SIGARAM THODUVOM

Economics
(Indian Economy)

XI - STANDARD

TARGET
2 & 3 Marks
Questions & Answers

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(iv)
1. ECONOMIC GROWTH AND DEVELOPMENT

Textual Questions

I. Two Marks Questions:

1. Write a note on take-off stage.
   - The take-off stage refers to a situation where an economy transforms itself from a predominantly agricultural to a predominantly industrial society.
   - For an economy to attain the take-off stage, it must make an annual investment equal to 20 - 25% of GDP mobilized from its own savings.

2. What is vicious circle of poverty?
   According to Ragnar Nurkse, low capital formation is one of the basic causes of poverty in UDCs. Low capital formation leads to low productivity. Low productivity results in low income and low income result in low savings and low saving leads to low capital formation. Thus, it forms a vicious circle of poverty.
II. Three Mark Questions:

1. **Explain the concept “economic development”**.
   - Development means, people must have higher incomes, better education, better health care and nutrition, less poverty and more equality of opportunity.
   - According to Michael P. Todaro and Stephen C. Smith, “development must be conceived of as multidimensional process involving major changes in social structure, popular attitudes and national institutions, as well as the acceleration of economic growth, the reductions of inequality and the eradications of poverty”.

2. **What is net product?**
   - Physiocrats believed that agriculture was a productive occupation.
   - Agriculture alone produced “net product”.
   - They considered other occupations as sterile.
   - The physiocrats were great believers in the institution of private property.
   - They favoured free trade.

3. **Why is Keynes considered the father of new economics?**
   - J. M. Keynes (1883 - 1964) is considered the Father of New Economics.
   - During the 1920s and 1930s, when the capitalist countries were affected by the Great Depression marked by bad trade and mass unemployment.
   - Keynes suggested a greater role for government and a bold fiscal policy to tide over the crisis.
   - The New Deal Policy of America was greatly influenced by Keynesian Policy.
4. Why did the physiocrats give importance to agriculture?
   ♦ Physiocrats believed that agriculture was a productive occupation.
   ♦ It alone produced “net product”.
   ♦ And they considered other occupations as sterile.
   ♦ Quesnay, chief representative of Physiocratic school explained how circulation of wealth took place in an economy in his “Tableau Economique”.

5. What are the forms of population pressures?
   ♦ Population pressures take many forms.
   ♦ First, for example, they have rural under-employment. This is sometimes referred to as disguised unemployment. That is, there will be more number of people working on the farm that what is really necessary. The marginal productivity of the extra hands will be almost zero.
   ♦ Second, high birth rates create a large number of dependent children.
   ♦ Lastly falling death rates with high birth rates will bring about a large increase in population.

Other Important Questions

I. Two Marks Questions:

1. What are the six basic characteristics of underdeveloped economy?
   (1) Primary production
   (2) Population Pressures
   (3) Underemployment
   (4) Economic backwardness
   (5) Capital deficiency
   (6) Foreign trade orientation
2. POPULATION

Textual Questions

I. Two Marks Questions:

1. Define birth rate.
   ♦ Birth rate refers to the number of births occurring per 1000 in a year.
   ♦ Birth rate has a positive influence on growth of population.
   ♦ Higher the birth rate, higher will be the growth of population.

2. Define Census.
   ♦ The term ‘Census’ can be defined as the process of collecting, compiling, evaluating, analysing and publishing the demographic economic and social data relating to all persons in a country or a well - delimited part of a country at a specified time.
   ♦ The census is taken once in 10 year.

3. What are the factors determining population growth?
   The factors determining population growth are:
   (i) Birth rate
   (ii) Death rate
   (iii) Migration
       (a) out migration (Emigration)
       (b) In-migration (Immigration)

II. Three Mark Questions:

   ♦ The modern theory of optimum population brings out the relationship between changes in population and per capita income.
Optimum population means the ideal population relative to the natural resources, stock of capital equipment and state of technology.

There will be an ideal size of population at which per capita output will be the highest.

2. **Write a note on National Population Policy 2000.**

- The National Population Policy (NNP) 2000 has the immediate objective of addressing the unmet needs of contraception, health infrastructure, health personal and integrating service delivery for basic reproductive and child health care.
- It also lays emphasis on the medium term objective of bringing total fertility rates to replacement level by 2010.
- The policy’s long term objective is to stabilise population by 2045.

**Other Important Questions**

**I. Two Marks Questions:**

1. **Define Death Rate.**
   
   Death rate refers to number of deaths occurring per 1000 in a year.

