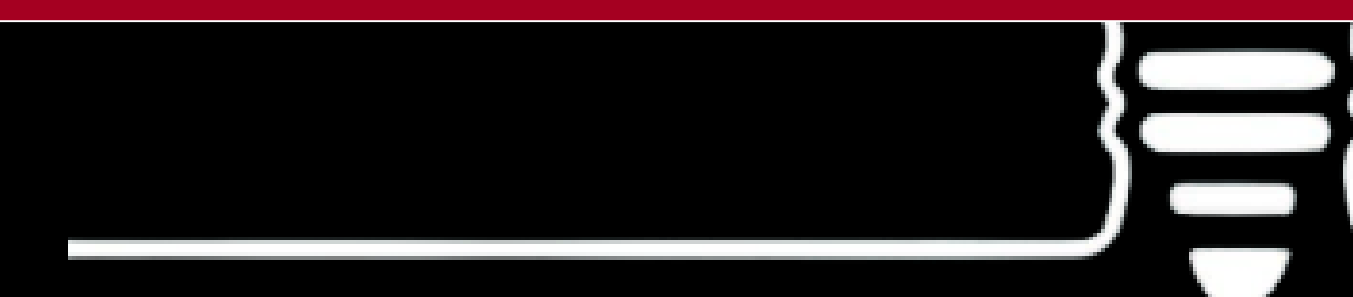




Development





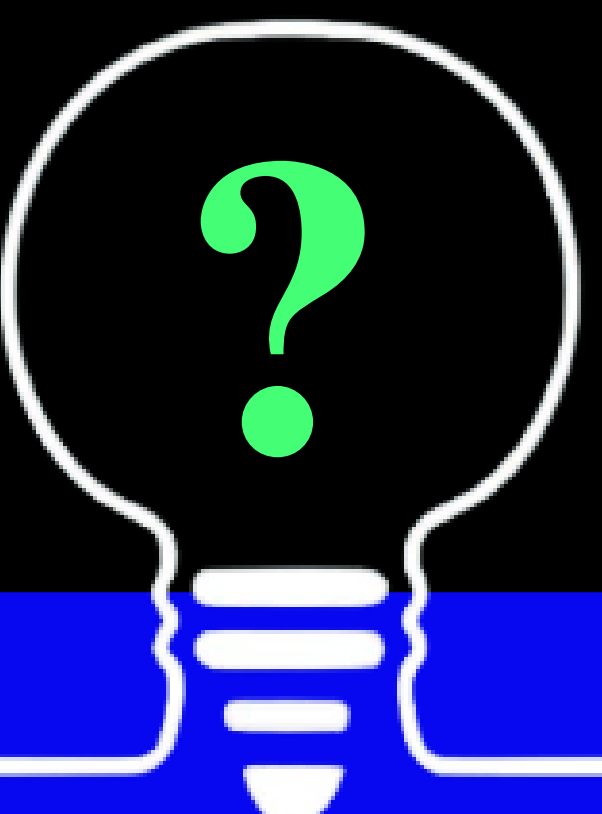
Question



“What may be development for one may not be development for the other.” Explain with a suitable example. **(Board Question)**

Or

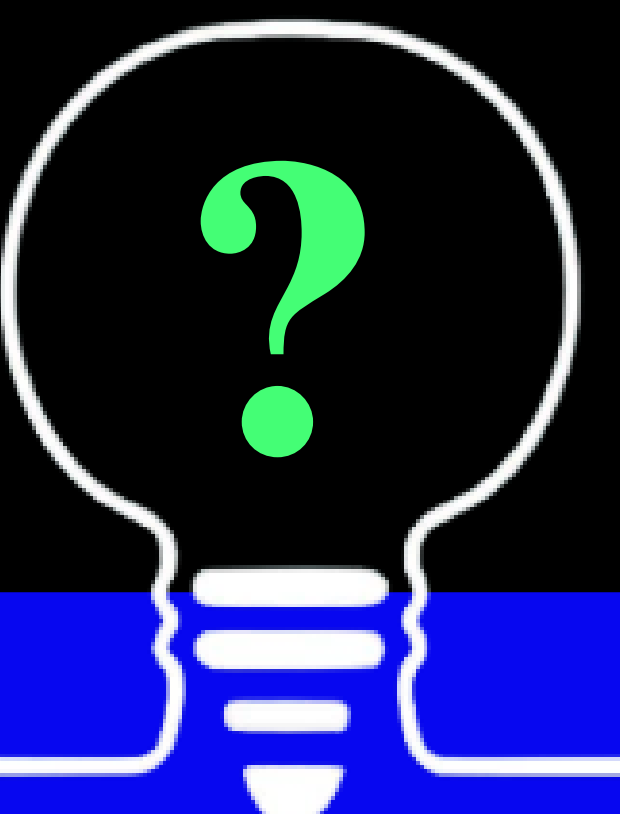
How can two persons have different development goals?

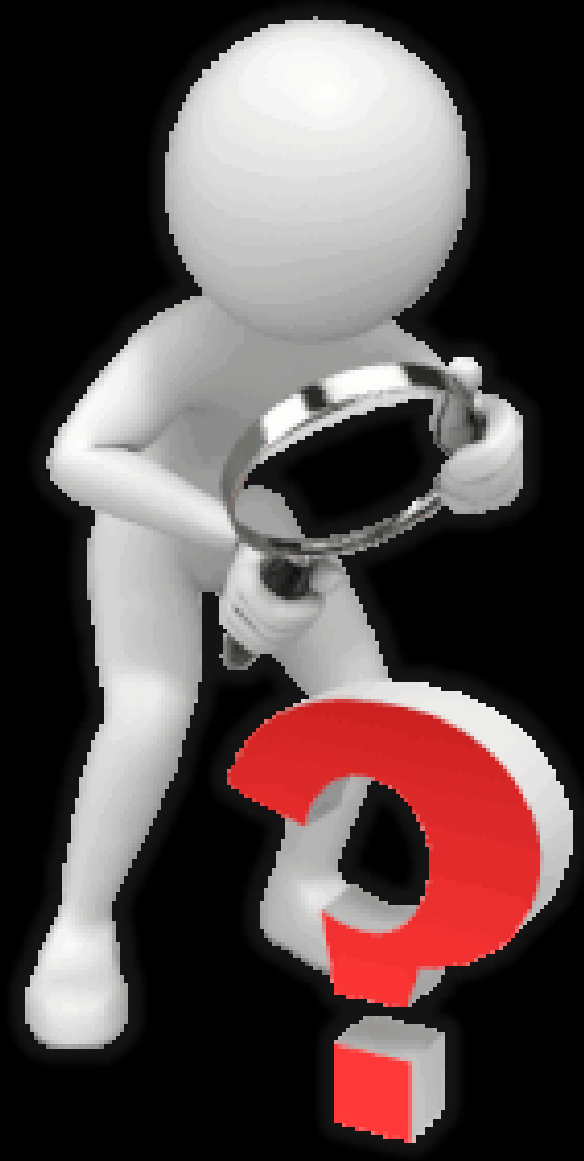




Answer

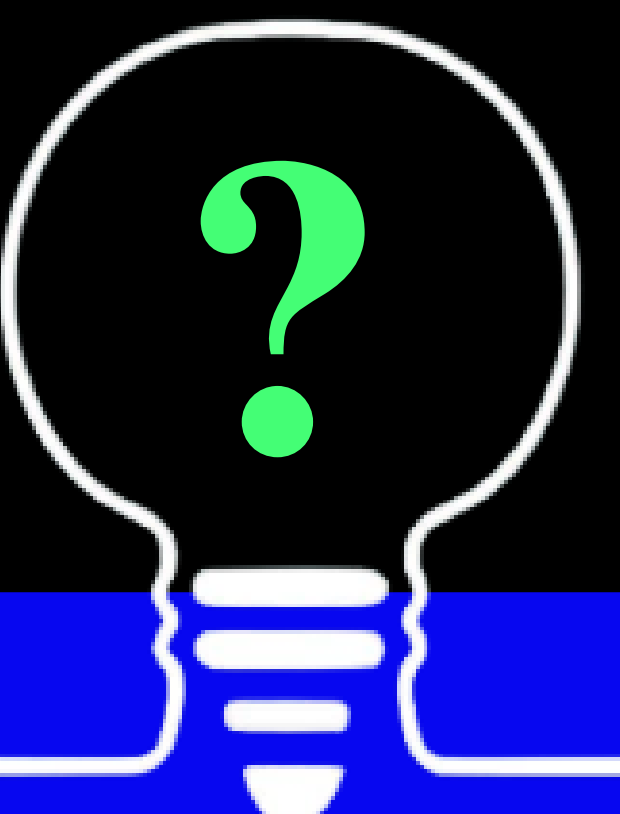
Different persons have different notions of development because life situations of persons are different. For example, Construction of dams leads to generation of hydroelectricity, thus development. However many people have to be displaced from their villages, hence it may not be development for them.

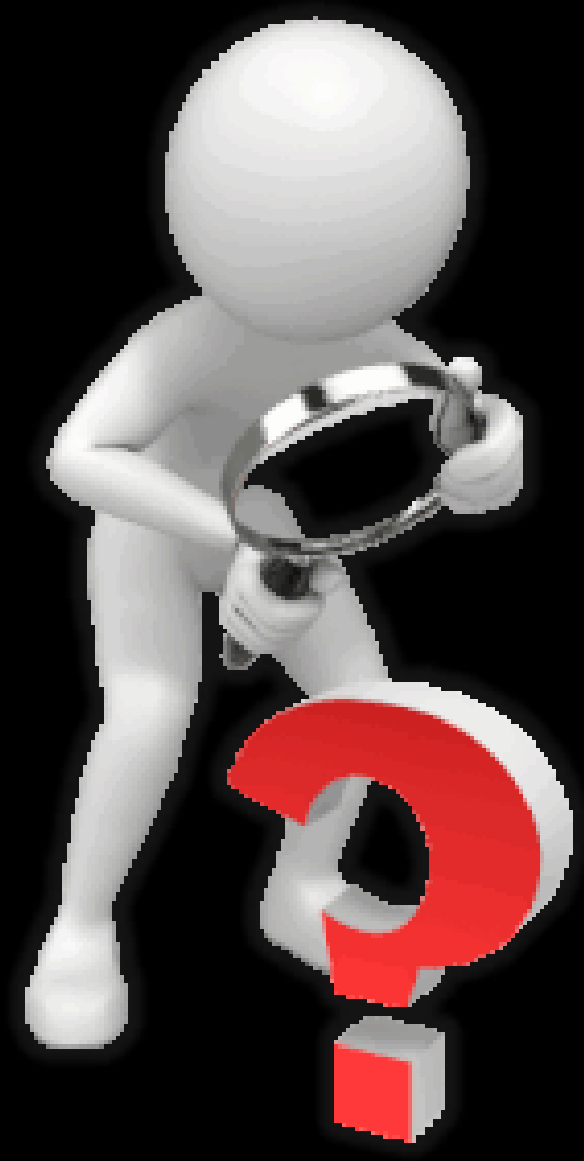




Question

Why do people look at a mix of goals for development? Explain. (2015)

