectors has the maximum share in the Gross Domestic Product (GDP) of India?

CBSE Board Paper 2024 - Set [32/4/1]

a. Primary

b. Secondary

c. Tertiary

d. Quaternary





CBSE Board Paper 2024 - Set [32/5/1]

a. Primary

b. Secondary

c. Tertiary

d. Quaternary





Sectors on the basis of Working conditions

Organised

The organised sector covers those places of work where the terms of employment are regular and therefore, people have assured work

- Registered under the government and works under its supervision.
- Follow rules and regulations and laws such as the factories act, minimum wages act.
- Working hours are fixed.
- Workers get paid leaves, paid for overtime pensions on retirement.

Unorganised

The unorganized sector is characterized by small and scattered units. Employment is not secure.

- Largely outside the control of the government.
- Rules and regulations are not followed.
- Working hours are not fixed.
- No paid leaves, no provisions of overtime, paid leaves etc.

How to protect workers in unorganised sector?

- Rural area (Landless agriculture labourers, small and marginal farmers etc)
- Urban area (workers in small scale industries, casual workers etc)

Protection through

- Timely delivery of seeds, agricultural inputs, credits, storage facility
- Procuring of raw material and marketing output, economic and social protection

Which one of the following is an example of organized sector activities?

CBSE Board Paper 2024 - Set [32/1/1]

a. A farmer irrigating his field.

b. A handloom weaver working in her house.

c. A headload worker carrying cement.

d. A teacher taking classes in a government school.





Sectors of Indian Economy

Public sector

- The government owns most of the assets and provides all the services
- Eg. Railways
- **Service Motive**

Private sector

- Ownership of assets and delivery of services is in the hands of the private individuals or companies.
- Eg. TISCO
- **Profit motive**

Importance of Public Sector?

- Certain important services cannot be provided by private sector at a reasonable cost.
- Certain activities require government support (cost bearing) E.g. PDS
- Responsibility of the government to spend on some services E.g. Health and education. Next Toppers







Primary Sector: When we produce goods by utilizing natural resources, it is an activity of the primary sector, such as agriculture, dairy farming, fishing, forestry.

Secondary Sector: The secondary sector includes activities in which natural products are changed into other useful forms through machines.

Tertiary sector: The sector in which services are produced rather than goods is called Tertiary sector. Tertiary sector helps in the development of Primary and Secondary sectors.

Intermediate Goods: Intermediate goods are those goods which are used in the as a raw material or intermediate product in the production process of the final goods. Example: Cotton is an intermediate good while producing the Cotton shirt.

GDP: GDP is the calculation of total production in a country within a time period, normally a year. It is the calculation of values of all final goods and services within a year.

Unemployment: Unemployment is also known as disguised unemployment. It is a type of unemployment which is hidden in nature where a person is seem to be working but he or she is not working upto his or her full potential.





Disguised Unemployment: A situation in which an individual is seen to be working but in reality he/she is working much below his potential. For Eg: A family of 5 members owned 2 hectares of land and all of them worked on the same land and produced some crops. But if you move out two of them, production will not be affected. This situation is known as disguised unemployment.

MGNREGA: The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) was a law implementing the Right to work. The objective of the act is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose is willing and able to work.

Private Sector: Private sector is the sector that is owned by a private individual or a group of people and whose primary motive is to earn profit.

Public Sector: In the public sector, the government is the owner of the assets and provides all the goods and services to the people. The aim of the public sector is to provide basic facilities to the people at the minimum cost.

ECONOMICS SECTORS OF INDIAN ECONOMY

Organised Sector: Organised sector covers those enterprises or places of work which is under government supervision, where the terms of employment are regular and therefore, people have assured work.

Unorganized Sector: Unorganized sector is a sector which has small and scattered units largely outside the control of the government.

NITI Aayog: NITI Aayog is a government body in India that replaced the Planning Commission. It helps the country make long-term plans for development and works to improve the lives of people, especially by supporting states in solving local problems. One of the goals of NITI Aayog is to create jobs.



On the basis of production, what are the different sectors of the economy? How are Interdependent, explain with an example.

On the basis of production, sectors of the economy are divided into three main sectors.

