



SUBJECT- ECONOMICS

Dear students

Please read the given content carefully and answer the questions that follow. Write the answers in any separate notebook.

For reference you can read Page no. 19, 20 and 21 of the NCERT textbook available on www.ncert.nic.in.

CHAPTER-2 SECTORS OF THE INDIAN ECONOMY

INTRODUCTION

Through this chapter we will learn how the Indian economy gets classified into different sectors.

(SECTORS are the segments/components of the Economy formed on the basis of certain common characteristics)

CLASSIFICATION OF THE ECONOMIC ACTIVITIES

Indian economy is classified on three basis:

1. Nature of work
2. Ownership of resources
3. Employment conditions

In this e-lesson, we will focus on the classification of the economy on the basis of the nature of work performed by people.

On the basis of the nature of work, the economy gets classified into:

1. Primary Sector
2. Secondary Sector
3. Tertiary Sector



Let us understand about these sectors in detail.

PRIMARY SECTOR- The sector where activities deal with nature and extract things directly from nature.

Example Fishing, Farming, Sericulture, Mining etc.

It is also known as the Agriculture and related sector.

SECONDARY SECTOR- The sector where we are engaged into processing and transformation. Where we take an input and change its shape, size, colour, pattern, texture.

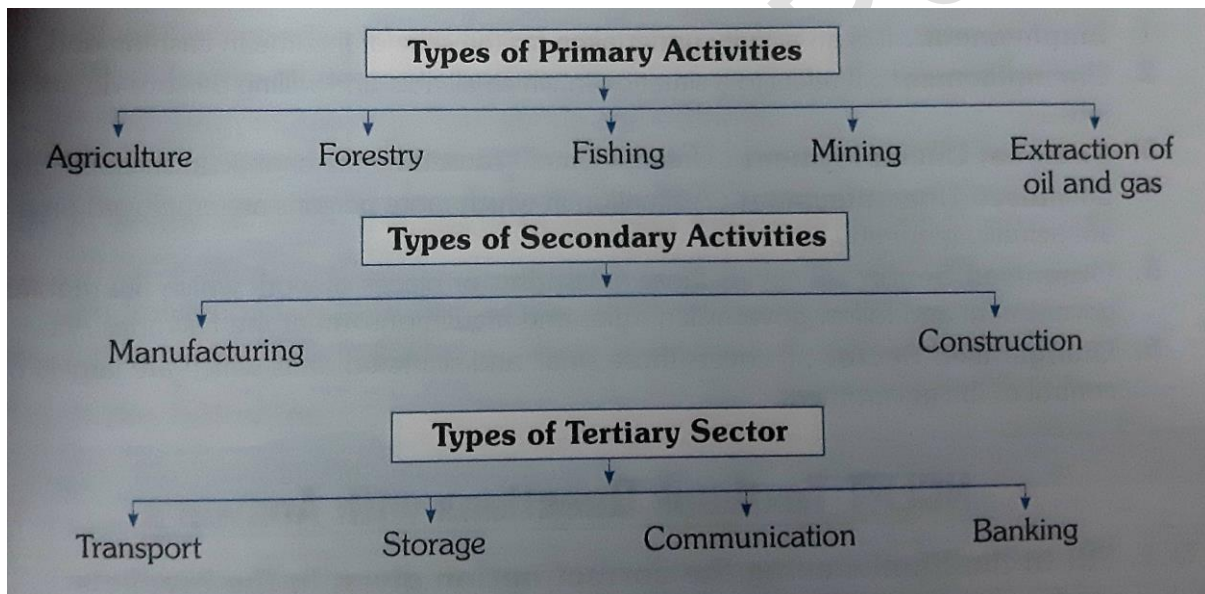
Example- cotton fibre is transformed into thread and thread into cloth.

This transformation is carried out in factories and industries. Therefore, this sector is also known as the INDUSTRIAL SECTOR.

TERTIARY SECTOR- The sector that provides services. It does not produce goods but only generates services.

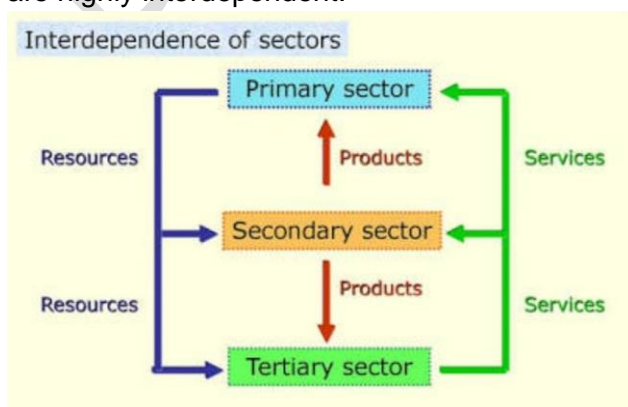
Example- Transportation, Communication, Postal services, Banking, Hospitality etc.

This sector is also known as the SERVICE SECTOR.



INTERDEPENDENCE OF THE THREE SECTORS

The economic activities, though, are grouped under different categories, but these activities are highly interdependent.



ACTIVITY 1- Do table 2.1 given on Page 21 of the NCERT TEXTBOOK.

ACTIVITY 2- Do Q 2 and 3 given in the blue box under the heading 'Let's Work These Out' on Page 21

TABLE 2.1 EXAMPLES OF ECONOMIC ACTIVITIES

EXAMPLE	WHAT DOES THIS SHOW?
Imagine what would happen if farmers refuse to sell sugarcane to a particular sugar mill. The mill will have to shut down.	This is an example of the secondary or industrial sector being dependent on the primary.
Imagine what would happen to cotton cultivation if companies decide not to buy from the Indian market and import all cotton they need from other countries. Indian cotton cultivation will become less profitable and the farmers may even go bankrupt, if they cannot quickly switch to other crops. Cotton prices will fall.	
Farmers buy many goods such as tractors, pumpsets, electricity, pesticides and fertilisers. Imagine what would happen if the price of fertilisers or pumpsets go up. Cost of cultivation of the farmers will rise and their profits will be reduced.	
People working in industrial and service sectors need food. Imagine what would happen if there is a strike by transporters and lorries refuse to take vegetables, milk, etc. from rural areas. Food will become scarce in urban areas whereas farmers will be unable to sell their products.	

LET'S WORK THESE OUT

- Complete the above table to show how sectors are dependent on each other.
- Explain the difference between primary, secondary and tertiary sectors using examples other than those mentioned in the text.
- Classify the following list of occupations under primary, secondary and tertiary sectors:
 - Tailor
 - Basket weaver
 - Flower cultivator
 - Milk vendor
 - Fishermen
 - Priest
 - Courier
 - Workers in match factory
 - Moneylender
 - Gardener
 - Potter
 - Bee-keeper
 - Astronaut
 - Call centre employee
- Students in a school are often classified into primary and secondary or junior and senior. What is the criterion that is used? Do you think this is a useful classification? Discuss.

ASSIGNMENT

Q1 How is the Tertiary Sector different from the other sectors?

Q2 Throw light on the interdependence of the three sectors by taking the example of biscuits or a shirt.

BBPS, PITAMPURA