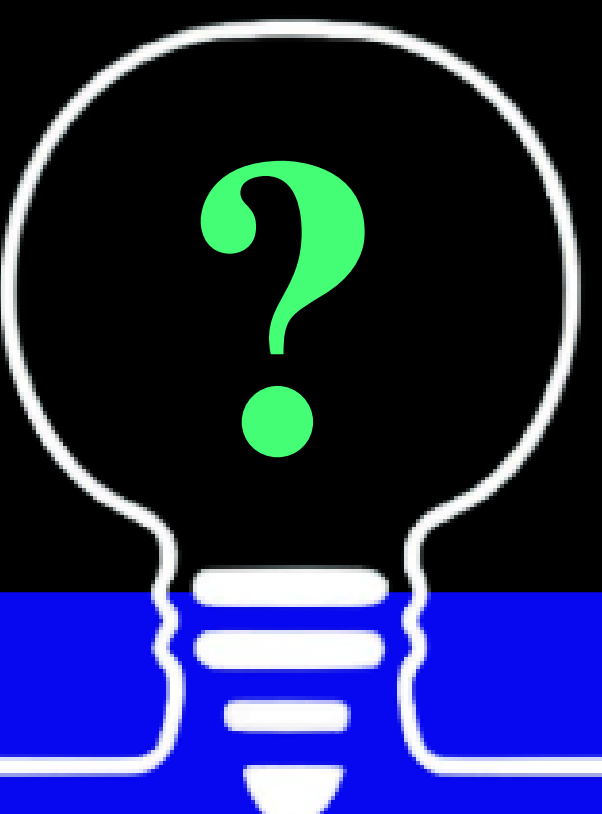


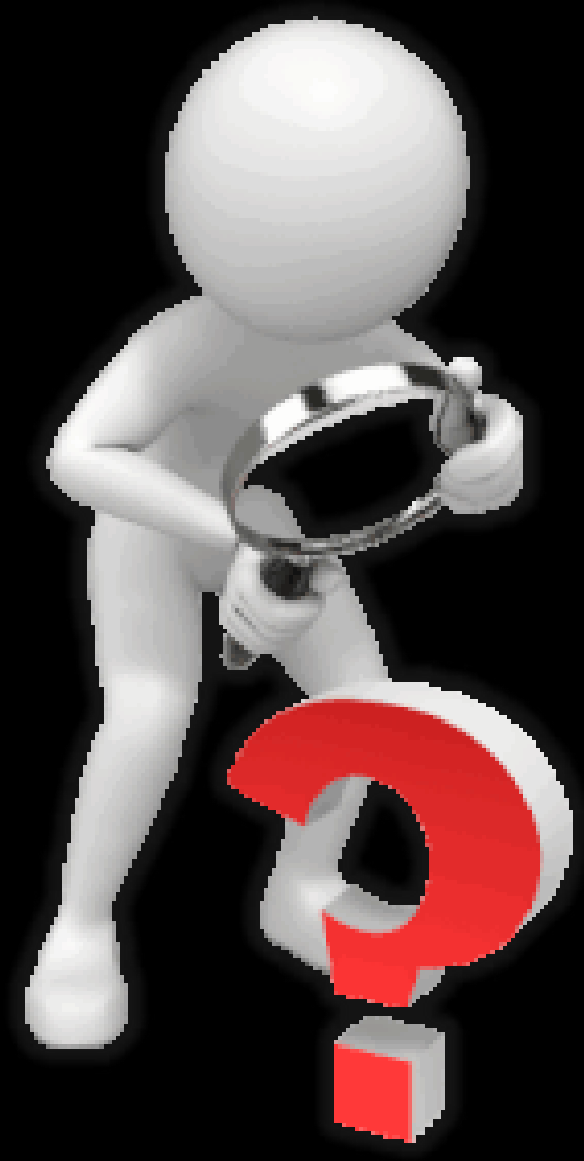


Answer

Though income is one of the most important components of development, but there are other important goals which people look at for development—

- (i) People also seek things like equal treatment, freedom, security and respect.
- (ii) Women need a safe and secure environment to take up a variety of jobs or to run businesses as entrepreneurs.
- (iii) People seek a pollution free environment.
- (iv) Students seek better education and equal opportunities to learn.



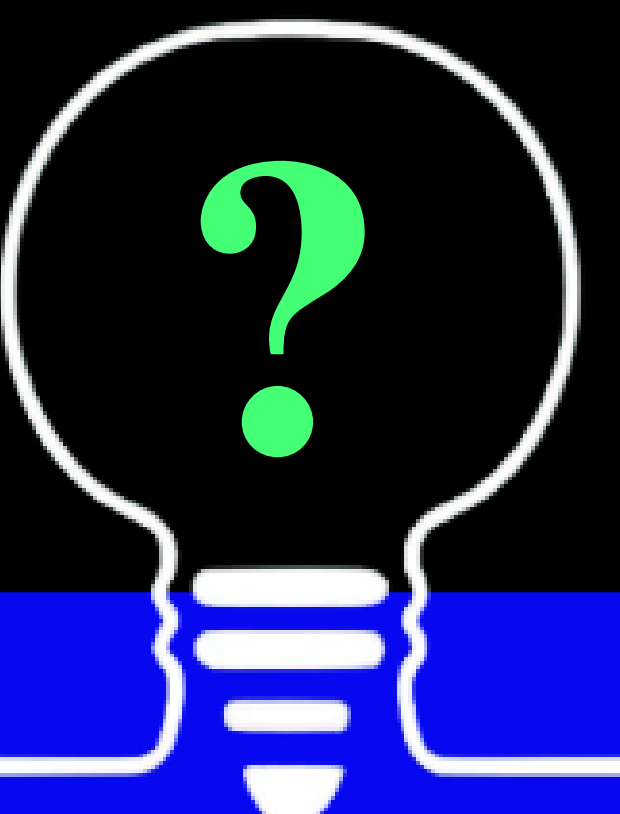


Question

Explain any five fields other than income where development is needed.
(2012)

Or

Describe certain activities of public interest on which the government has to focus on priority basis.

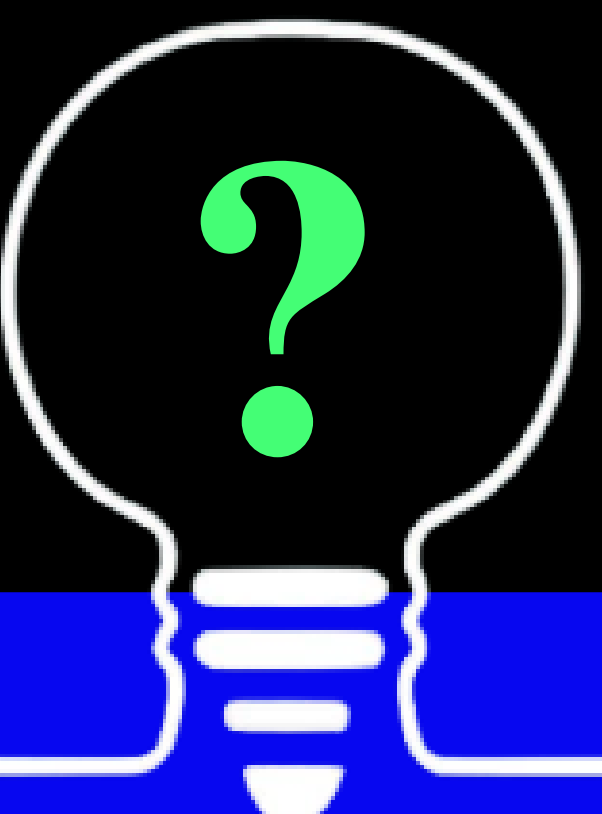




Answer

Fields other than income where development is needed:

- (i) Education. The government must provide adequate education facilities in all rural and urban areas. The government must necessarily focus on education for girls so that all girls are able to acquire at least secondary level schooling. Running proper schools and providing quality education, particularly elementary education, is the duty of the Government.
- (ii) Health. Basic health care facilities are a must for all. Establishment of government hospitals, clinics and dispensaries, especially in rural areas, to provide subsidized and unadulterated medicines to the poorer sections of society.
- (iii) Nutrition. An effective Public Distribution System—proper functioning of ration shops and equitable distribution of foodgrains is very essential.
- (iv) Transportation. A well developed public transport system to make it easy for general public to commute.
- (v) Electricity. It is the duty of the government to provide electricity and water at reasonable rates to the common man and prevent him from exploitation by private companies.

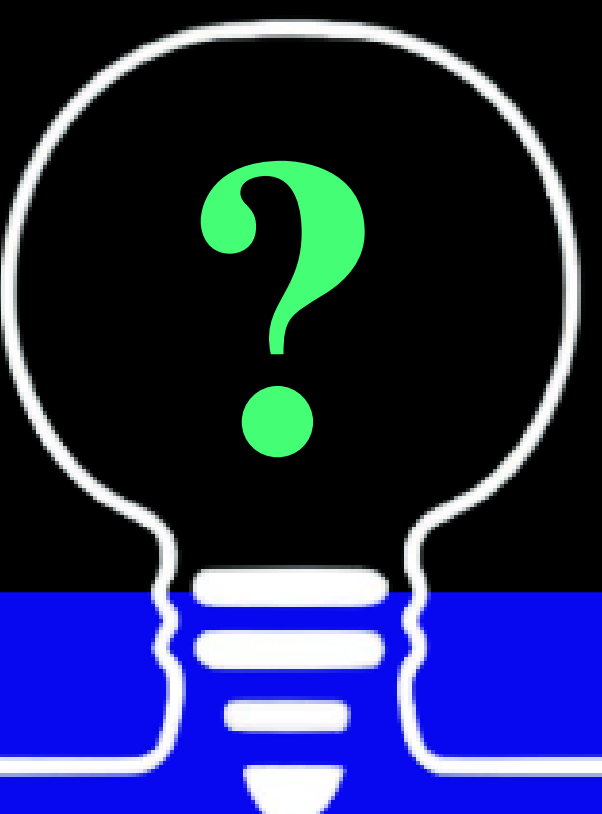




Question

Define GDP.

(2012)

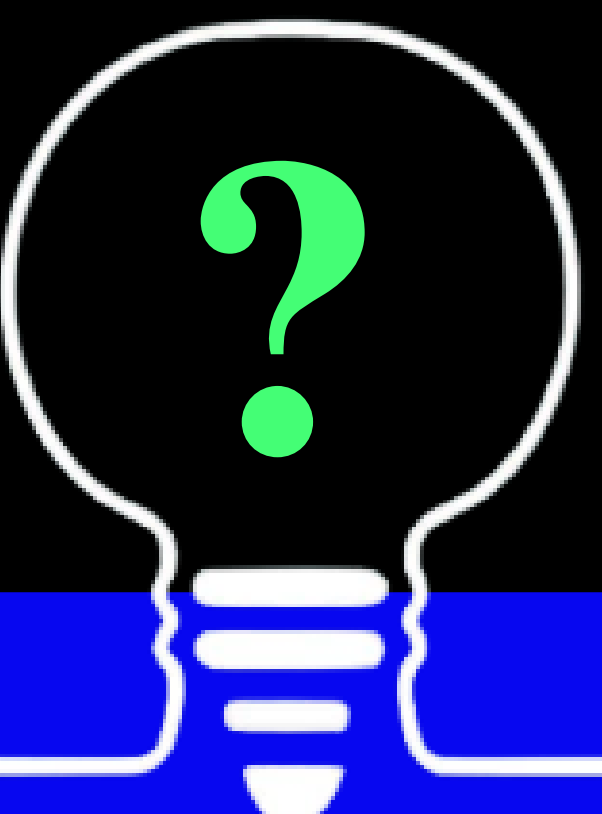




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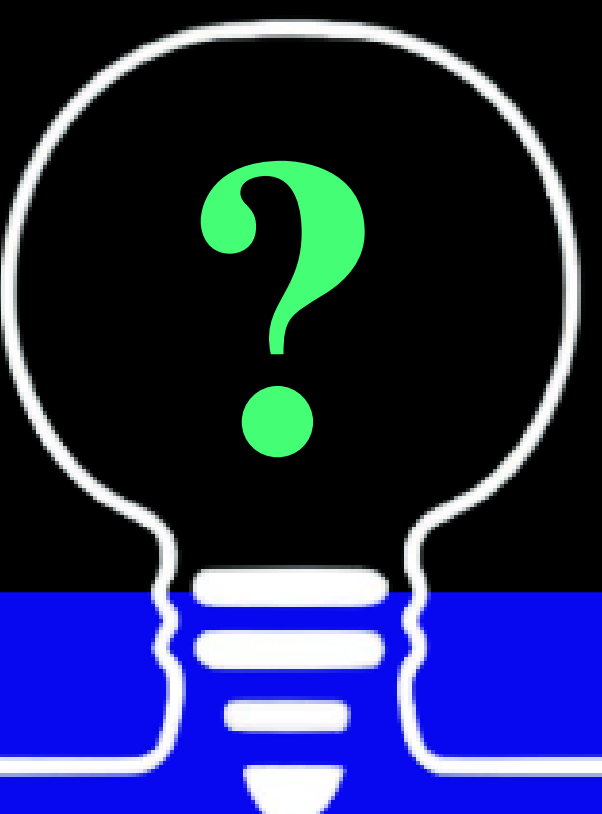