- Primary sector is the sector involving the extraction and harvesting of natural resources. It includes
 activities such as agriculture, mining, forestry, and fishing and is also known as the agricultural sector.
- Secondary sector involves processing and manufacturing of raw materials and transforms them into finished products. It includes industries such as construction, automotive manufacturing, and textile production and is also known as the industry sector.
- Tertiary sector provides services and also supports the other two sectors by offering services to them that
 facilitate their production and consumption. It includes transportation, retail, entertainment, healthcare,
 finance, and education and is also known as the service sector.
- The primary sector provides raw materials, the secondary sector turns them into products, and the tertiary sector handles their distribution and services. Each sector relies on the others to complete the economic process, shows the interconnected nature of economic activities
- For example, farmers grow pulses and sugarcane (primary sector), which are processed into dal and sugar Nex
 (secondary sector), and then sold through shops and transport (tertiary sector).



"Primary sector was the most important sector of economic activity at initial stages of development." Evaluate the statement.



- First, primary sectors predominantly contributed to GDP and held most of the employment. Then when agricultural activities increased, there was need for industrialisation and gradually industrial sectors dominated the economy.
- Much of the workers shifted to industrial sector, but agriculture productivity did not hamper as industrial sector produced farm equipments, fertilisers etc that increased the productivity.
- The service sector has now become the most important sector in terms of total production and employment generation.
- So, it is seen that the economic structure had been shifting from primary to secondary and finally to tertiary sector in developed countries.





Why is the tertiary sector becoming more important in India? Explain.



- Several services such as hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence, transport, banks, insurance companies, etc. which are considered as basic services are ensured by the government.
- The more the development of the primary and secondary sectors, the more would be the demand for such services.
- Rise in income has led to a rise in the living standards of people, which automatically makes them demand services such as restaurants, hotels, gyms, shopping centres, private schools, colleges and hospitals.
- New services based on information and communication technology have become important and
 essential in a global world with technological advancement.

 Next

Underemployment continues to be rampant in rural areas. Suggest and explain any three ways through which employment for rural people can be generated.



- People can be employed in projects like construction of dam/canal/roads in the village.
- Government invests and employ people in providing transportation and storage services.
- People can be employed in services like banking, trade, etc.
- Government can identify, promote industries and services in semi-rural areas to enhance employment.
- Government can open centres to give them training and financial assistance to help them become self-employed.



Distinguish the service conditions of organized sector with that of unorganized sector.



	Organised		Unorganised		
b. c.	They are registered with the gout. Rules and regulation given in various acts like Minimum wages act, Factories act are followed. Fixed working hours. Payment for overtime (High Salary) Job security is there. They receive call letter specifying working condition. Provision of paid boliday gratuity	b. C.	The are not registered with gout. Rules and regulations are there but not followed. Long working hours. No payment for overtime (Low wages) No Job security. Workers exploited. No such provisions. No work means no pay.		
e.	Provision of paid holiday gratuity, Provident fund		- Next		

How is Public sector different from Private Sector?



	Public Sector		Private Sector
a.	The main aim of this sector is public welfare.	a.	The main aim of this sector is to earn maximum profit.
b.	It is controlled and managed by the government.	b.	It is controlled and managed by an individual or a group of individuals.
C.	e.g. the Indian Railways, the Post Office and the BSNL.	C.	e.g. the Reliance, TISCO.





How far is it correct to say that several services which cannot be provided by private sector can be provided by the public sector? Explain.



- Only the government can invest large sums of money on projects with a long gestation period such as the railways.
- Public sector provide electricity at a lower cost rate to protect and encourage the small scale industries, e.g. NTPC. Private sector cannot provide electricity at reasonable rate.
- Only the public sector provides quality health services at economical rates, as it works for the welfare of the people, e.g. AIIMS.





CBSE Board Paper 2019 - Set [32/3/1]

Give one example each of primary and tertiary economic sectors.

CBSE Board Paper 2019 - Set [32/1/1]

Distinguish between 'primary' and 'secondary' sectors.





CBSE Board Paper 2019 - Set [32/1/1]

Why is the 'tertiary sector' becoming important in India? Explain any three reasons.

CBSE Board Paper 2019 - Set [32/1/1]

How do we count various goods and services for calculating Gross Domestic Product (G.D.P.) of a country? Explain with example.

