

# Social Science Class 10

## Important Questions Economics

### Chapter 1

## Development

Very Short Answer Questions (VSA) 1 Mark

Question 1.

Define the term National Income?

Answer:

National income is defined as the total value of all final goods and services produced with a country plus net income from transactions like (export and import) with other countries.

Question 2.

Define GDP.

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 3.

What is the main criterion used by the World Bank in classifying different countries?

Answer:

The World Bank uses average income or per capita income as a criterion for classifying different countries.

Question 4.

Why is the total income of countries not used to make comparisons between them?

Answer:

The total income of countries is not used to make comparisons between them, because the population of different countries is different and does not give a clear picture if comparisons are made on this basis.

Question 5.

Literacy rate measures the proportion of literate population in which age group?

Answer:

The age group of 7 years and above.

Question 6.

Which state of India has the lowest infant mortality rate?

Answer:

Kerala

Question 7.

What is Human Development Index?

Answer:

Human Development Index is a composite index of achievements of a nation in terms of three

important variables, namely—longevity, knowledge and standard of living, that determine the quality of life.

Question 8.

Name the report published by UNDP which compares countries based on the educational levels of the people, their health status and per capita income.

Answer:

Human Development Report

Question 9.

What term is used to describe the 'average number of years a person is expected to live at birth'?

Answer:

Life Expectancy

Question 10.

What is the advantage of per capita income? Mention any one.

Answer:

It helps to compare the development of countries as per capita income tells us whether people in one country are better off than others in a different country.

Question 11.

What do final goods and services mean?

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.

Question 12.

Why is sustainable development essential? Give one reason.

Answer:

Sustained development aims at economic development without damaging the environment and at the same time conserving for the future. Resources are to be used in such a way that they are not overexploited.

Question 13.

Why is per capita income of different countries calculated in dollars and not in their own currencies by the World Bank?

Answer:

Per capita income of different countries is calculated in dollars and not in their own currencies because the dollar has been the strongest and stablest currency since the end of the 2nd World War and it becomes easy to compare the per capita incomes of various countries when these are converted into a common currency, i.e., US dollar (\$).

Question 14.

“What may be development for one may not be development for the other.” Explain with a suitable example.

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 15.

What is meant by sustainability of development? (Board Question)

Answer:

This signifies that the level of economic development of a country should be maintained or sustained in all the years. Development in the present should not compromise with the needs of the future generations.

Question 16.

Define:

1. Infant mortality rate
2. Literacy rate
3. Net attendance ratio
4. BMI

Answer:

1. Infant mortality rate. It indicates the number of children that die before the age of 1 year as a proportion of 1000 live children born in that particular year.
2. Literacy rate. It measures the proportion of literate population in the 7 and above age group.
3. Net Attendance ratio. It is the total number of children of age group 6 to 10 attending school as a percentage of total number of children in the same age group.
4. BMI stands for Body Mass Index. It is calculated by dividing the weight of a person in kilograms (kgs) by the square of his/her height in metres. It is an indicator of the level of nourishment in adults.

Question 17.

Literacy rate measures the proportion of literate population in which age group?

Answer:

The age group of 7 years and above.

Question 18.

What do you mean by economic development?

Answer:

Economic development is meant a process whereby the real per capita income of the country increases over a long period of time along with improvement in the material welfare.

Question 19.

What do you mean by sustained development?

Answer:

Sustained development is the development which takes care of the needs of the present generation without compromising with the needs of the future generations.

Question 20.

Name the three sectors of economy?

Answer:

1. Primary sector,
2. Secondary sector,
3. Tertiary sector.

Question 21.

Point out the main activities that constitute the Primary sector.

Answer:

The primary sector is constituted by the following activities-

1. Agriculture,
2. Fishing,
3. Mining,
4. Hunting,
5. Forestry,
6. Logging etc.

Question 22.

What is meant by the Secondary sector?

Answer:

Secondary sector constitutes the sectors that are dependent on the primary goods. In other words, preparing goods from the primary goods are the secondary activities. For example, making bread from wheat is a secondary activity. The sectors engaged in these type of activities are known as the secondary sectors.

Question 23.