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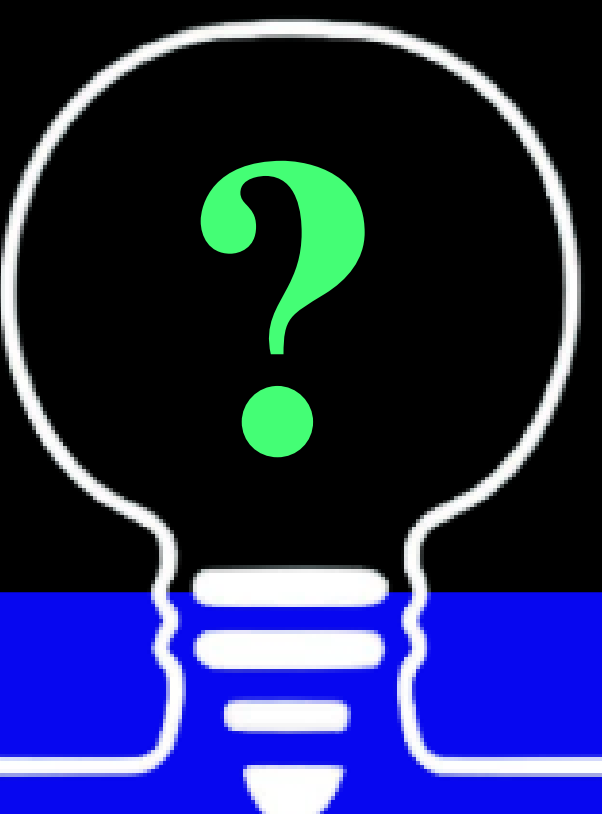
(2012)





Answer

GDP or Gross Domestic Product is the total value of all final goods and services produced during a particular year in a country.





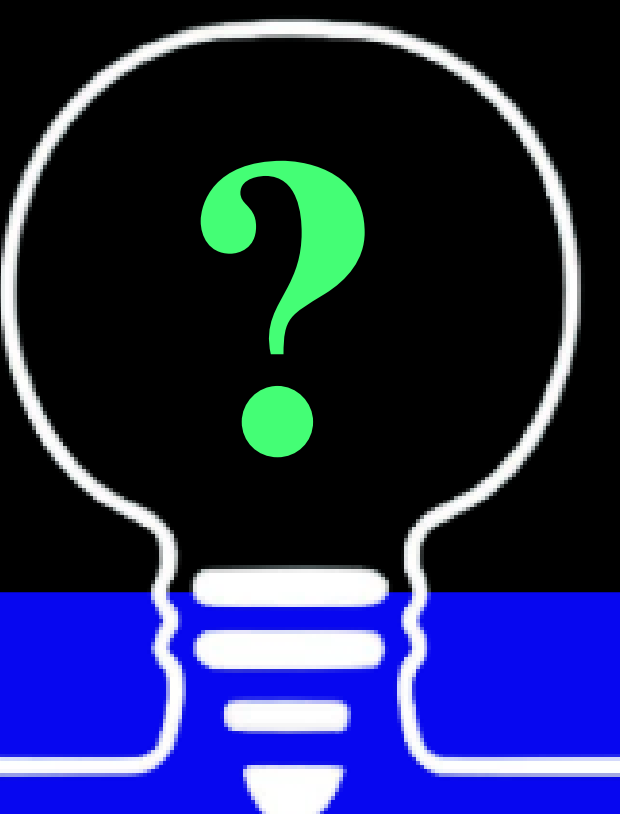
Question



Why do we use averages? Are there any limitations to their use? Illustrate with your own examples related to development. **(NCERT Question)**

Or

“Average income is useful for comparison but it may hide disparities.”
Support the statement with suitable arguments.

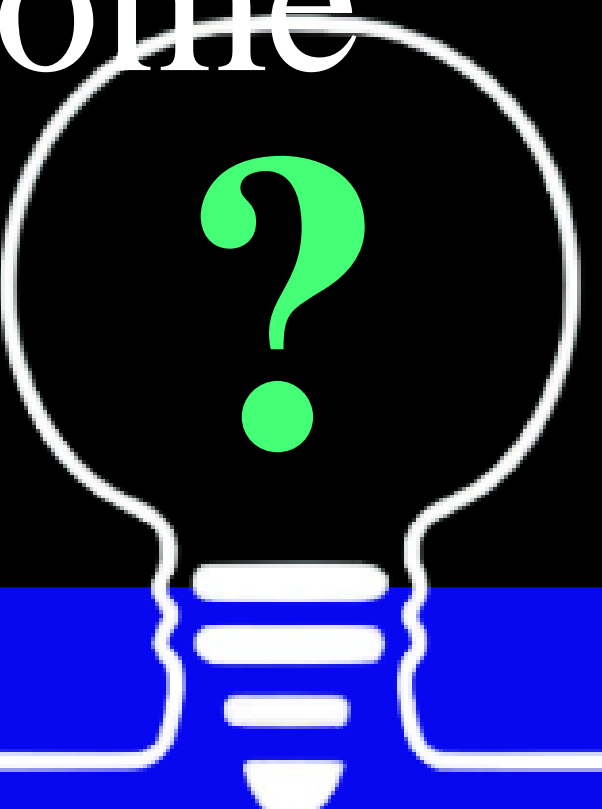




Answer

- (i) Total income is not a useful measure for comparison between countries. Since countries have different populations, comparing total income does not tell what an average person is likely to earn. Hence, we use average income which is total income of the country divided by total population.
- (ii) The defect of average as a measure is that it does not show the distribution (dispersion) of income between the rich and the poor.
- (iii) Two countries may have the same average income but in one country almost every family may enjoy more or less the same kind of income, whereas in the other, some may be very rich and others very poor. The disparity between rich and poor is an important feature that the average measure (per capita income) does not consider.

Example: In terms of development, we can take the example of India, where the metro towns are full of high-rise buildings and shopping malls while some villages have not yet been provided with a basic necessity like electricity.

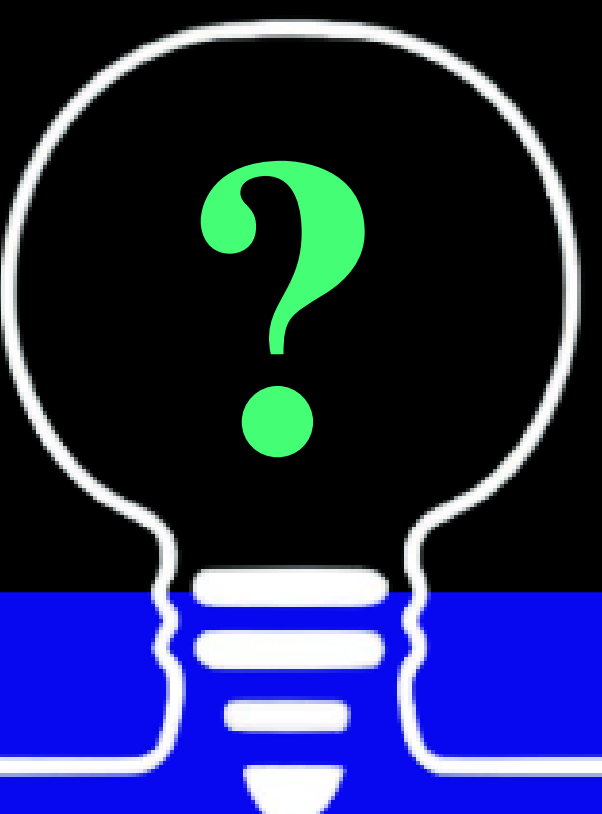




Question

What is Human development? Explain its indicators.

(2020 JBB/3)





Answer

Human development refers to the human-centered approaches towards development. It focuses on people and qualitative improvement in human life. It is defined as the process of enlarging people's freedoms and opportunities and improving their well-being. It is the development that enlarges people's choices

and improves their lives so that they can lead a healthy, meaningful and purposeful life with dignity.

Indicators of Human development:

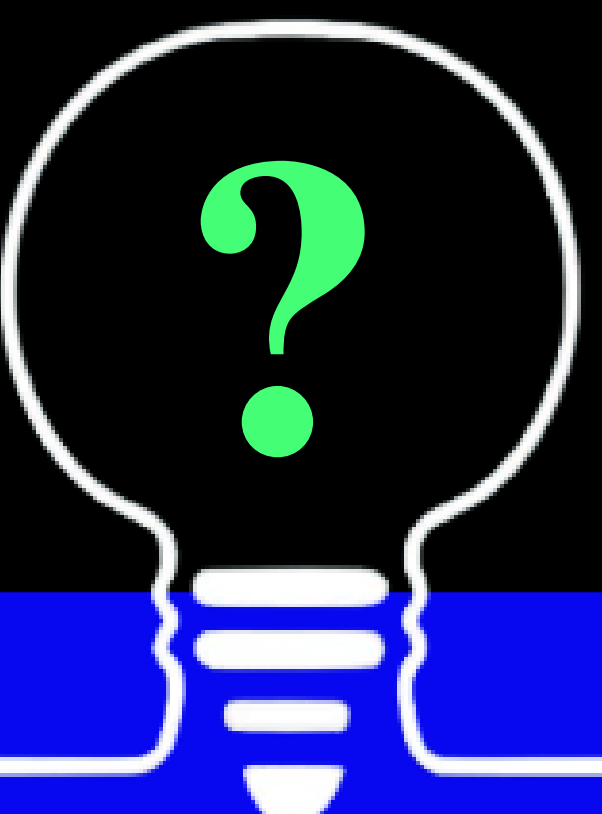
(i)Life Expectancy. It is the age to which a particular person is expected to live. Higher life expectancy means people have a greater chance of living longer and a healthy life.

(ii)Infant Mortality Rate. It is the total number of infant deaths below the age of 1 year out of 1000 babies.

(iii)Access to Knowledge. It refers to the number of people of both genders aging more than 15 years having the ability to read and write and the number of children enrolled in schools.

(iv)Standard of living. The standard of living is usually measured by the gross national income (GNI) per capita. The GNI indicates the total domestic and foreign output created by the residents of a certain country.

(v)Access to resources. It is measured in terms of purchasing power.



The image features a stylized map of India in the background, colored with the Indian national flag's saffron, white, and green horizontal stripes, and the Ashoka Chakra in the center. Overlaid on the map is a thick red arrow pointing diagonally upwards from the bottom left towards the top right. Along the base of this arrow, there are several stacks of gold coins, with the height of the stacks increasing as they move from left to right, symbolizing economic growth and progress.

Sectors of the India Economy



Question



Production of a commodity, mostly through the natural process is an activity of which sector?