2. **Give the three stages of demographic transition.**
   
   I Stage : High Birth and High Death Rate
   II Stage : High Birth and Low Death Rate
   III Stage : Low Birth and Low Death Rate

3. **Name some famous theories of population.**
   
   The famous theories of population are,
   (i) Malthusian theory of population.
   (ii) Optimum theory of population.
   (iii) Theory of Demographic Transition.
3. POVERTY AND UNEMPLOYMENT

Textual Questions

I. Two Marks Questions:
1. Name the 5 states in India where 58% of the poor people live.

58% of the poor people in India were living in five states, namely,
- Uttar Pradesh
- Bihar
- Maharashtra
- West Bengal and Madhya Pradesh

2. Define Poverty.

The World Bank (1990) has defined Poverty as “the inability to attain a minimal standard of living.”

3. Define unemployment.

Unemployment refers to a situation in which the workers who are capable of working and willing to work do not get employment.

II. Three Mark Questions:
1. Why unemployment among educated people is increasing?

- During the last decade, educated unemployment has increased due to rapid turnout of graduates by the Indian universities.
- Moreover, in the Indian educational system, more emphasis is placed on engineering and other Technical subjects.
- Due to lack of proper vocational education in the country.
- There is unemployment amongst technical graduates.
2. Define Poverty line.

- Poverty Line refers to the minimum income, consumption, or more generally access to goods and services below which individuals are considered to be poor.
- The Poverty Line is the expenditure level at which a minimum calorie intake and indispensable non-food purchases are assured.
- It may be noted that even among the poor, there are differences in the degrees of poverty.
- So the focus of the government policies should be on the poorest of the poor.

Other Important Questions

I. Two Marks Questions:

1. What are the types of poverty?

There are two types of poverty. They are,

(i) Absolute poverty and
(ii) Relative poverty.

2. What do you mean by full employment?

- Full employment refers to a situation in which all the workers who are capable of working and willing to work get an employment.
- It does not imply that all adults have jobs.

3. Write a note on ‘inflation’.

When prices rise, the purchasing power of money falls. So, the continuous rising of prices the size of consumption of the poor, especially working in unorganised sector where the rising prices are not compensated in terms of variable Dearness Allowance etc.
4. What are the two factors on which the extent of poverty depend?

The extent of poverty in a country depend mainly on two factors.
(1) The average level of national income and
(2) The degree of inequality in its distribution.

5. Define Secondary poverty

“Secondary poverty refers to a condition in which earnings would be sufficient for the maintenance for merely physical efficiency were it not that some portion of it is absorbed by other expenditure, either useful or wasteful such as drink, gambling and inefficient housekeeping”.

6. How per capita public expenditure is divided?

(1) Health and family planning
(2) Water supply and sanitation
(3) Education
(4) Administration of police, jails and courts
(5) Roads and
(6) Social welfare were taken into account.

7. Mention the other dimensions of Poverty.

- In additions to the income based or economic view of poverty, there are other dimensions of poverty.
- For example, one can think of being housing poor, health care poor, education poor, poor in the possession of desirable physical or mental attributes.

8. Write a short note on joint family system.

- Existence of joint family system in India promotes disguised unemployment.
- Usually the members of a family work on their family farms or do family business.
- There are more workers on a family farm than what would be needed on them.
4. NATIONAL INCOME

Textual Questions

I. Two Marks Questions:

1. Define national income.
   Alfred Marshall:
   “The labour and capital of the country on its natural resources produce annually a certain net aggregate of commodities, material and immaterial, including services of all kinds.... this is the net annual income (or) revenue of the country or the national dividend”.

   (or)
   Irving Fisher:
   “The national dividend or income consists solely of services as received by ultimate consumers, whether from their material or from their human environment”.

   (or)
   National Income Committee of India:
   “National income estimate measures the volume of commodities and services turned out during a given period counted without duplication”.

2. What is the indicator of a country’s economic development?
   A country’s economic performance has been measured by indicators of national income such as GDP or GNP.

3. Mention the names of national income series in India.
   After independence National Income of India has been estimated in four different series. They are.
   ♦ The Conventional Series.
   ♦ The Revised Series.
   ♦ The New Series and
   ♦ C.S.O’s Latest Series.
II. Three Mark Questions:

1. What does national income at constant price mean?
   - National Income at ‘Constant Price’ a base year should be selected.
   - Constant Price is that price which prevails in the base year.
   - National Income at constant price measures the national income after making necessary adjustment to eliminate the effect of inflation.
   - It is based on unchanged price of output.
   - As it is computed based on the real worth of the purchasing power of income.

