Industrial Clusters in Tamil Nadu

🏭 Exercise

I. Choose the Correct Answer:

1. 'The Detroit of Asia' is _____.
   a) Tuticorin   b) Coimbatore
   c) Chennai   d) Madurai   **Ans: c) Chennai**

2. Pumpsets and motors are produced mostly in
   a) Salem   b) Coimbatore
   c) Chennai   d) Dharampuri   **Ans: b) Combatore**

3. _____ are an essential aspect of a nation's development.
   a) agriculture   b) industry
   c) railway   d) none of these   **Ans: b) Industry**

4. Tiruppur is known for
   a) Leather tanning   b) Lock making
   c) Knitwear   d) Agro-processing   **Ans: c) Knitwear**

5. A successful industrial cluster entirely created by the Tamil Nadu is
   a) Hosur   b) Dindigul
   c) Kovilpatti   d) Tirunelveli   **Ans: a) Hosur**

II. Fill in the blanks:

1. Hundred of leather and tannery facilities are located around _____ District in Tamil Nadu.   **Ans: Vellore**

2. Special Economic Zones policy was introduced on in _____.

   Ans: Apr. 2000

3. _____ is an innovator of new ideas and business processes.

   Ans: Entrepreneur

III. Pick out odd one:

1. **Which one of the following is not having leather factories?**
   a) Ranipet
   b) Dharmapuri
   c) Ambur
   d) Vaniyambadi   **Ans: b) Dharmapuri**

2. **Which one of the following is not a industrial developing agency?**
   a) TIDCO
   b) SIDCO
   c) MEPZ
   d) SIPCOT   **Ans: c) MEPG**

IV. Match the following:

1. Entrepreneur – a) Export Processing Zone
2. MEPZ – b) Coimbatore
3. Indian Ordance Factory – c) Organizer
4. TNPL – d) Aravankadu
5. Machester of south India – e) Karur   **Ans: 1. c, 2. a, 3. d, 4. e, 5. b**

V. Write short Answers:

1. **Why are wages low in the agricultural sector?**
   - Majority of the people involved in agriculture.
   - Farmers are having a small land area.
   - Most of the farmers are illiterate. So, they are easily exploited by the land lords.
   - The government is supporting the industrial sector not supporting the agricultural sector.
   - The people practising agriculture are not able to get easily loan from the banks and subsidy from the government.

2. **What is meant by an industrial cluster?**
   - Industrial clusters are groups of firms in a defined geographic area that share common markets, technologies and skill requirements.
   - An important aspect of clusters is the nature of inter-firm networks and interactions.

3. **What are the routes for cluster formation?**
   Clusters may arise due to many factors. For example-
   - Certain clusters evolve over a long time in history when artisans settle in one locality and evolve over centuries. Handloom weaving clusters are one examples of this development.
   - In some sectors, when a large firm is established, a cluster of firms may emerge to take care of its input and service requirements.

- At times, governments may decide to encourage manufacturing using raw materials from a region, which may also lead to emergence of clusters

4. **Mention any three industrial development agencies in Tamil Nadu and their role**

- **SIPCOT** (State Industries Promotion Corporation of Tamil Nadu) was formed in 1971. It was formed to promote industrial growth in the state by setting up industrial estates.
- **TANSIDCO** (Tamil Nadu Small Industries Development Corporation)was formed in 1970. It was formed to promote small-scale industries in the state. It gives subsidies and provides technical assistance for new firms in the small scale sector.
- **TIDCO** (Tamil Nadu Industrial Development Corporation) was formed 1965. Its aim is to promote industries in the state and to establish industrial estates.

5. **What are the problems of industrialization currently in Tamil Nadu?**

The major problems are-

- Need of capital,
- Need of raw materials
- Lack of technology
- Low productivity
- Low potential utilisation
- Inferior quality of products and
- Insufficient of public sector units

6. **What is Meant by Entrepreneur?**

- Entrepreneur is an innovator of new ideas and business processes.
- He possesses management skills, strong team building abilities and essential leadership qualities to manage a business.

7. **What is Entrepreneurship?**

- Entrepreneurship is a process of a action of an entrepreneur who undertakes to establish his enterprise.
- It is the ability to create and build something.

VI. Write Brief Answer:

1. **What are the important characteristics of successful industrial clusters?**

The following are the important characteristics of a successful industrial cluster.