(2013)

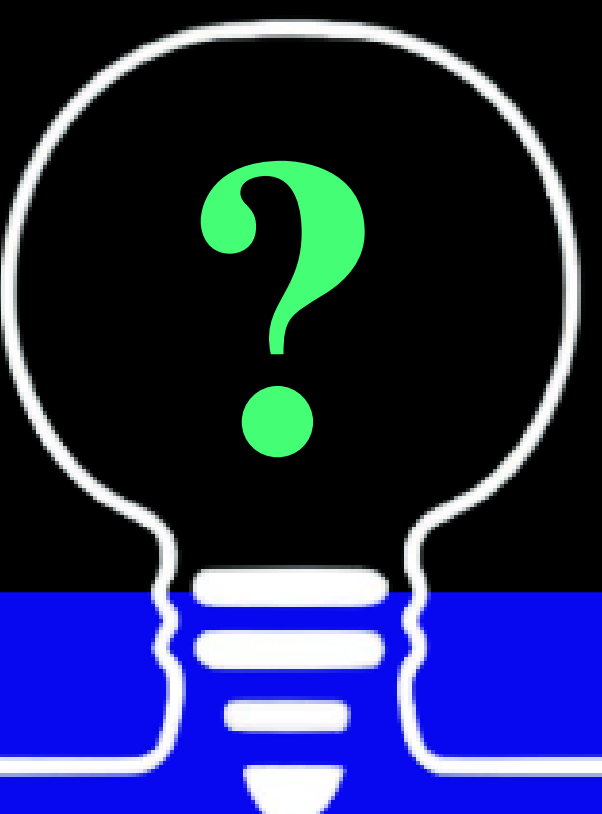




Answer



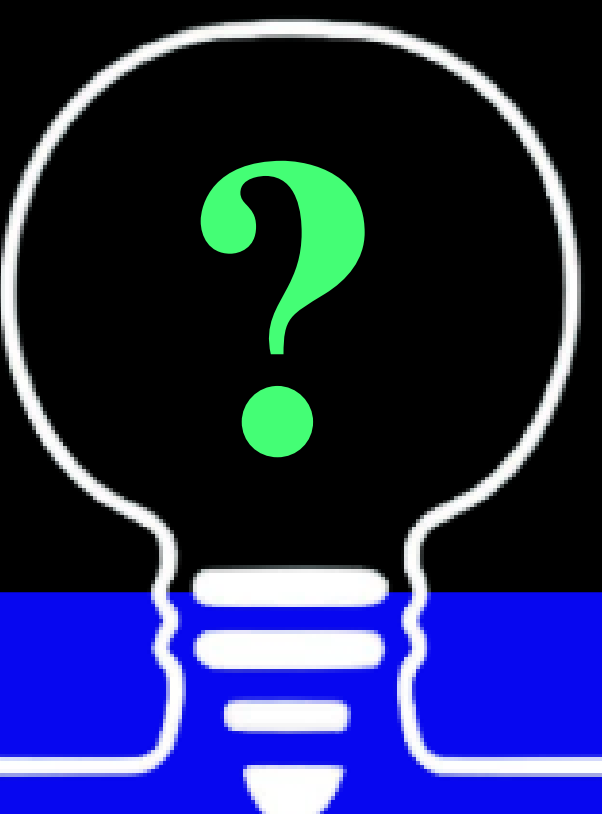
Primary Sector





Question

ATM is an example of which sector?
(2014)

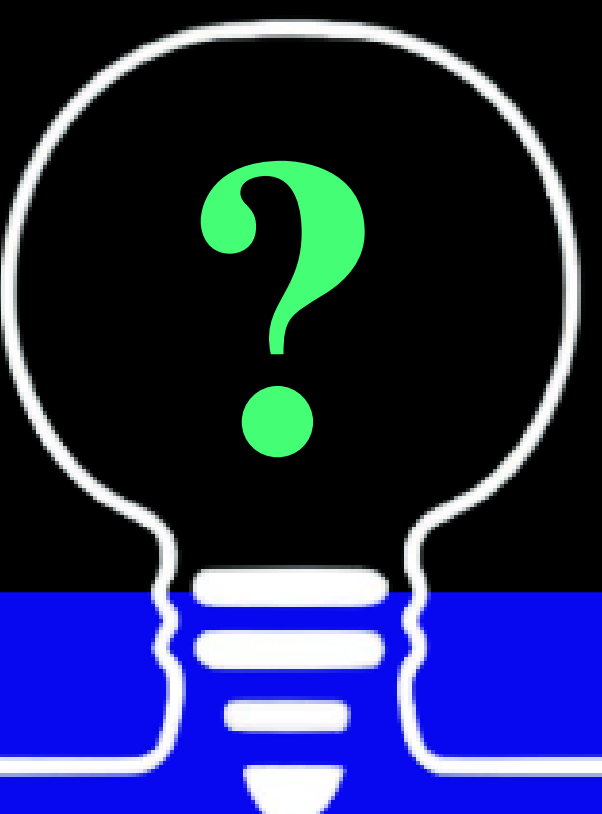


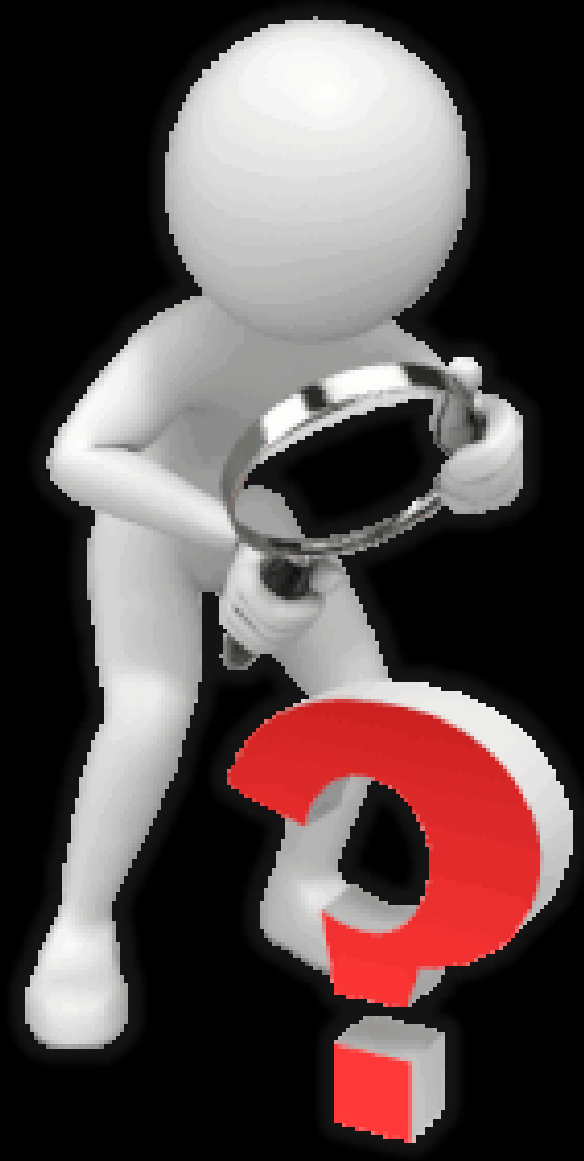


Answer



Tertiary sector

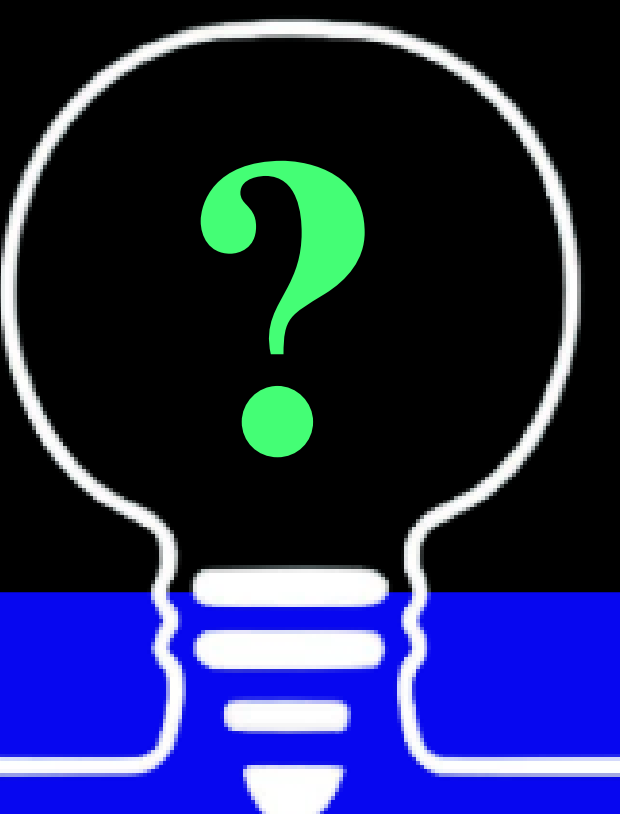




Question

Production of a commodity, mostly through the processing of a natural resource is an activity of which sector?

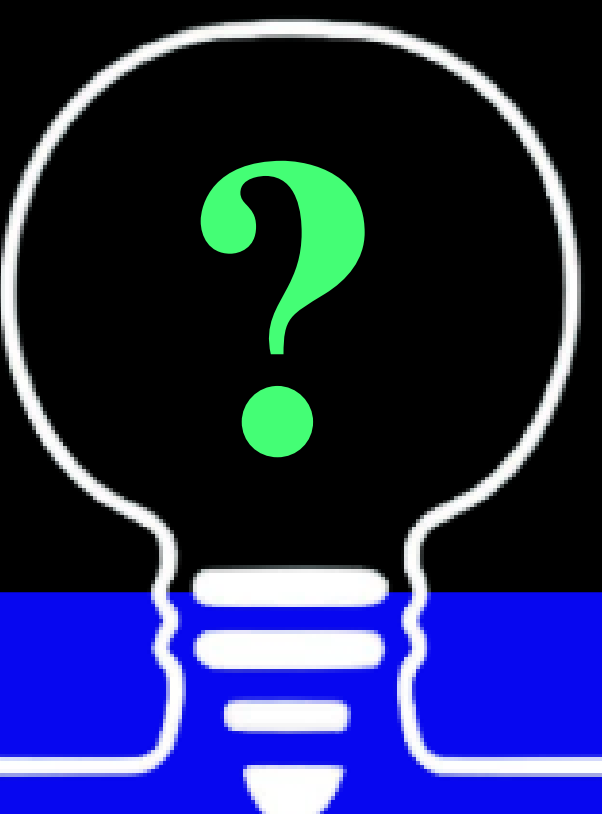
(2013)





Answer

Secondary Sector





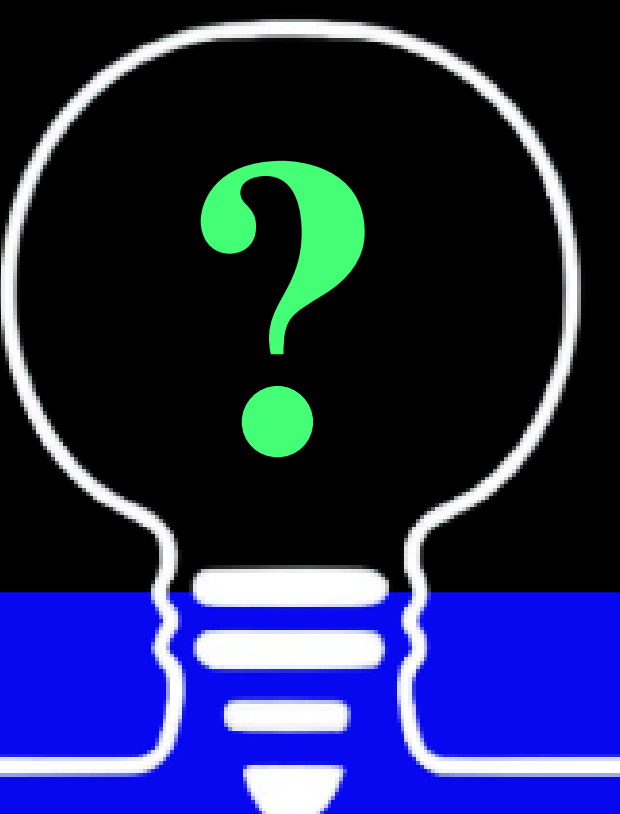
Question

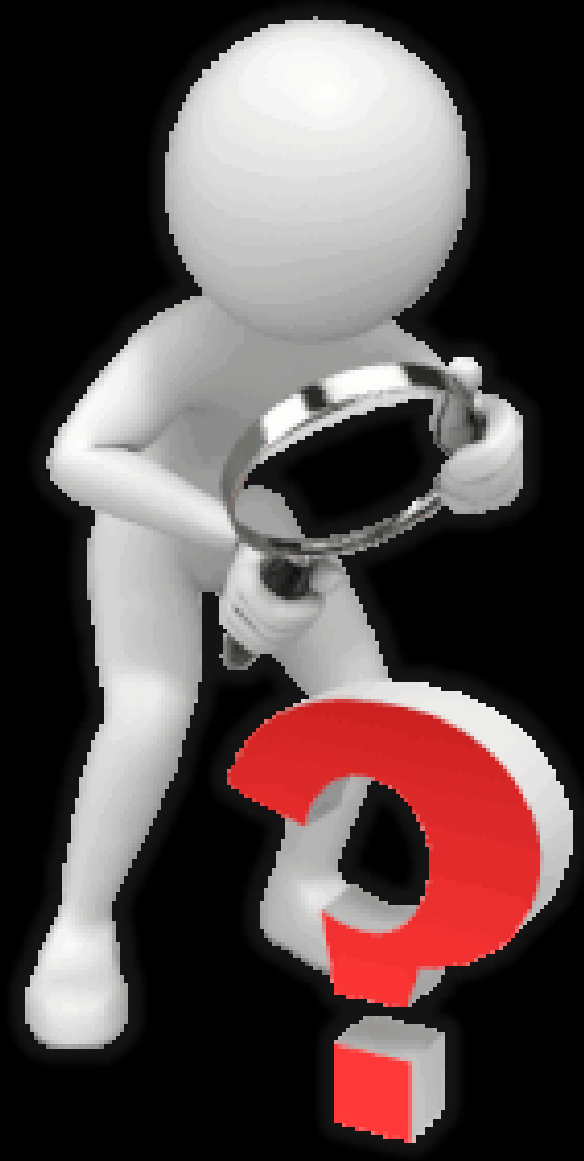
Describe the importance of Primary sector in the Indian economy. (Board Question)

Or

“‘Primary sector’ was the most important sector of economic activity at initial stages of development.” Evaluate the statement.