What is mixed economy?

Answer:

Mixed Economy is the economy that has the characteristics of both capitalist economy as well as socialistic economy.

Question 24.

What is meant by consumption?

Answer:

Taking and using the goods and services by the people is consumption.

Question 25.

What do you mean by production of services?

Answer:

The production of services refers to the activities such as transportation, medical treatment, postal services, courier telephone services, washing of clothes etc.

Question 26.

What is meant by the tertiary activities?

Answer:

The tertiary activities are the support services, these are the activities which link the producers and consumers. Banking, Insurance, retail stores, communication, teaching, all are the examples of the tertiary activities.

Question 27.

Which of the countries are considered as developed countries?

Answer:

Developed countries are those countries where the per capita income is high. These are the countries where people are less engaged in primary activities. U. S. A, U. K., Canada, Japan are some of the examples of this type of countries.

Question 28.

Define national income?

Answer:

National income may be defined as the total value of all the goods and services produced within a country plus the income that is coming from abroad.

Question 29.

What is per capita income?

Answer:

Per capita income is the total national income that is divided by total population.

Question 30.

Which are low-income countries?

Answer:

Countries with S 825 and less per capita income are called low-income countries.

Question 31.

What is Body Mass Index (BMI)?

Answer:

The BMI is an index which helps us calculate whether the adults are nourished or undernourished.

Question 32.

What is meant by renewable resources?

Answer:

Resources which can be renewed are called renewable resources. Groundwater is an example of renewable resource.

Question 33.

What is reserve/production ratio?

Answer:

Reserve/production ratio is one through which one is able to know the number of years that the reserves will last if production and use continue at current rates.

Question 34.

What do you mean by the term economic development

Answer:

Economic development is the system of earning and spending well in order to raise the living standards. Economic development in fact is the progress that a country makes in the field of economy. If in a particular country the people earn higher income and are able to satisfy all their needs, it is said that the country is a developed country and its economy is developed economy.

On the other hand, where people are not able to earn a higher income and are not able to get all the facilities requires for their satisfaction, then we say that such an economy is a developing economy.

Question 35.

Point out the main features of the mixed economy?

Answer:

The main features of the mixed economy are the following

1. It is a combination of free-market economy and government planned economy.
2. In this type of economy production activities are carried out by individuals as well as by the government.
3. In this type of economy, the prices of goods and services produced by individuals are decided by market forces but the goods produced by the government are decided by the government itself.
4. The involvement of the government in production level ensures the welfare of the people rather than the profit.

Question 36.

(i) Why do different persons have different notions of development? Which of the following

explanations is more important and why?

- (a) Because people are different.
- (b) Because life situations of persons are different.

(ii) Do the following two statements mean the same? Justify your answer.

- (a) People have different developmental goals.
- (b) People have conflicting developmental goals.

(iii) Give some examples where factors other than income are important aspects of our lives.

(iv) Explain some of the important ideas of the above section in your own words?

Answer:

(i) Because people are different, that is why they have different notions of development. At times, they have conflicting nations of development.

(ii) The two statements are different. People have different developmental goals. Our development goals may be different than what may be the goal of my Neighbour. It is also possible that people with different goals may have conflicting developmental goals.

(iii) In addition to the factor of income, there are numerous other factors which are important in our lives. Some such examples are

1. level of health care,
2. level of education,

(iv) Development is what everyone seeks. It is because of the developmental goals that we are able to seek facilities and goals. Indeed, different as we are, we have different goals as well. At times, our developmental goals clash with each other.

### **Short Answer Questions (SA) 3 Marks**

Question 37.

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

Answer:

1. 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.
2. The defect of average as a measure is that it does not show the distribution (dispersion) of income between the rich and the poor.
3. 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 38.

What is per capita income? Mention any two limitations of per capita income as an indicator of development.

Answer:

The total income of a country divided by its total population gives the Per Capita Income. Money cannot buy all the goods and services that are needed to live well. So income by itself is not a completely adequate indicator of material goods and services that citizens are able to use. For example, money cannot buy a pollution-free environment or ensure that one gets unadulterated medicines, unless one can afford to shift to a community that already has all these things.