- Geographical proximity of small and medium enterprises (SMEs)
- Sectoral specialisation

- Close inter-firm collaboration
- Inter-firm competition based on innovation
- A socio-cultural identity, which facilitates trust
- Multi-skilled workforce
- Active self-help organisations, and
- Supportive regional and municipal governments

2. Write about the Textile industry cluster in Tamil Nadu?.

- Tamil Nadu is home to the largest textile sector in the country.
- Because of the development of cotton textile industry, Coimbatore is often referred as the 'Manchester of South India'.
- Tamil Nadu is the biggest producer of cotton yarn in the country.
- Power loom units are also widespread with Erode and Salem regions.
- Tiruppur is famous for clustering of a large number of firms producing cotton knitwear. It accounts for nearly 80% of the country's cotton knitwear exports and also generates a lot of employment opportunities.
- Because of the success in the global market, textile industry is seen as one of the most dynamic clusters in the Global South.
- At present, some of the leading garment exporters in India have set up their factories in Coimbatore region.
- Apart from body building, Karur is a major centre of exports of home furnishings like table cloth, curtains, bed covers and towels.
- Bhavani and Kumarapalayam are again major centres of production of carpets both for domestic and the global markets.
- Apart from modern clusters, there are traditional artisanal clusters such as Madurai and Kanchipuram that are famous for silk and cotton handloom sarees.

3. Write in detail about the types of policies adopted by the Tamil Nadu government to industrialise.

The areas of policy making that helped Tamil Nadu as one of the most industrialised states in India are –

i) Education

ii) Infrastructure

iii) Industrial promotion

Education:

Industries require skilled human resources. The state is known for its vast supply of technical resources. It is home to one of the largest number of Engineering Colleges, Polytechnics and Industrial Training Centres are started in the state.

Infrastructure:

The widespread diffusion of electrification has contributed to the spread of industrialisation even to smaller towns and villages in the state.

Tamil Nadu is known for its excellent transport infrastructure. A combination of public and private transport has also facilitated rural to urban connectivity. It connects small producers to markets better.

Industrial Promotion:

Apart from education and infrastructure, active policy efforts are made to promote specific sectors and also industrialisation.

Policies to promote industries formulated in the post reform period. In addition, the state has put in place several industrial promotion agencies to provide sporting infrastructure.

Industrial Agencies:

- **SIPCOT** (State Industries Promotion Corporation of Tamil Nadu) It was formed to promote industrial growth in the state by setting up industrial estates.
- **TANSIDCO** (Tamil Nadu Small Industries Development Corporation) It was formed to promote small-scale industries in the state.
- **TIDCO** (Tamil Nadu Industrial Development Corporation) aim is to promote industries in the state and to establish industrial estates.
- **TIIC** (Tamil Nadu Industrial Investment Corporation Ltd.,) intended to provide low-cost financial support for both setting up new units and also for expansion of existing units.
- **TANSI** (Tamil Nadu Small Industries Corporation Ltd.,) is supposed to be the first industrial corporation operating in the domain for small enterprises.

4. Explain the role of Entreprenuer?

Entrepreneur is an innovator of new ideas and business processes. He possesses management skills, strong team building abilities and essential leadership qualities to manage a business.

Entrepreneurship:

Entrepreneurship is a process of a action of an entrepreneur who undertakes to establish his enterprise. It is the ability to create and building something.

Role of an Entrepreneur

Entrepreneurs play a most important role in the economic growth and development of a country's economy.

- They promote development of industries and help to remove regional disparities by industrialising rural and backward areas.
- They help the country to increase the GDP and Per Capita Income.

- They contribute towards the development of society by reducing concentration of income and wealth.
- They promote capital formation by mobilising the idle savings of the citizens and country's export trade.
- Entrepreneurs provide large-scale employment to artisans, technically qualified persons and professionals and work in an environment of changing technology and try to maximise profits by innovations.
- They enable the people to avail better quality goods at lower prices, which results in the improvement of their standard of living.

VII. Case Studies:

1. **Choose a cluster in Tamil Nadu based on online research and write a note on it.**
   STUDENTS SELF ACTIVITY

VIII. Activity and Project:

1. **Write a note on a cluster or a firm near your school/home based on your observations.**
   STUDENTS SELF ACTIVITY

IX. Life Skills:

1. **Teacher and Students discuss about the entrepreneurs and their activities and Write an a essay in the topic of "If you are like a Entrepreneur".**
   STUDENTS SELF ACTIVITY

ADDITIONAL QUESTIONS

I. Choose the Correct Answer:

1. **Industries require _____ human resources.**
   a) Unskilled   b) Bonded labours
   c) Slaves   d) Skilled   **Ans: d) Skilled**

2. **Tuticorin is known as _____**
   a) Gateway of India   b) Gateway of Tamil Nadu
   c) Pump city   d) None of these
        Ans: b) Gateway of Tamil Nadu.