(2020 JBB/1)

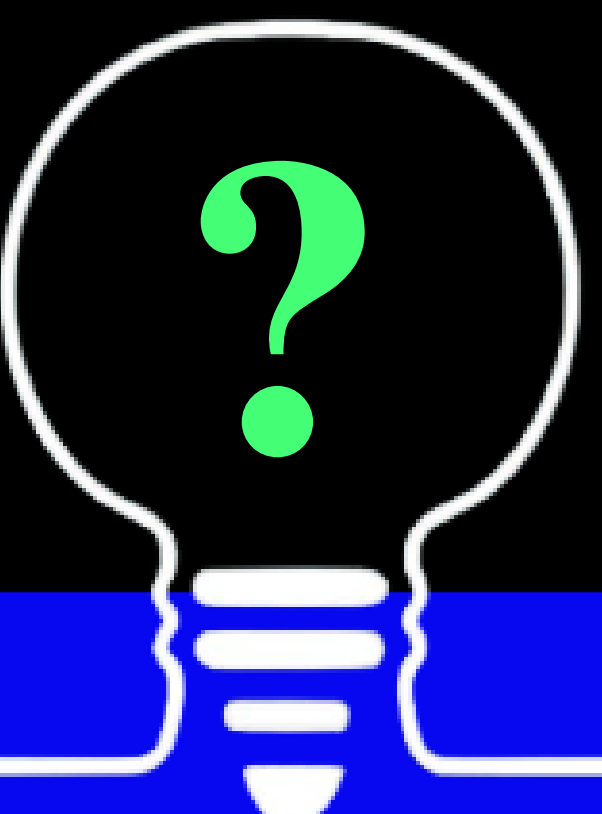




Answer

Importance of Primary sector:

- (i) Primary Sector provides the basic needs of economy for food and mineral ores.
- (ii) It produces some of the raw materials (like jute, cotton, coal extracted from mines) for the industrial sector.
- (iii) The Primary sector continued to be the largest employer in the economy even in the year 2000, the reason being that Secondary and Tertiary sectors still do not create enough jobs.
- (iv) The agricultural population in the Primary sector provides a very large market of consumers for the Secondary sector (for buying finished products like clothes, goods of daily need, fertilizers, etc.).





Question

What are final goods and intermediate goods? How do they help in calculating (GDP) Gross Domestic Product?
(2013)



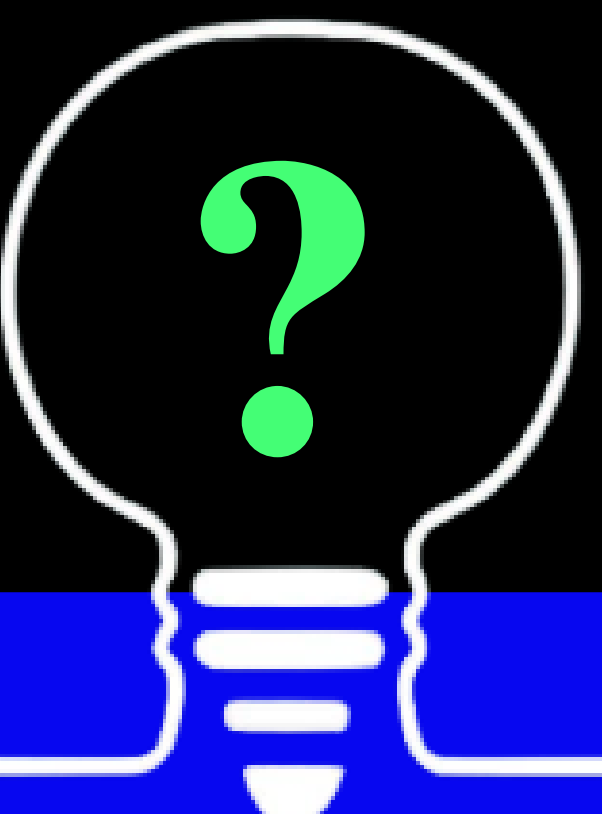


Answer

Final goods are goods that are ultimately consumed by the consumer rather than used in the production of another good.

Intermediate goods are goods used as inputs in the production of final goods and services. For example, a car sold to a consumer is a final good; components such as a tyre sold to the car manufacturer is an intermediate good. The value of final goods already includes the value of all intermediate goods that are used in making the final good.

The value of final goods and services produced in each sector during a particular year provides the total production of the sector for that year. And the sum of production in the three sectors gives the **Gross Domestic Product (GDP)** of a country. It is the value of all final goods and services produced within a country during a particular year.





Question



Define tertiary sector. Describe about the different kinds of people employed in this sector in India.

(2014)





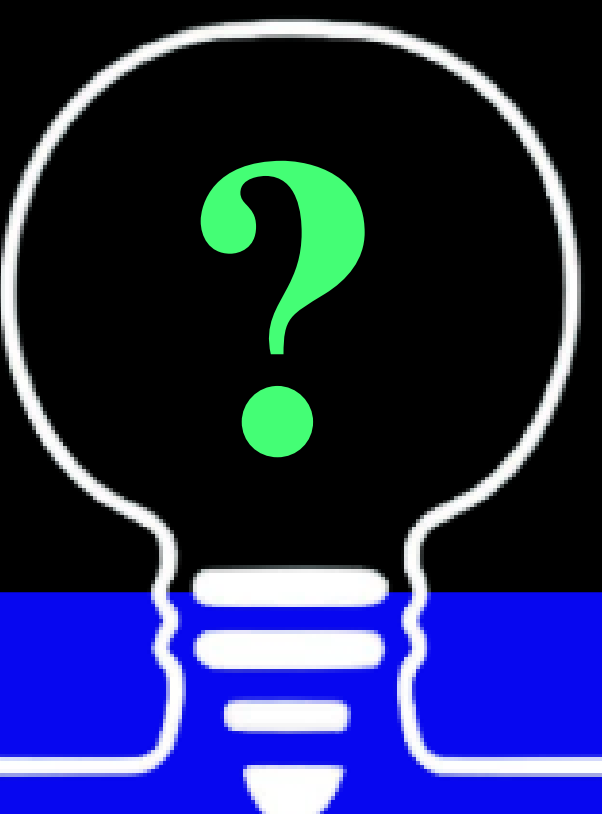
Answer

Tertiary sector. Activities in this sector do not produce any goods. This sector produces services that act as aid and support to the primary and secondary sector. Services like administration, police, army, transport, hospitals, educational institutions, post & telegraph, courts, municipal corporation, banking & insurance, storage, trade and communications are examples of activities in the tertiary sector. This sector is also known as the **Service Sector**.

(i) The first kind of people are the highly skilled and educated people providing specialised services. E.g., doctors, lawyers, accountants, etc. There are a limited number of services that employ highly skilled and educated workers and offer big salaries.

(ii) There are also a very large number of workers engaged in services, such as small shopkeepers, repair persons, transport persons. These people barely manage to earn a living and yet they perform these services because no alternative opportunities for work are available to them.

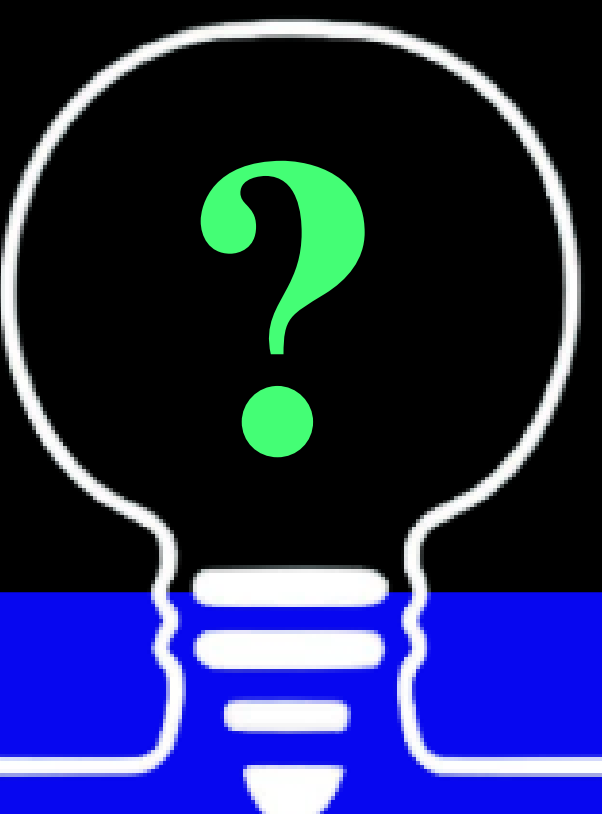
Hence, only a part of this sector is growing in importance.





Question

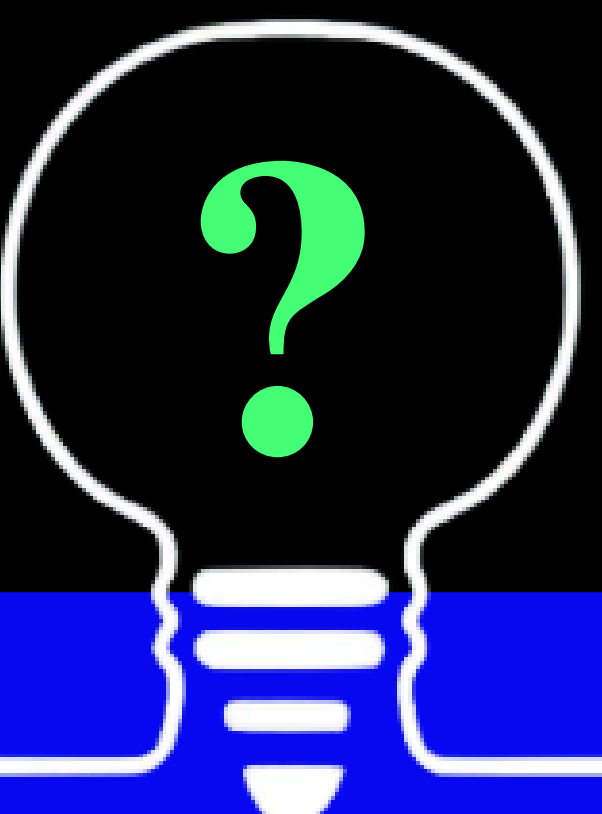
What do final goods and services mean?
(2014)





Answer

The various production activities in the primary, secondary and tertiary sector produce large number of goods and services for consumption and investment are final goods and services.