Question 39.

Kerala, with lower per capita income, has a better human development ranking than Punjab. Hence, per capita income is not a useful criterion at all and should not be used to compare States. Do you agree? Discuss.

Answer:

Per capita income is not a useful criterion at all to measure the human development ranking of a state. High per capita income is not the only attribute to a good quality life. Money cannot buy all the essential things required for a good life. Pollution-free atmosphere to ensure good health, protection from infectious diseases, lowering of mortality rate, promotion of literacy, etc. are essential for a good standard of living. In order to achieve these, joint efforts have to be made by all members of a community, be it rich or poor.

Kerala ranks higher compared to Punjab even with a lower per capita income because—

1. mortality rate is lower
2. literacy rate is higher and
3. total number of children attending school (Classes I-V) is higher.

Question 40.

On the basis of which three indicators of HDI 2004 Sri Lanka has better rank than India?

Answer:

Three indicators of HDI 2004 in which Sri Lanka has better rank than India:

1. Per capita income—The per capita income of Sri Lanka in US dollars was 4,390 US dollars while that of India was 3,139 US dollars.
2. Life expectancy at birth—The life expectancy at birth for Sri Lanka was 74, higher than that of India at 64.
3. Gross enrolment ratio for three levels—Sri Lanka had Gross Enrolment ratio of 69 while that of India was 60.

Question 41.

'Conflicting goals can also be developmental goals'. Elaborate with examples.

Answer:

All persons do not have the same notion of development or progress. Each one of them seeks different things. They seek things that are most important for them, i.e., that which can fulfil their aspirations or desires. In fact at times two persons or groups of persons may seek things which are conflicting.

A girl expects as much freedom and opportunity as her brother and that he also shares in the household work. Her brother may not like this.

To get more electricity, industrialists may want more dams. But this may submerge the land and disrupt the lives of people who are displaced, such as tribals. They might resent this and may prefer small check dams or tanks to irrigate their land.

Question 42.

What are common developmental goals? Give any two suitable examples of common developmental goals.

Answer:

There are certain goals which are the same or common for all. These are common developmental goals. The developmental goals that people have are not only about better income but also about other important things in life. More income or more material goods do not always give us a good quality life.

There are other aspects such as equal treatment, freedom, security, opportunity to learn, good working conditions, pollution-free atmosphere, job security and good social life which are very important for a good quality life. Money or material things that one can buy with it, is one factor on which our life depends. But quality of our life also depends on non-material things, for example, the role of our friends in our life which cannot be measured but mean a lot to us.

Question 43.

“Money cannot buy all the goods and services that one needs to live well” Do you agree with this statement? Justify your answer with any three suitable arguments. (2015)

Answer:

Yes, I agree with the statement because money income and material goods alone are not an adequate indicator of a good quality of life. Money cannot buy all the goods and services one needs to live well.

1. Money cannot buy a pollution free and dean environment with fresh air.
2. It cannot protect us from infectious diseases and guarantee good health for us.
3. Money cannot assure that medicines available in the market are not adulterated.  
To live well one needs non-material factors such as equal treatment, freedom, security, equal opportunity to learn, a pollution free environment, good and safe working conditions etc.

Question 44.

Apart from income, which other six things people look for as important aspects of our lives?

Answer:

High per capita income is not the only attribute to a good quality life. Money cannot buy all the essential things required for a good life. Pollution-free atmosphere to ensure good health, protection from infectious diseases, lowering of mortality rate, promotion of literacy, job security, good working conditions, etc. are essential for a good standard of living.

Question 45.

One what basis the rich and low income countries have been categorized in the world? What are the limitations of this approach? According to the World Development Report, 2006, India comes in which category? Give reason for the same.

Answer:

The World Bank uses average income or per capita income as a criterion for classifying different countries. Countries with per capita income of ₹4,53,000 per annum and above (in the year 2004) are called rich countries and those with per capita income of ₹37,000 or less are called low income countries (India comes under low income countries; the per capita income in India is ₹28,000 per annum). Those falling in between ₹37,000 – ₹4,53,000 are placed in the middle category.

Limitations of this criterion.