2. Write a note on double counting.
   - Double counting in accounting is an error where by a transaction is counted more than once, for a whatever reason.
   - The output of many business is the inputs of some other business.
   - For examples, The output of the tyre industry is the input of racing bike industry. Counting the final output of both industries will result in double counting of the value of tyre.

Other Important Questions

I. Two Marks Questions:

1. What are the basic concepts of national income?
   (i) Gross National Product (GNP)
   (ii) Gross Domestic Product (GDP)
   (iii) Net National Product (NNP)
   (iv) Net Domestic Product (NDP)
2. **Write a note on environmental cost.**
   - National income estimation does not distinguish between environmental friendly and environment - hazardous industries.
   - The cost of polluting industries is not included in the estimate.

3. **What is ‘injections’?**
   Investment expenditure, Government expenditure and Net expenditure on trade will be added in to the circular flow. These additions are called ‘injections’.

4. **What is national income?**
   - National Income is a measure of the total value of the goods and services (Output) produced by an economy over a period of time (normally a year).
   - It is also a measure of the income flown from production, and / or the sum total of all the spending involved for the production of output.

5. **What is Gross National Product?**
   - Gross National Product (GNP is the total value of output (goods and services) produced and income received in a year by domestic residents of a country.
   - It includes profits earned from capital invested abroad.

6. **What is Gross Domestic Product?**
   - Gross Domestic Product (GDP) is the total value of output (goods and services) produced by the factors of production located within the country’s boundary in a year.
   - The factors of production may be owned by any one-citizens or foreigners.

   \[ \text{GDP} = \text{GNP} - \text{Net income earned from abroad} \]
5. ECONOMIC PLANNING

Textual Questions

I. Two Marks Questions:

1. Define Planning.

According to Lionel Robbins, “Strictly speaking, all economic life involves planning... To plan is to act with a purpose, to choose and choice is the essence of economic activity”.

(or)

According to Barbara Wootten, “Planning may be defined as the conscious and deliberate choice of economic priorities by some public authorities”.

2. What is the main problem of planning in underdeveloped countries?

Over population and low capital formation are some other important problems of planning in underdeveloped nations.

3. What is Mahalanobis Strategy?

♦ The strategy adopted in Indian planning is often referred to as ‘Maholonobis Strategy’.

♦ In this strategy, emphasis was laid on rapid industrialization with priority for basic and heavy industries.

II. Three Mark Questions:

1. What is a rolling plan?

♦ Unlike the five year plan with fixed targets, in the case of the rolling plan, at the end of each year, targets will be fixed by adding one more year to the plan.
That is, without fixed targets for all the five years, depending upon the performance of the plan in the current year.

Targets will be fixed for one more year and this will go on continuous basis. That is the idea behind the rolling plan.

2. **Explain the concept of Indicative planning.**

In this type of planning, the government invites representatives of industry and business and discuss with them in advance what it proposes to do in the plan under question and indicates to them its priorities and goals.

The plan is formulated after detailed discussions with varied interests.

Planning in France is a good example of indicative planning.

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**I. Two Marks Questions:**

1. **What is Modernization?**

   - The term ‘Modernization’ refers to a number of structural changes in the economy.

   - Indian economy got transformed from a colonial economy to an independent and modern economy.

2. **What are the main objectives of planning in India?**

   The main objectives of planning in India may be grouped under four heads, they are,

   - Growth
   - Modernization
   - Self-reliance and
   - Social justice.
6. AGRICULTURE

Textual Questions

I. Two Marks Questions:

1. What are the components of agricultural growth?
   - An increase in agricultural production can result from an increase in area under cultivation (horizontal expansion) and/or from an increase in the productivity (vertical expansion).
   - Productivity has two aspects to it, viz., land productivity and labour productivity.

2. List out the factors responsible for the backwardness of agriculture.
   - The factors responsible for the backwardness of agriculture are
     - Demographic factors
     - General factors
     - Institutional factors and
     - Technologies factors

II. Three Mark Questions:

1. What is the contribution of agriculture to economic growth?
   - Simon Kuznets identifies four possible types of contribution. These are:
     - Product contribution i.e., making available food and raw materials.
     - Market contribution i.e., providing the market for producer goods and consumer goods produced in the non-agricultural sector.
     - Factor contribution i.e., making available labour and capital to the non-agricultural sector and
     - Foreign Exchange contribution.
2. Define cropping pattern.
   ♦ Cropping pattern means the proportion of area under different crops at a point of time.
   ♦ It means a ratio of different crops cultivated at a particular time.
   ♦ A change in cropping pattern implies a change in the proportion of area under different crops.