Money & Credit

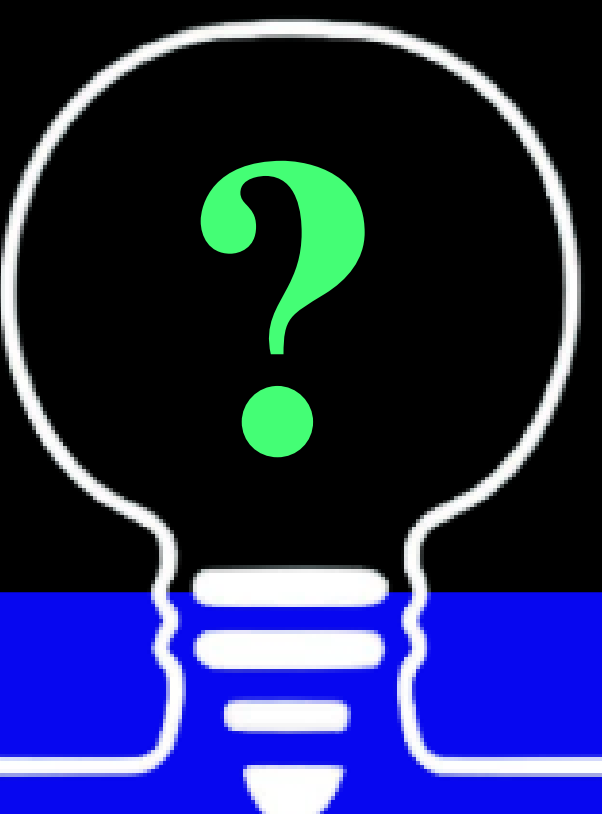




Question



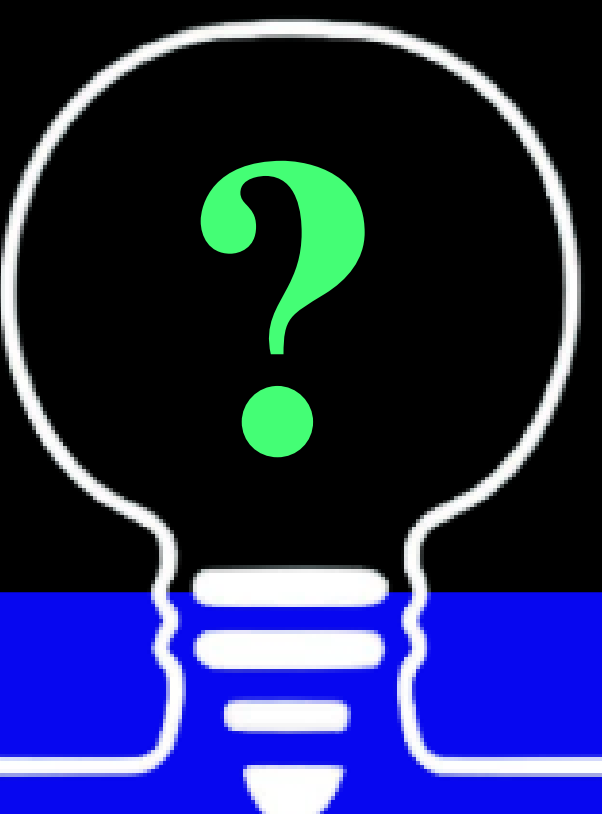
What is meant by double coincidence of wants?
(2015OD)





Answer

Double coincidence of wants means when both parties have agreed to sell and buy each other's commodities.





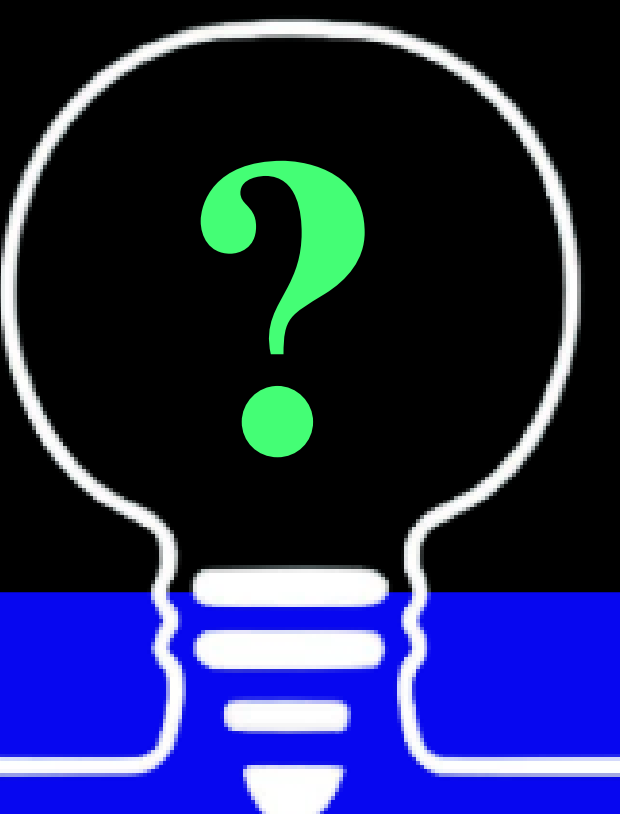
Question



How does the use of money make it easier to exchange things? Give an example. (2017OD) Or

How can money be easily exchanged for goods or services? Give an example to explain. (2016D) Or

How does money solve the problem of double coincidence of wants? Explain with an example. (2014D)



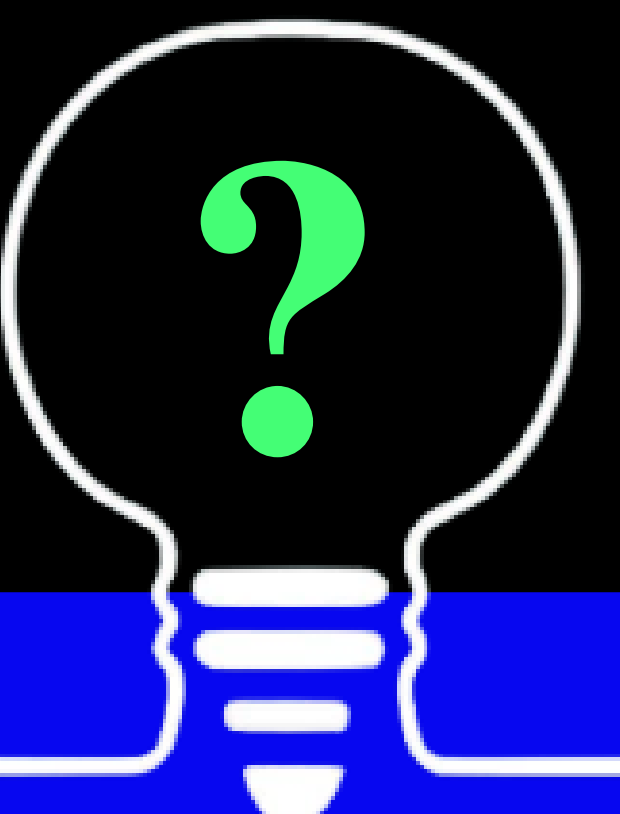


Answer

The use of money solves the problem of double coincidence of wants. Money acts as a medium of exchange and serves as a unit of value.

Money as a medium of exchange for goods and services. A person holding money can easily exchange it for any commodity or service that he or she might want. Everyone prefers to receive payment in money and exchange the money for things they want.

For example: A shoemaker wants to sell shoes in the market and buy wheat. The shoemaker will first exchange shoes for money and then exchange the money for wheat. If the shoemaker had to directly exchange shoes for wheat without the use of money, he would have to look for a wheat growing farmer who not only wants to sell wheat in a certain quantity but also wants to buy the shoes in exchange. Both the parties have to agree to sell and buy each other's commodities. This process is very difficult, time consuming and unhealthy.



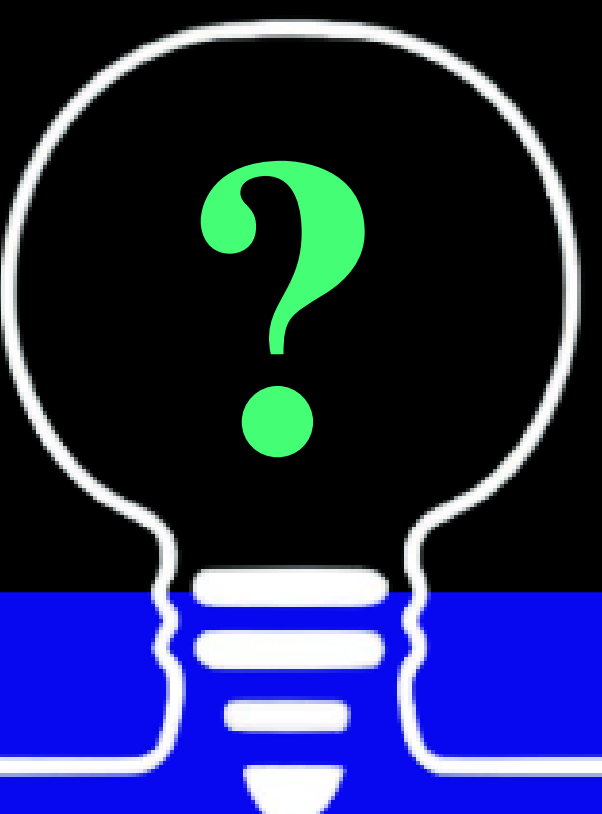


Question



How does money act as a medium of exchange?

(2015OD)





Answer

Money acts as a medium of exchange as it acts as an intermediate in the exchange process and transactions. A person holding money can easily exchange it for any commodity or services that he or she might want.





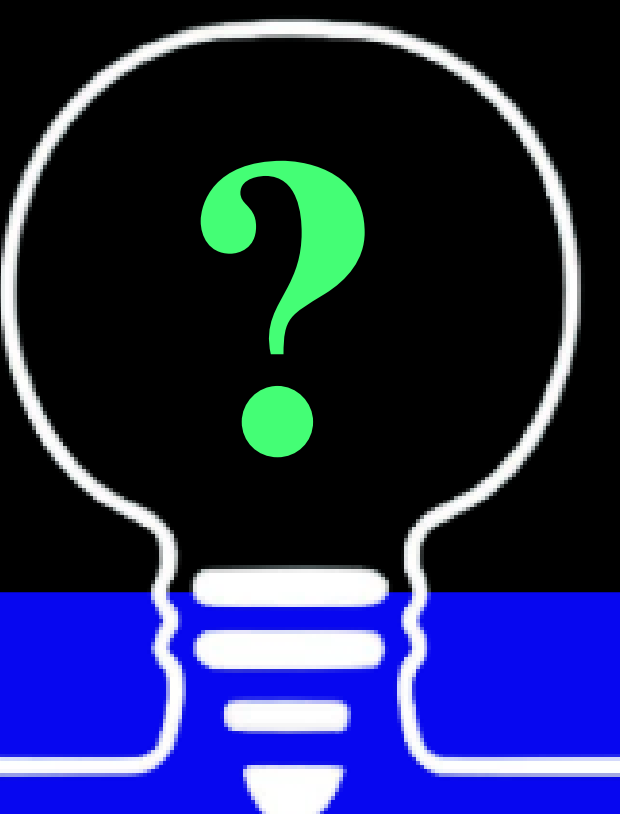
Question



What are the modern forms of money? Why is the 'rupee' widely accepted as a medium of exchange? Explain two reasons. (2013D)

Or

Why is modern currency accepted as a medium of exchange without any use of its own? Give reasons.

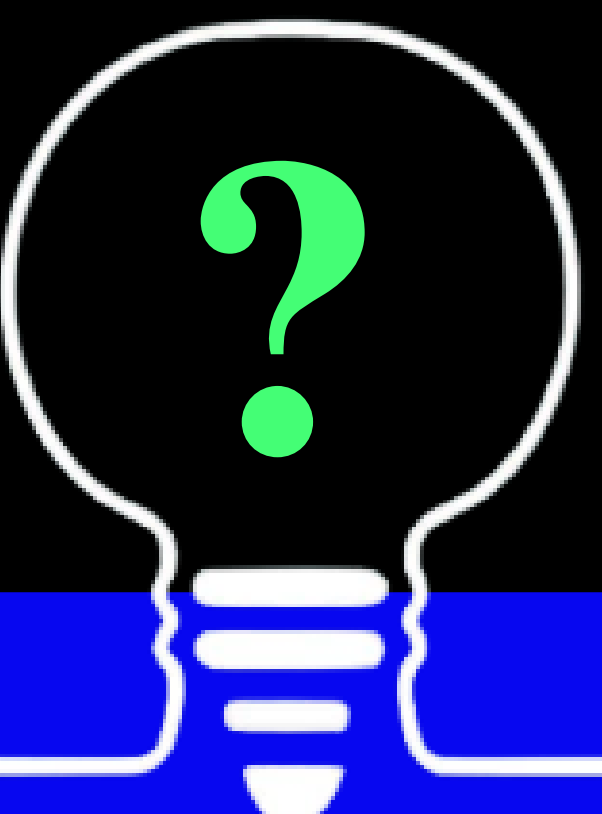




Answer

Modern forms of money currency in India include paper notes and coins which are known as Rupees and Paise.