1. While averages are useful for comparison, they also hide disparities. Two countries may have identical average income, but one country may have equitable distribution where



people are neither very rich nor very poor, while in the other country most citizens are very poor and very few are extremely rich,

2. Better income cannot ensure a good quality life. Criterion set by the World Bank has ignored certain attributes of a good life which do not depend on income or cannot be bought with money.

Example, freedom, equal treatment, equal opportunities, free atmosphere, provision of unadulterated medicines, etc.

Question 46.

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

Answer:

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

1. People also seek things like equal treatment, freedom, security and respect.
2. Women need a safe and secure environment to take up a variety of jobs or to run businesses as entrepreneurs.
3. People seek a pollution free environment.
4. Students seek better education and equal opportunities to learn.

### Long Answer Questions (LA) 5 Marks

Question 47.

Why do different persons have different notions of development? Which of the following explanations is more important and why?

- (a) Because people are different.
- (b) Because life situations of persons are different.

Answer:

The correct explanation is 'Because life situations of persons are different.'

Developmental goals are different for different categories of people because of their different aspirations. Aspirations are based on their needs. At times people may have conflicting developmental goals also. What may be development for one may not be development for another. It may even be destructive for the other.

Example, Industrialists may want construction of more dams for more electricity, but this may lead to displacement of tribals who live in those areas and thereby disrupt their lives.

Example, The inhabitants of Nandigram in West Bengal are mainly agriculturists and their aspirations are to see development in the field of agriculture, whereas to some it may appear that industrial advancement is more necessary for national development.

Question 48.

What does HDI stand for? Explain the main criteria of measuring HDI according to UNDP Report of 1990.

Answer:

HDI Stand for Human Development Index.

Main criteria of measuring HDI:

1. HDI published by UNDP compares countries based on the educational levels of the people, their health status and per capita income.
2. HDI determines the rank of a country by its overall achievement in three areas, i.e., life expectancy, educational level and per capita income.

3. Many improvements have been suggested in calculating HDI and many new components have been added to Human Development Report.
4. Pre-fixing Human to Development, it has made it clear that what is important in development is what is happening to citizens of a country, i.e., the health and wellbeing of the people is most important.

Question 49.

Explain with examples that there are other important development goals also besides income.

Answer:

More income or more material goods do not always give us a good quality life. There are other aspects such as equal treatment, freedom, security, opportunity to learn, good working conditions, pollution-free atmosphere, job security and good social life which are very important for a good quality life.

Money or material things that one can buy with it, is one factor on which our life depends. But quality of our life also depends on non-material things, for example, the role of our friends in our life which cannot be measured but mean a lot to us. Another example, if we get a job in a far off place, before accepting it we would try consider many factors apart from income such as facilities for our family, working atmosphere, or opportunity to learn. Similarly, for development, people look at a mix of goals. It is true that if women are engaged in paid work, their dignity increases. However, it is also the case that if there is respect for women there would be more sharing of house work and greater acceptance of women.

The developmental goals that people have are not only about better income but also about other important things in life.

Question 50.

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

Answer:

Fields other than income where development is needed:

1. 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.
2. 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.
3. Nutrition. An effective Public Distribution System—proper functioning of ration shops and equitable distribution of food grains is very essential.
4. Transportation. A well-developed public transport system to make it easy for general public to commute.
5. 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 51.

Explain with reasons why state of Punjab with a very high per capita income has a low literacy rate.

Answer:

Per capita income is not a useful criterion at all to measure the human development ranking of a state. High per capita income is not the only attribute to a good quality life. Money cannot buy all the essential things required for a good life.

This can be seen in the case of Punjab which has a very high per capita income but a low literacy rate. Having money in one's pocket cannot buy all the goods and services that we need to live well. Money cannot ensure education and literacy. Another reason for low literacy rate in Punjab could be the lack of free and compulsory educational facilities. The government needs to open more schools and provide other facilities so that all children have a chance to study.

Pollution-free atmosphere to ensure good health, protection from infectious diseases, lowering of mortality rate, promotion of literacy, etc. are essential for a good standard of living. In order to achieve these, joint efforts have to be made by all members of a community, be it rich or poor.