CBSE Board Paper 2019 - Set [32/3/1]

How can more employment be created in agriculture sector alone? Explain any three ways.

CBSE Board Paper 2019 - Set [32/2/1]

Compare the economic activities of the private sector with that of the public sector.

CBSE Board Paper 2019 - Set [32/3/1]

How can the problem of unemployment be eradicated in India? Explain any three ways. 3





CBSE Board Paper 2019 - Set [32/4/1]

Highlight the contribution of public sector in the economic development of a country. 5

CBSE Board Paper 2019 - Set [32/5/1]

Highlight any five benefits of organised sector, with examples.

5





CBSE Board Paper 2020 - Set [32/5/1]

Assertion (A): The Government of India buys wheat and rice from farmers at fair price.

Reason (R): Public sector contributes to the economic development.

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

CBSE Board Paper 2020 - Set [32/3/1]

Choose the incorrect option from the following:

List I List II

(a) Courier (1) Tertiary Sector

(b) Fisherman (2) Primary Sector

(c) Carpenter (3) Primary Sector

(d) Banker (4) Tertiary Sector





PREVIOUS YEAR QUESTIONS 2020

ECONOMICS | SECTORS OF INDIAN ECONOMY

CBSE Board Paper 2020 - Set [32/1/1]

How is GDP calculated?

CBSE Board Paper 2020 - Set [32/2/1]

Suggest any one measure for the development of any activity of 'Secondary Sector'.

CBSE Board Paper 2020 - Set [32/2/1]

Explain the meaning of Disguised Unemployment.

CBSE Board Paper 2020 - Set [32/4/1]

Why is the tertiary sector becoming so important in India? Explain the main reason.





PREVIOUS YEAR QUESTIONS 2020

ECONOMICS SECTORS OF INDIAN ECONOMY

CBSE Board Paper 2020 - Set [32/1/1]

Suggest any one way to create employment in semi-rural areas.

CBSE Board Paper 2020 - Set [32/2/1]

Distinguish between 'Organised' and 'Unorganised Sector'.

CBSE Board Paper 2020 - Set [32/4/1]

Explain the main advantage of organised sector in respect of employment.

CBSE Board Paper 2020 - Set [32/4/1]

Suggest any one way to increase the income of Indian industrial workers.

CBSE Board Paper 2020 - Set [32/1/1]

How is Public sector different from Private sector?





CBSE Board Paper 2020 - Set [32/1/1]

'Primary sector' was the most important sector of economic activity at initial stages of development." Evaluate the statement

CBSE Board Paper 2020 - Set [32/1/1]

"Tertiary sector activities help in the development of the primary and secondary sectors." Evaluate the statement.3

CBSE Board Paper 2020 - Set [32/3/1]

Why is the tertiary sector becoming more important in India? Explain.

CBSE Board Paper 2020 - Set [32/2/1]

"All the services of the 'service sector' are not growing equally well." Evaluate the statement.

CBSE Board Paper 2020 - Set [32/4/1]

Suggest any three measures through which underemployment in agriculture sector can be minimised. 3





CBSE Board Paper 2020 - Set [32/3/1]

Why is organized sector preferred by the employees? Explain.

3

CBSE Board Paper 2020 - Set [32/2/1]

"Workers in the organized sector enjoy security of employment." Evaluate the statement.

3

CBSE Board Paper 2020 - Set [32/4/1]

"There is need for protection and support for the workers in the unorganised sector." Evaluate this statement. 3

CBSE Board Paper 2020 - Set [32/4/1]

"Activities in the private sector are guided by the main motive to earn profit." Evaluate this statement. 3





CBSE Board Paper Term I (2021) Set [32/1/4]

Which one of the following sectors shows the highest share in Gross Domestic Product (GDP) in India? 1

- A. Primary
- **B.** Secondary
- C. Tertiary
- D. Quaternary

CBSE Board Paper Term I (2021) Set [32/1/4]

Activities that of help in the development of Primary and Secondary sector come under which one of the following sectors?

- A. Primary
- **B.** Secondary
- C. Tertiary
- D. Quaternary

CBSE Board Paper Term I (2021) Set [32/1/4]

Which one of the following sectors shows the highest share in employment in 2017 - 18, in India?