- (i) It is accepted as a medium of exchange because the currency is authorized by the Government of India.
 - (ii) In India, the Reserve bank of India issues currency notes on behalf of the Central Government of India.
 - (iii) The law legalizes the use of rupee as a medium of payment that cannot be refused in settling transactions in India.
 - (iv) No Individual in India can legally refuse a payment made in rupees.
- Therefore, the rupee is widely accepted as a medium of exchange.

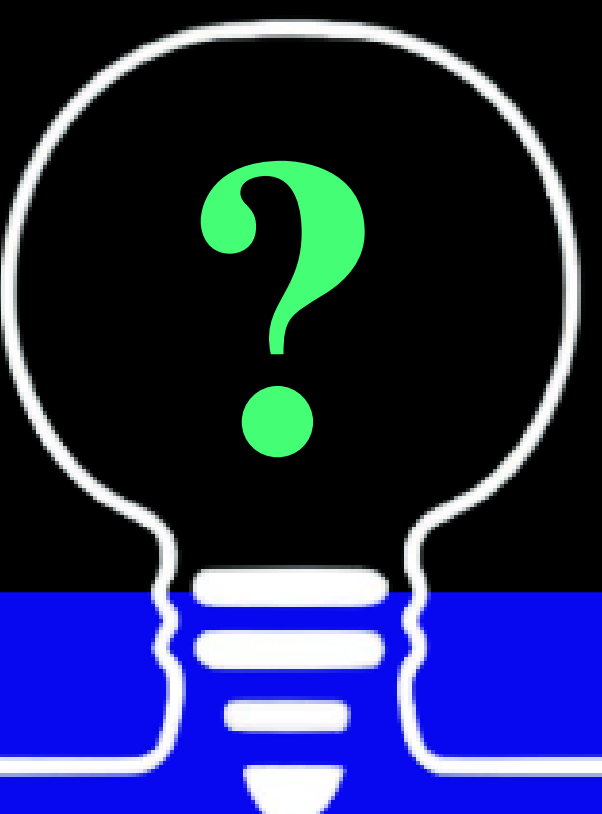




Question

What is Credit?

(2012D)





Answer

Credit means loans. It refers to an agreement in which the lender supplies the borrower with money, goods or services in return for the promise of future repayment.



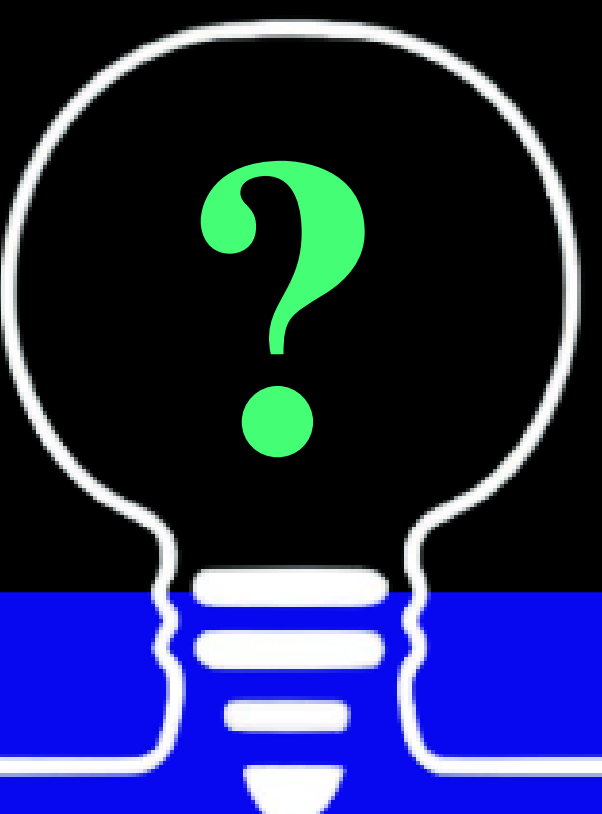


Question



What comprises 'terms of credit'?

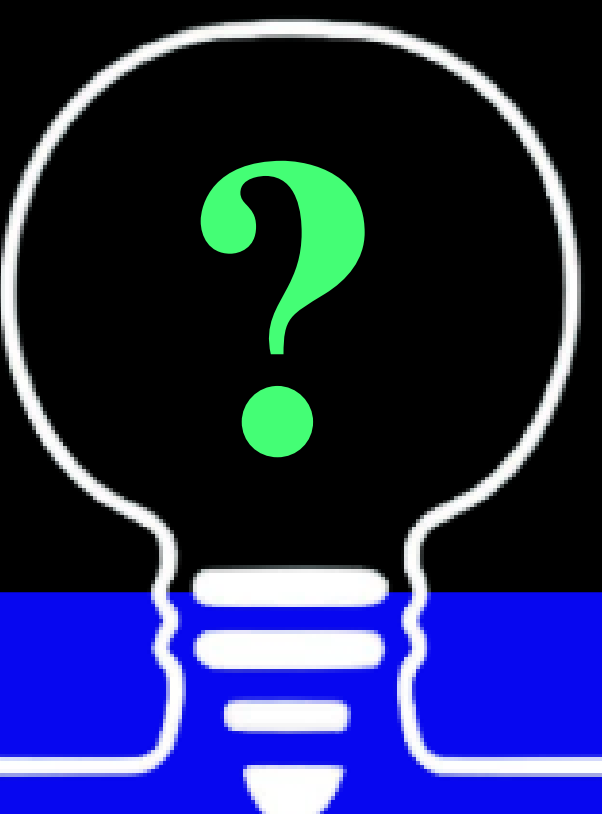
(2012OD)





Answer

Interest rate, collateral and documentation requirement and mode of repayment together comprise terms of credit.





Question



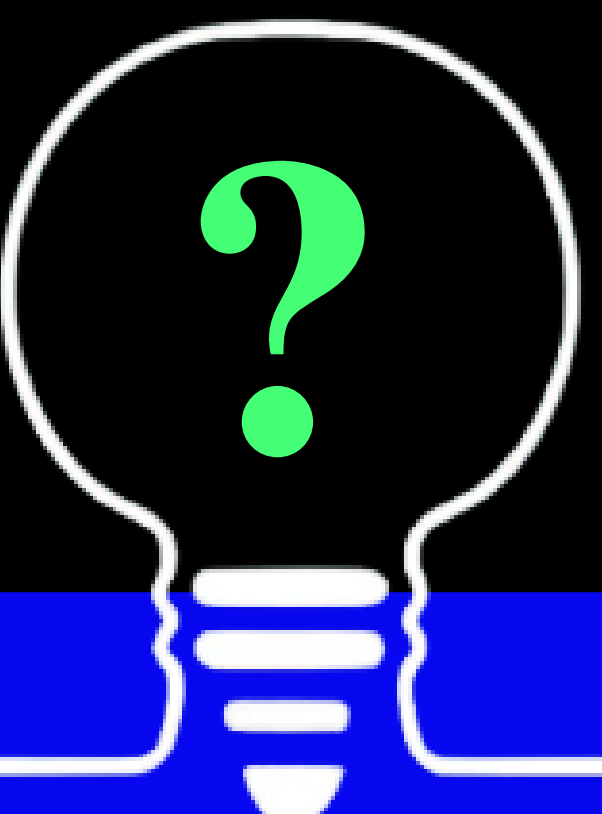
Why do banks ask for collateral while giving credit to a borrower?

(2014D, 2011OD)

Or

What is collateral? Why do lenders ask for collateral while lending? Explain.

(2012)





Answer

Collateral is an asset that the borrower owns (land, building, vehicle, livestock, land documents, deposits with banks, etc.) which stands as a security against the money borrowed. In case the borrower fails to repay the loan, the lender has the right to sell the asset or collateral to recover the loan money. Most lenders ask for collateral while lending as a security against their own funds.

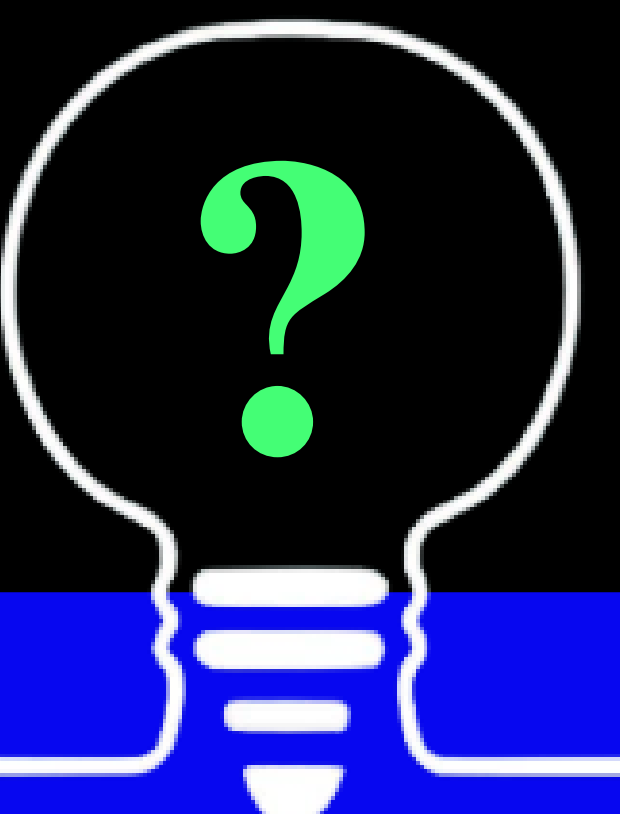




Question



What are the two categories of sources of credit? Mention four features of each. (2013OD)





Answer

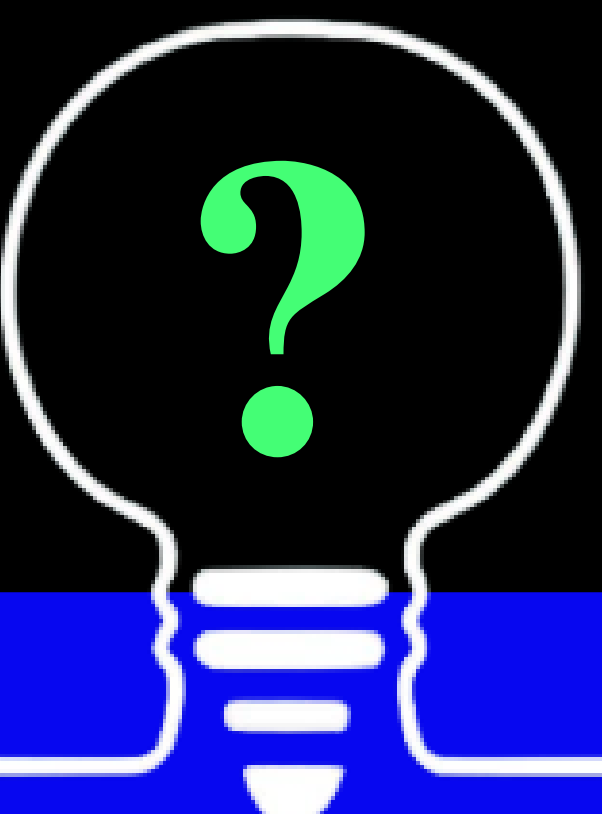
The two sources of credit are formal sources and informal sources:

Formal sources of credit:

- (i) Banks and cooperative societies fall under the formal sector. One can obtain loans from banks or cooperative societies.
- (ii) The Reserve Bank of India supervises the functioning of formal sources of loans.
- (iii) Bank loans require documentation and collateral (collateral is an asset such as land, building, vehicle, livestock, deposits with the bank, etc.). This is used as a guarantee to the lender until the loan is paid back.
- (iv) Formal sources cannot charge any rate of interest from the borrowers according to their whims. They are controlled by the RBI.