3. **Along with Ambur and Vaniyambadi _____ is also a centre for leather goods exports.**

a) Chennai		b) Sivakasi	
c) Coimbatore		d) Madurai	**Ans: a) Chennai**

4. **Countries in the Southern hemisphere are called _____ countries.**
   a) Asian
   b) Global South
   c) South Asian
   d) Eastern   **Ans: b) Global South**

5. **Tamil Nadu is home to the largest _____ sector in the country.**
   a) Automobile
   b) Textile
   c) Printing
   d) Tanning   **Ans: b) Textile**

6. **Palladam and Somanur, small towns near _____ are home to a dynamic power loom weaving cluster.**
   a) Kanchipuram
   b) Madurai
   c) Coimbatore
   d) Chennai   **Ans: c) Coimbatore**

7. **In Tamil Nadu, there are _____ industrial clusters.**
   a) 25
   b) 27
   c) 32
   d) 34   **Ans: b) 27**

8. **SIPCOT was formed in the year _____.**
   a) 1972
   b) 1976
   c) 1971
   d) 1978   **Ans: c) 1971**

9. **Which is the Tamil Nadu Industrial Development Agency?**
   a) SIPCOT
   b) TANSIDCO
   c) TIDCO
   d) All of these   **Ans: c) TIDCO**

10. **_____ is an innovator of new ideas and business process.**
   a) Capitalist
   b) Industrialist
   c) Entrepreneur
   d) Producer   **Ans: c) Entrepreneur**

II. Fill in the blanks:

1. _____ helps us to absorb the labour force coming out of agriculture.

   Ans: Sivakasi

2. _____ believed to generate more employment than the large-scale sector.

   Ans: Small scale industries.

3. The advantage of Industrial clusters or districts was first observed by the famous Economist _____.   **Ans: Alfred Marzhall.**

4. The Salem Steel Plant was set up in _____ to produce stainless steel.

   Ans: 1973

5. Match factories emerged during the colonial period in the _____ region.

Ans: Sivakasi

6. The Integral Coach Factory in _____ makes railways coaches.

Ans: Chennai

7. The Namakkal-Tiruchengode belt in Western Tamil Nadu is known for its _____ industry. **Ans: Truck body building**

8. Tamil Nadu is the biggest producer of _____ yarn in the country.

Ans: Cotton

9. The MPEZ (Madras Export Processing Zone) headquarters is located on _____ in Tambaram, Chennai. **Ans: GST Road**

10. Tamil Nadu Small Industries Corporation Ltd., (TANSI) was formed in _____.

Ans: 1965.

11. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) was formed in the year _____. **Ans: 1971**

12. _____ are groups of firms in a defined geographic area that share common market and technologies. **Ans: Industrial clusters**

III. Pick out odd one:

1. Which is not IT Specific Special Economic Zone?

a) Madurai   b) Coimbatore

c) Erode   d) Trichy   **Ans: c) Erode**

2. Which one of the following is not having textile industry?

a) Sivakasi   b) Coimbatore

c) Karur   d) Bhavani   **Ans: a) Sivakasi**

3. Find the add one out:

a) Textile   b) Agriculture

c) Automotive d) Leather goods **Ans: b) Agriculture**

IV. Match the following:

1. TIIC   –   a) 1965
2. TANSI   –   b) 1973
3. TANSIDCO   –   c) 1949
4. SPICTO   –   d) 1970
5. Salem Steel Plant – e) 1971 **Ans: 1. c, 2. a, 3. d, 4. e, 5. b**

1. Why should a developing economy diversify out of agriculture?

- First, demand for food remains constant with regard to income. Therefore, as an economy grows and incomes increase, consumers tend to spend a lesser share of their income on products from the agricultural sector.

- Second, Food products are taken over longer distances, processed and branded. This also requires that food products have to be preserved. As a result, the prices that farmers get tend to be much less compared to the prices at which consumers buy.

- Third, there are limits to the ability of agriculture to absorb labour due to the declining marginal productivity of land. Wages too cannot therefore increase and as a result poverty levels may remain high.

- Due to all these factors, there is a need for an economy's production and employment base to diversify away from agriculture.

2. Write about Startup India Scheme and Standup India Scheme.

Startup India Scheme (Jan. 2016)

- It is an initiative of the Indian government.

- The primary objective of the scheme is the promotion of start-ups, generation of employment and wealth creation.

Standup India Scheme (April 2016)

- It is to facilitate bank loans between Rs.10 lakh and Rs. 1 crore to at least one ST or SC borrower and one woman borrower per bank branch for setting up a Greenfield enterprise.