- A. Primary
- **B.** Secondary
- C. Tertiary
- D. Quaternary





CBSE Board Paper Term I (2021) Set [32/1/4]

The products received by exploiting natural resources come under which one of the following sectors?

- A. Quaternary
- **B.** Tertiary
- C. Secondary
- D. Primary

CBSE Board Paper Term I (2021) Set [32/1/4]

Activities in which natural products are changed into other forms come under which one of the following sectors?

- A. Primary
- **B.** Secondary
- C. Tertiary
- D. Quaternary





CBSE Board Paper Term I (2021) Set [32/1/4]

Read the source given below. Attempt questions. Take the case of Laxmi with her two-hectare plot of unirrigated land. The Government can spend some money or banks can provide a loan, to construct a well for her family to irrigate the land. Laxmi will then be able irrigate her land and take a second crop, wheat, during the rabi season. Let us suppose that one hectare of wheat can provided employment to two people for 50 days (including sowing, watering. fertilizer application and harvesting). So two more members of the family can be employed in her own field. Now suppose a new dam is constructed and canals are dug to irrigate many such farms. This could lead to a lot employment generation within the agriculture sector itself reducing the problem of underemployment.

Which one of the following categories of farmers is Laxmi related to?

- A. Big
- B. Medium
- C. Marginal
- D. Agricultural labourer

Which one of the following economic sectors is Laxmi related to?

- A. Primary
- **B.** Secondary
- C. Tertiary
- D. Quaternary

In which one of the following sectors is underemployment seen at the maximum?

- A. Industry
- B. Agriculture
- C. Trade
- D. Commerce

How does construction of dams and canals create employment in large numbers in rural areas?

- A. Large number of engineers are needed
- B. Large number of technicians are also required
- C. Adjustment of large number of unskilled labourers
- D. Executives and administrators can easily be adjusted

CBSE Board Paper 2023 - Set [32/6/1]

Which one of the following pairs is correctly matched?

(A) Primary Sector Money Lender

(B) Secondary Sector Priest

(C) Tertiary Sector Bank

(D) Manufacturing Sector Gardener

CBSE Board Paper 2023 - Set [32/4/1]

Which one of the following sectors contribute highest in the GDP of India?

- (a) Primary
- (b) Secondary
- (c) Tertiary
- (d) Quaternary

CBSE Board Paper 2023 - Set [32/6/1]

Which one of the following is the preceding Government Agency of NITI Aayog?

- (A) Planning Commission
- (B) Election Commission
- (C) University Grants Commission
- (D) Union Public Service Commission



CBSE Board Paper 2023 - Set [32/5/1]

'A' is a worker in a garment export industry of Jaipur. He gets facilities like health insurance, provident fund, medical leave, etc.

In which one of the following sectors is 'A' working?

1

- (a) Primary sector
- (b) Non-Governmental sector
- (c) Organized sector
- (d) Unorganized sector

CBSE Board Paper 2023 - Set [32/6/1]

Which one of the following is an activity of the unorganized sector?

- (A) A teacher teaching in a school.
- (B) A worker going to work in a big factory.
- (C) A doctor treating patients in a hospital.
- (D) A daily wage labourer working under a contractor.

CBSE Board Paper 2023 - Set [32/5/1]

Study the data given below in the table and answer the question by selecting the correct option. Which is the most important sector that provides maximum jobs to the people?

1

- (a) Primary sector, especially organized sector
- (b) Secondary sector, especially organized sector
- (c) Tertiary sector, especially organized sector
- (d) Primary sector, especially unorganized sector



CBSE Board Paper 2023 - Set [32/2/1]

Natural products being changed into other forms is known as:

- (a) Primary product
- (b) Tertiary product
- (c)Secondary product
- (d) Quaternary product

CBSE Board Paper 2023 - Set [32/4/1]

Which one of the following pairs is correctly matched?

- (a) Primary Sector Flower Cultivator
- (b) Secondary Sector Milk Vendor
- (c) Tertiary Sector Fisherman
- (d) Manufacturing Sector Gardener

CBSE Board Paper 2023 - Set [32/1/1]

Which one of the following organization is providing data regarding employment in India?