Informal sources of credit:

- (i) In the informal sector money can be borrowed from a person, friend, relative, moneylender, traders, employers, etc.
- (ii) There is no organisation that checks or supervises the activities of lenders in the informal sector.
- (iii) Loans from informal sources do not require any such collateral.
- (iv) They charge a very high rate of interest on loans as they do not require any collateral.



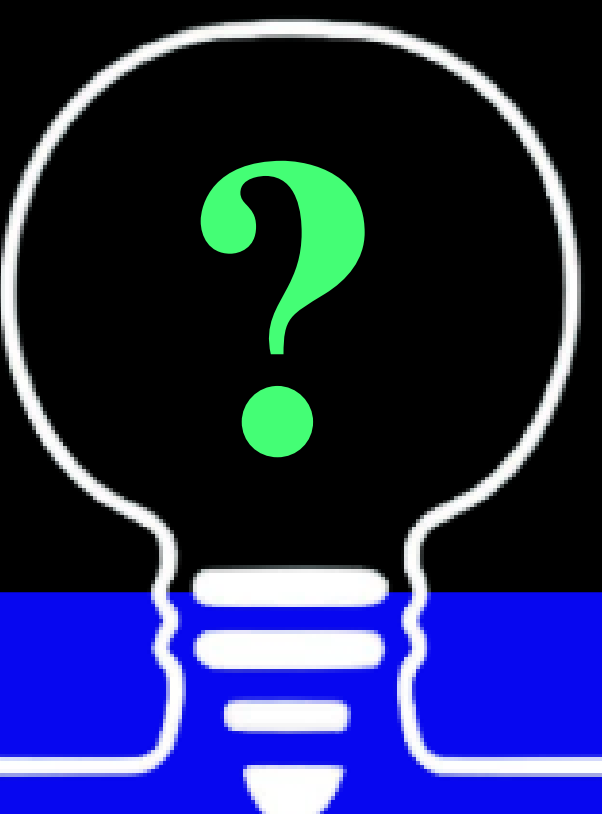
Globalisation and The Indian Economy





Question

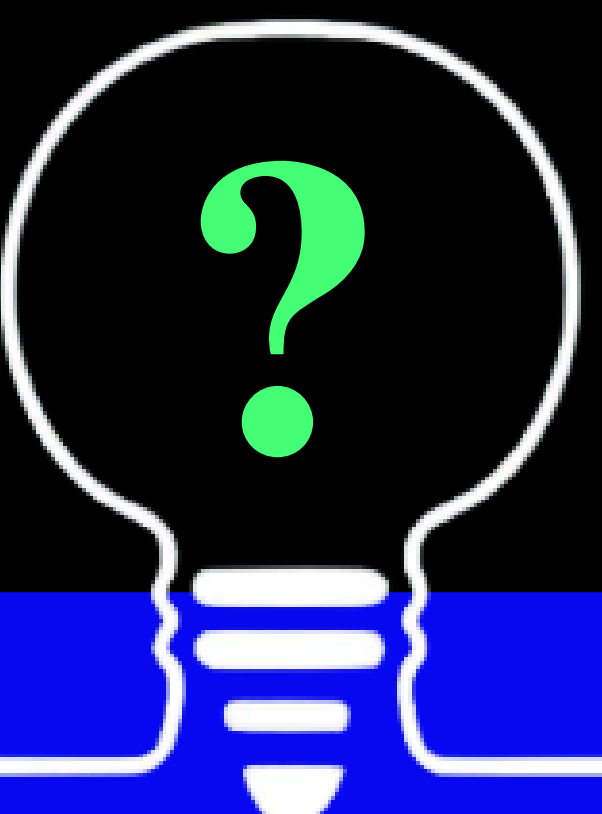
What are Multi-National Corporations
(MNCs)?





Answer

A **Multi-National Corporation (MNC)** is a company that owns or controls production in more than one nation. The goods and services are produced globally. The production process is divided into small parts and spread out across the globe





Question



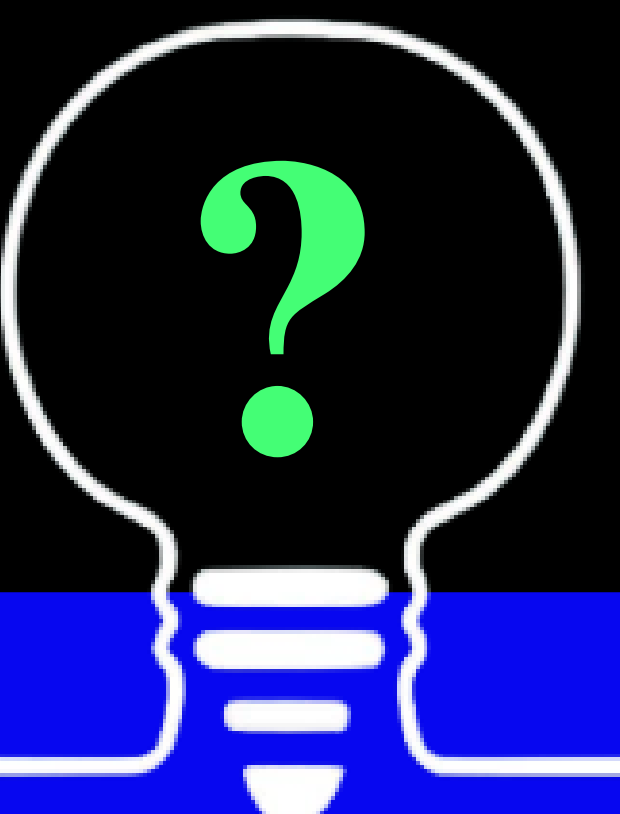
What is meant by trade barrier?

(2015OD)

Or

Why is 'tax' on imports known as a trade barrier?

(2011OD)



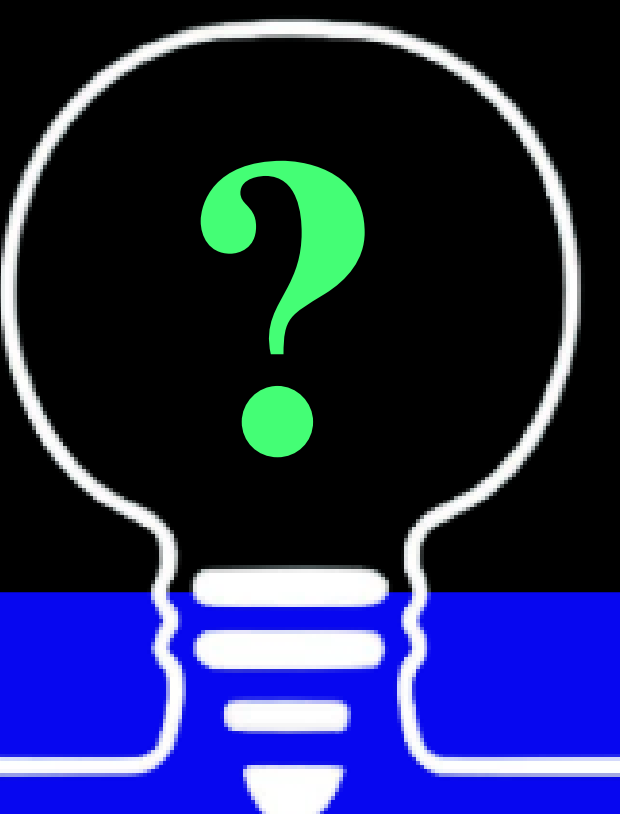


Answer

Barriers or restrictions that are imposed by the government on free import and export activities are called trade barriers. Tax on imports is an example of a trade barrier because it increases the price of imported commodities. The government can use a trade barrier like 'tax' to increase or decrease (regulate) foreign trade and to decide what kind of goods and how much of what should come into the country.

Or

Tax on imports is known as a trade barrier because it increases the price of imported commodities. It is called a barrier because some restriction has been set up.

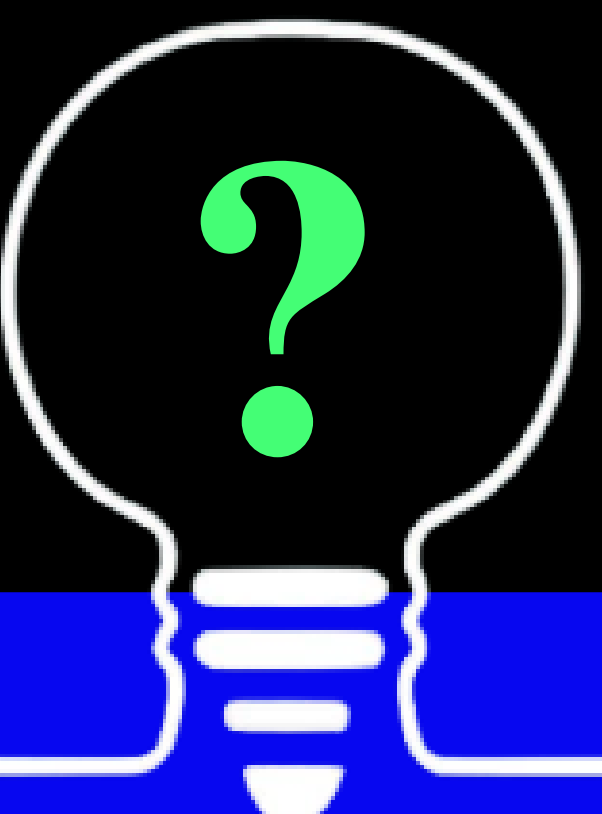




Question

Analyse the contribution of communication technology in globalisation.

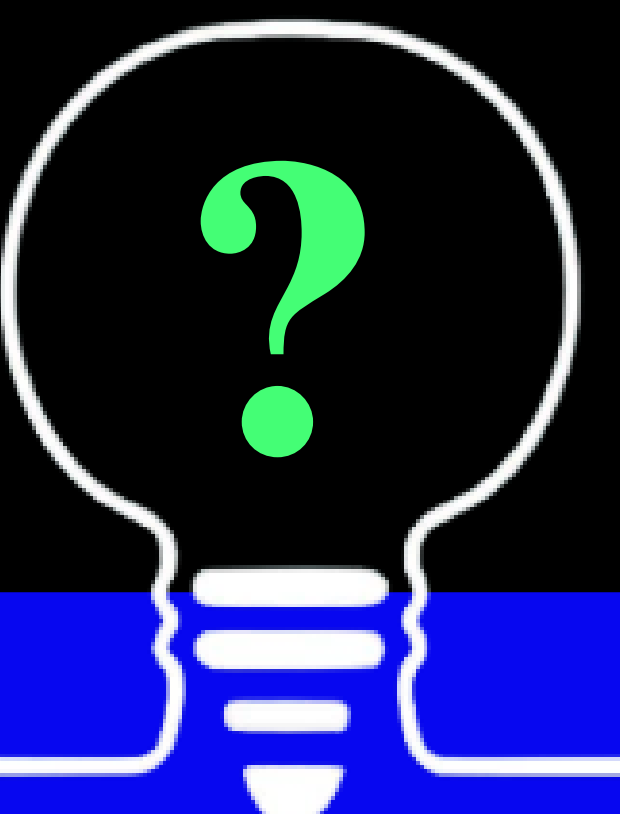
(2019 Series: JMS/4)





Answer

Telecommunication facilities like telegraph, telephone including mobile and fax are used to contact one another around the world. It helps to access information through the Internet, i.e., through email and voice mail at low costs.





Question



What is globalisation? Describe the role of Multinational Corporations (MNCs) in promoting globalisation process. (2016D)





Answer

Globalisation is the process of rapid integration or inter-connection among countries. Over the last 20-30 years, there has been a tremendous increase in globalisation with the increase in the number of MNCs.

- (i) MNCs set up production centres worldwide where cheap labour is available, markets are close by and government policies are favourable.
- (ii) They supply finished goods to different countries.
- (iii) Countries of the world have come closer due to increased movement of people between countries.
- (iv) MNCs provide money for additional investments for faster production.
- (v) MNCs bring with them the latest technology and know-how for enhancing and improving the production process.