3. Define agricultural holding.
   ♦ Agricultural holding means the size of land owned and cultivated by a farmer.
   ♦ It may be defined on the basis of ownership.
   ♦ Agricultural holding means the size of land cultivated by a farmer at a particular time.

Other Important Questions

I. Two Marks Questions:

1. What are the various instruments of Agricultural policies of the government?
   Various types of prices are used in agriculture. They are,
   (a) Procurement price
   (b) Support price
   (c) Fair Price
   (d) Subsidy

2. What is Agricultural price policy?
   Agricultural price policy means a policy to determine, regulate and control the prices of agricultural products.

3. Write a short note on demand linkages
   • There are strong demand linkages between the two sectors,
   • The impact of incomes and industrialization on the demand for food and agricultural raw materials is generally
4. **What are the major food crops and cash crops of India?**
   - India’s major food crops are rice, wheat, maize, cereals and pulses.
   - The major cash crops are sugarcane, jute, cotton, tea, coffee, groundnut and other oil seeds.

5. **What are the factors determine marketable surplus?**
   The various factors that determine marketable surplus are:
   1. Size of holding
   2. Production of crop
   3. Size of family and
   4. Non-farm income
   In addition to this, the quantity of marketable surplus will also depend on an efficient marketing system.

6. **Write a note on Crop insurance scheme.**
   - Crop insurance scheme helps in diversifying cropping pattern of a country.
   - This scheme helps farmers in adopting the crops, which involve risks.

7. **What is meant by land reforms?**
   Land reforms refer to all kinds of policy-induced changes relating to the ownership, tenancy and management of land.

8. **What is public distribution system?**
   - Public distribution system means the regulated and controlled distribution of essential goods among people.
   - Under the system, essential consumer goods are provided to people at fair prices through government agencies.

9. **Write a note on super bazaars.**
   - Super bazaars are the bazaars which provide all the goods of daily needs at controlled prices.
7. INDUSTRIAL SECTOR

**Textual Questions**

I. **Two Marks Questions:**

1. **Define industrialization.**
   
   Industrialization means widespread development of manufacturing vast quantities of goods, employing a large number of people, promoting international market, characterization of specialized skill, science, technology, increasing application of electrical, electronic, computer technologies to enhance productivity.

2. **Define mixed economy.**
   
   ♦ India is a good example for mixed economy.
   
   ♦ The mixed economy consists of both public and private sector.
   
   ♦ What, How and Whom to be produced is decided by the state.

II. **Three Mark Questions:**

1. **Define Privatization.**
   
   (i) Privatization policy has been adopted as a part of the liberalisation. Privatization is defined as transfer of ownership from public sector to private sector.
   
   (ii) It is the process of reducing the role of state.
   
   (iii) Privatisation is expected to ensure efficiency in the allocation of resources and promote faster growth.

2. **What is the use based classification of industry?**
   
   The classification consists of four major components viz.
   
   (1) Basic goods such as cements, chemicals, fertilizers, etc.
3. Define liberalization.

(i) Liberalism means the order of the market or capitalist economy relying predominantly on competition and private sector.

(ii) It envisages free trade full convertibility and non-discriminatory tariffs.

(iii) Liberalisation policies aim at minimizing the roles and functions of the government in the economy to promote private sector.

(iv) Liberalisation policy initially have been on general liberalisation of controls or marketisation and deregulation followed by privatization.

I. Two Marks Questions:

1. Write a short note on SAIL.

   - The Steel Authority of India (SAIL) was established in mid-seventies to extend support regarding raw materials and co-ordinate the development of many steel industries.
   - The removal of price and distribution controls were the significant policy reform made in 1992.

2. What are the major problems of Textiles Industry?

   The major problems of textiles industries are non-availability of raw material (cotton), increasing input costs, low profitability of small mills and high cost of modernisation.
3. Give an example for large scale industries?
   (i) Steel Industry (ii) Textiles Industry (iii) Cement Industry
   (iv) Sugar Industry and (v) Jute Industry.