1. Explain the types of industries.

Industry is the work and process involved in collecting raw materials and making them into products in place. Industries can be classified on the basis of -

i) Users   ii) Types of inputs used   iii) Ownership   iv) Size

i)   Users:

If the output is consumed by another producer, it is called a capital goods sector. There are industries that produce raw materials for other industries such as cement and steel. Such industries are called basic goods industries.

ii) Type of Inputs Used:

Industries are also classified based on the kind of raw material used such as agro-processing, textiles sector, rubber products, leather goods, etc.

iii) Ownership:

Firms may be privately owned, publicly owned (by the government, central or state), jointly owned by the private and public sector, or cooperatively owned (cooperatives).

iv) Size:

- Firms may be large, small or medium based on their volume of output, sales or employment or on the basis of the amount of investments made.
- The Indian government normally uses the investment criterion to decide whether a firm is small, medium or large.
- There are also micro or tiny enterprises that are smaller than even small firms.
- This classification is important because the government often provides financial, infrastructural or subsidy support to the smaller firms to promote them.

2. What are the contributions of industrialization to development?

Industrialisation refers to the process of using modern techniques of production to produce goods that are required by both consumers and other producers on a large scale.

Contributions of Industrialisation:

- It is essential to produce inputs to other producers in an economy. Even agriculture requires inputs from industry such as fertilisers and tractors to increase productivity.
- Second, a market exists for both producers and consumer goods. Even services like banking, transport and trade are dependent on production of industrial goods.
- Third, by using modern methods of production, goods are produced at lower rates. It therefore helps people to buy goods at a cheaper rate and help create demand for more products.
- Fourth, industrialisation helps to absorb the labour force coming out of agriculture. Employment generation is therefore an important objective of industrialisation.
- Fifth, through the use of modern techniques, industrialisation helps to learn new methods and their improvement. As a result labour productivity, ie, output per unit of labour input increases, which can help workers earn higher wages.
- Sixth, expanding incomes lead to more demand for goods and services. If the production is less, the country has to spend a lot of foreign exchange. Industrialisation therefore helps an economy to save and also generate foreign exchange through exports.

ᘓ✠✠ᘔ

Government and Taxes

Time : 45 mts.   **Marks:** 40

I. Choose the correct answer: 8×1=8

1. 'The Detroit of _____ is chennai
   a) Europe   b) India   c) Asia   d) South East Asia

2. Pump sets and motors are produced mostly in _____
   a) Salem   b) Coimbatore   c) Chennai   d) Dharampuri

3. _____ are an essential aspect of a nation's development.
   a) Agriculture   b) Industry   c) Railway   d) None of these

4. Tiruppur is known for _____.
   a) Leather tanning   b) Lock making   c) Knitwear   d) Agro-processing

5. A successful industrial cluster entirely created by the Tamil Nadu is _____.
   a) Hosur   b) Dindigul   c) Kovilpatti   d) Tirunelveli

6. Tuticorin is known as _____
   a) Gateway of India   b) Gateway of Tamil Nadu
   c) Pump city   d) None of these

7. Countries in the Southern hemisphere are called _____ countries.
   a) Asian   b) Global South   c) South Asian   d) Eastern

8. Tamil Nadu is home to the largest _____ sector in the country.
   a) Automobile   b) Textile   c) Printing   d) Tanning

II. Fill in the blanks: 7×1=7

9. Special Economic Zones policy was introduced on in _____.

10. _____ is an innovator of new ideas and business processes.

11. _____ helps us to absorb the labour force coming out of agriculture.

12. _____ believed to generate more employment than the large-scale sector.

13. The Salem Steel Plant was set up in _____ to produce stainless steel.

14. The Integral Coach Factory in _____ makes railways coaches.

15. Tamil Nadu is the biggest producer of _____ yarn in the country.

III. Match the following: 5×1=5

16. Entrepreneur   –   a) Export Processing Zone

17. MEPZ   –   b) Coimbatore

18. Indian Ordnance Factory – c) Organizer
19. TNPL – d) Aravankadu
20. Machester of south India – e) Karur

IV. Give short answer: 5×2=10

21. Why are the wages low in the agricultural sector?

22. What is meant by Industrial cluster?

23. What are the routes for cluster formation?

24. What are the problems of industrialization currently in Tamil Nadu?

25. What is meant by Entrepreneur?

V. Answer in detail: 2×5=10

26. What are the important characteristics of successful industrial clusters?

27. Write about the textile industry cluster in Tamil Nadu.

෴✠✠෴