- (A) National Statistical Office
- (B) Niti Aayog
- (C) National Informatics Centre
- (D) Public Service Commission



CBSE Board Paper 2023 - Set [32/2/1]

Which one of the following is a feature of the unorganized sector?

1

- (a) Terms of employment are regular.
- (b) People have assured work.
- (c) They have some formal processes and procedures.
- (d) There are rules and regulations but not followed.

CBSE Board Paper 2023 - Set [32/1/1]

Imagine that you are the village Head. Suggest any two activities that you think should be taken up to increase the income of the villagers.

2

CBSE Board Paper 2023 - Set [32/6/1]

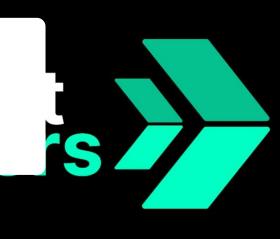
How to create more employment in rural areas? Explain with examples. 2

CBSE Board Paper 2023 - Set [32/5/1]

Suggest any two ways to create more employment in the rural sector.

CBSE Board Paper 2023 - Set [32/5/1]

Which are the two sectors based on the ownership of resources? Explain each of them.





CBSE Board Paper 2023 - Set [32/4/1]

Why is 'Tertiary Sector' becoming important in India? Explain 3

CBSE Board Paper 2023 - Set [32/2/1]

Differentiate between primary and secondary sectors with examples.

CBSE Board Paper 2023 - Set [32/2/1]

Examine the rising importance of the tertiary sector in India.

CBSE Board Paper 2023 - Set [32/4/1]

Why is there a need to protect workers in the Unorganized Sector? Explain.





PREVIOUS YEAR QUESTIONS 2024

ECONOMICS SECTORS OF INDIAN ECONOMY

Look at the given picture. The work being done in the picture comes under which one of the following economic sectors?

1

- (A) Primary
- (B) Secondary
- (C) Tertiary
- (D) Quaternary

Study the following picture. The work done in the picture comes under which one of the following sectors of the economy?

- (A) Primary
- (B) Secondary
- (C) Tertiary
- (D) Quaternary



CBSE Board aper 2024 - Set [32/5/1]



CBSE Board Paper 2024 - Set [32/2/1]

Which one of the following pairs is correctly matched?

(Sector of the Economy) (Example)

- (A) Primary Sector Tailor
- (B) Secondary Sector Fisherman
- (C) Tertiary Sector Astronaut
- (D) Primary Sector Courier







CBSE Board Paper 2024 - Set [32/2/1]

Look at the given image.

The work done in the image comes under which one of the following sectors?

- (A) Organized sector
- (B) Primary sector
- (C) Unorganized sector
- (D) Public sector



CBSE Board Paper 2024 - Set [32/5/1]

'Floriculture' comes under which one of the following sectors of the economy?

- (A) Primary
- (C) Tertiary
- (B) Secondary
- (D) Quaternary





CBSE Board Paper 2024 - Set [32/3/1]

Primary, Secondary and Tertiary sectors are divided in which one of the following basis?

1

- (A) Nature of employment
- (B) Nature of activities
- (C) Nature of ownership
- (D) Nature of income

CBSE Board Paper 2024 - Set [32/1/1]

Differentiate between primary and secondary sectors of the economy.

CBSE Board Paper 2024 - Set [32/3/1]

Examine the role of Public Sector in the development of the country.

3

CBSE Board Paper 2024 - Set [32/2/1]

Give any three suggestions to increase the employment in rural society and explain them.

CBSE Board Paper 2024 - Set [32/2/1]

"Tertiary sector has a pivotal role in the economy of the country." Support your answer with day-to-day examples.3





CBSE Board Paper 2024 - Set [32/5/1]

Explain the contribution of the primary sector in the context of employment in India.

CBSE Board Paper 2024 - Set [32/4/1]

"Activities in the private sector are guided by the motive to earn profits." Examine the statement with examples.

CBSE Board Paper 2024 - Set [32/5/1]

Examine the significance of the tertiary sector in the Indian economy.









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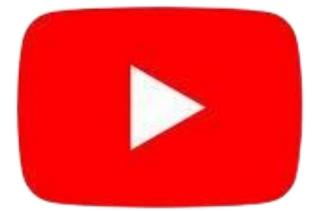
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Next Toppers (>>>)





The Social Brains





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