4. List out the state level organisation which provide industrial finance.
   (1) Tamil Nadu Industrial Investment Corporation (TIIC) in 1949.
   (2) State Financial Corporations (SFC).
   (3) State Industrial Development Corporation (SIDC).

5. How industries are creating employment opportunities?
   • Availability of surplus labour and unemployment are the major challenges of development and strategy.
   • Industrialization uses the productive resources of the economy and expands employment opportunities which in turn will improve the income and well-being of the people.

6. What are the major problems of Sugar Industry?
   Underutilization of capacity, unremunerative prices to sugarcane cultivators, industrial sickness and industrial closure are some of the major problems of the sugar industry.

7. What is liberalism?
   • Liberalism means the order of the market or capitalist economy relying predominantly on competition and private sector.
   • It envisages free trade, full convertibility and non-discriminatory tariffs.

8. What are called economic policy reforms?
   The process of macro economic stabilization through which a planned economy is changed into a market driven competitive economy is called as economic policy reforms.
8. BANKING

I. Two Marks Questions:

1. What do you mean by a bank?
   ♦ The modern banks have now become the life blood of our commercial and Industrial activities.
   ♦ A bank is an institution which accepts deposits from the public and in turn advances loan by creating credit.

2. What is Central Bank? Give example?
   (i) The banking system of a country can work systematically in coordinated manner, only if there is an apex institution to direct the activities of the banks. Such apex institution is popularly known as ‘central bank’.
   (ii) It controls the monetary and banking system of the country.

   Example: The Central Bank of our country is known as Reserve Bank of India (RBI).

3. What is Open market operations?
   Direct buying and selling of securities, bills, bonds of government as well as private financial institution by the central bank, on its own initiative is called as open market operations.

4. What is moral suasion?
   Moral suasion implies persuasion and request made by the central bank to the commercial banks to follow the general monetary policy in the context of the current economic situation.
II. Three Mark Questions:

1. Write a note on commercial banks.
   (i) A commercial bank is an institution that operates for profit.
   (ii) The traditional functions of a commercial bank related to the acceptance of deposits from the public and provision of credit to different sectors of the economy.
   (iii) The evolution of modern banking and growth of banking system as an integral part of the national economy.
   (iv) The commercial banks are organized as a joint stock company to earn profit.

I. Two Marks Questions:

1. Define ‘Bank’ or ‘Banking’.
   [OR]
   Definition of ‘Bank’ or ‘Banking’:
   Dr. L. Herber and L. Hart define the banker “As one who in the ordinary course of business honours cheques drawn upon him by persons from and for whom he receives money on current accounts”.
   (or)
   Chamber’s Twentieth Century Dictionary defines a bank as an, “institution for the keeping, lending and exchanging etc. of money”.
   (or)
   Prof. Kent defines a bank as, ‘an organisation whose principal operations are concerned with the accumulation of the temporarily idle money of the general public for the purpose of advancing to others for expenditure”.
   (or)
It is evident from the above definitions that a bank is an institution which accepts deposits from the public and in turn advances loans by creating credit.

2. **Write a short note on fixed deposits.**

Fixed deposits are also known as time deposits. The amount deposited cannot be withdrawn before the maturity period for which they have contracted. These deposits carry interest at higher rates varying with the length of the contract.

3. **Write a note on Saving deposits**
   - Savings deposit is a kind of safety vault for the people with idle cash.
   - These deposits are kept under savings account.
   - Deposits in this account earn interest at nominal rates and the banks are entitled to release deposits on demand by the deposit holder.

4. **What do you mean by overdraft facilities?**
   - The respectable and reliable customers enjoy overdraft facilities.
   - The customer can issue cheques and overdraw the money in times of need, even if there is no adequate balance in his account.
   - The customer will pay the interest to the bank for the amount overdrawn.

5. **Define central bank in the words of Smith.**

According to Smith, “the primary definition of central banking is a banking system in which a single bank has either complete control or a residuary monopoly of note issue”.
9. FOREIGN TRADE

Textual Questions

I. Two Marks Questions:

1. What are the functions of money?
   Money acts as a medium of exchange, a measure of value, a store of value and a standard of deferred payments.

2. What is balance of payments?
   ♦ Balance of payments means of systematic record of all the economic transaction of a country with the rest of the world during a given period, say one year.
   ♦ It throws light on the international economic position of a country, the international economic performance of a country is reflected in its balance of payments.

II. Three Mark Questions:

1. What are the two classifications of NEP?
   Choice of product:
   The number of products in which foreign investment is freely permitted has been significantly increased.
   Choice of Market:
   The foreign investors are free now to compete with the domestic producer in the Indian Market.

