



SUBJECT- ECONOMICS

Class IX

CHAPTER-1 STORY OF VILLAGE PALAMPUR

GUIDELINES

Dear students

- Please read the given content carefully and answer the questions that follow. Write the answers in a separate notebook.
- Link for the Book:- <http://ncert.nic.in/textbook/textbook.htm?iess2=1-4>

INTRODUCTION

Through this chapter the writer wants to take you through an Indian village and give you an idea of the basic production activities and concepts that apply to the rural areas of India.

Palampur discussed here is a hypothetical (imaginary) village.

ACTIVITIES PERFORMED BY THE PEOPLE OF PALAMPUR

Since Palampur is a village, the most important activity performed by people is **Farming and Agriculture**.

Besides farming, people are also engaged in activities like basket weaving, pickle making, bangle making, pottery etc. These are called the **rural industries** or **small scale manufacturing units**.

Common characteristics of these industries are:

1. Low level of production.
2. Less investment
3. Work is mainly done at home by the family members. Rarely the labour is hired from outside.
4. Tools and machines used are simple.
5. Profits generated are less.

People also carry out activities like shop keeping, transportation, milk distribution etc.

ORGANISATION OF PRODUCTION

Aim of production is to produce things (goods and services) that people need or demand.

Any production process has 4 basic requirements which are known as the **Factors of Production**.

1. Land

2. Labour - People who do work.
Labour is of two types: skilled and unskilled.
Skilled labour - trained, educated and does specialized tasks.
Unskilled labour- untrained people who can do any manual work.
3. Capital - Physical inputs needed in the production process.
Capital is of two types - Fixed and working.
Fixed capital remains in the production process for a long period of time and can be used again and again. Examples: machines
Working capital can be used only once and cannot be used again.
Examples: Seeds for a farmer, clay for a potter, wood for a carpenter etc.
4. Entrepreneur
He is the organizer of the production process.
He is the one who arranges the other three factors to start the production.
If production is a success, he enjoys the profits. If production is a failure, he bears the losses.

ASSIGNMENT

Q1 Prepare a list of a few activities performed by the rural people.

Q2 Highlight the key features of the rural industries.

Q3 Differentiate between the following:

1. Fixed and working capital
2. Skilled and unskilled workers

Q4 Specify the aim of production.

Q5 "Most of the houses in Palampur have electric connections." How do you think the lives of the people would have been transformed by the availability of electricity?

Q6 Read the given case study and answer the question that follows.

Mishrilal has purchased a mechanical sugarcane crushing machine run on electricity and has set it up on his field. Sugarcane crushing was earlier done with the help of bullocks but people prefer to do it by machines these days. Mishrilal purchases sugarcane from other farmers and processes it into jaggery. The jaggery is then sold to traders in the neighboring towns. In this process Mishrilal earns a small profit.

Identify the capital used by Mishrilal in his production unit. Classify it into fixed and working.