2. Name the three methods of technology transfer.
   The methods of Technology Transfer:
   (i) Training or Employment of Technical Export.
   (ii) Contracts for supply of machinery and equipment and
   (iii) Licensing agreements.
3. **What are the components of foreign trade?**
   Foreign trade can be studied through the following components.
   (i) Volume of trade
   (ii) Composition of trade and
   (iii) Direction of trade

**Other Important Questions**

I. **Two Marks Questions:**

1. **What are the methods of transfer of technology?**
   The methods of transfer of technology are as follows:
   (i) Training (or) Employment of Technical Export.
   (ii) Contracts for supply of machinery and equipment and
   (iii) Licensing agreements.

2. **Define ‘Money’.**
   According to Crowther ‘Money is what money does’.

3. **Write a short note on SAP.**
   Special Action Programme (SAP) was started in 1983 to strengthen IBRD’s ability to assist member countries in adjusting to the current economic environment.

4. **Write any three objectives of IDA.** (International Development Association).
   **Objectives:**
   (1) To promote economic development.
   (2) To increase productivity.
   (3) To raise standard of living in the member countries.
10. HUMAN RESOURCE DEVELOPMENT

Textual Questions

I. Two Marks Questions:

   According to F.H. Harbison, human resources are “the energies, skills, talent and knowledge of people which are, or which potentially can or should be applied to the production of goods or the rendering of useful services.

2. How is composite index of HRD constructed?
   A simple composite index of HRD is constructed by taking the arithmetic total of
   (1) Enrolment at second level of education as a percentage of the age group fifteen to nineteen, adjusted for length of schooling.
   (2) Enrolment at third level of education as a percentage of the age group, multiplied by a weight of 5.

3. What is Human Development?
   Human development means “the process of widening people’s choices and the level of well-being they achieve at the core of the notion of human development. But regardless of the level of development, the three essential choices for people to lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living”.

4. How is gender related development index constructed?
   GDI adjusts the HDI to reflect the inequalities between men and women. The three measures used to relate are,
   (1) Female life expectancy
   (2) Female adult literacy and gross enrolment ratio
   (3) Female per capita income
II. Three Mark Questions:

1. What do you mean by Human Capital?
   Human capital, we mean is that an individual by investing in the following categories can improve his capabilities. They are (1) health facilities and services (2) on the job training (3) formal education (4) study programmes for adults and extension programmes in agriculture and (5) migration of individuals and families in search of jobs.

I. Two Marks Questions:

1. What is District Primary Education Programme?
   - The District Primary Education Programme has been introduced with the object of achieving the goal of universal primary education.
   - It focuses on reducing gender disparities in education.

2. Write a short note on Human Poverty Index.
   - The 1997 Human Development Index (HDI) introduced Human Poverty Index (HPI).
   - It measures deprivation in longevity, knowledge and decent living standard.

3. Who introduced the First Human Development Report?
   The First Human Development Report was published in 1990 by UNDP under the guidance in Muhabub - Ul - Haq, an eminent economist from Pakistan.

4. Write 2 important general indicator of HRD.
   The most important indicator of HRD can be generally classified into (i) those which measure a country’s stock of human capital, and (ii) those which measure the additions to this stock.
5. **Meaning of Human Resource Management.**

In Human Resource Management, HRD is defined as “organized learning activities arranged within an organization in order to improve performance and / or personal growth for the purpose of improving the job, the individual and / or organization”.

6. **Definitions of Human Resource Management.**

According to this definition, “HRD includes the areas of training and development, career development and organization development”.

7. **What are important general indicators of HRD?**

The most important indicators of HRD can be generally classified into (1) those which measure a country’s stock of human capital, and (2) those which measure the additions to this stock.

8. **Mention the indicators of higher education system.**

The following two indicators tell us about the orientation of higher education:

1. The percentage of students enrolled in scientific and technical faculties in a recent year; and
2. The percentage of students enrolled in the faculties of humanities, fine arts and law in the same year.

9. **How are countries classified based on composite index of HRD?**

Based on the composite index of HRD, they are classified into (1) under-developed (2) partially developed (3) semi-advanced and (4) advanced.

10. **What is Social demand Approach?**

Social demand Approach for education can be studied by making use of the social rate of return analysis.
They include supplementary nutrition, non-formal pre-school education, health check-up, immunization and health education.

7. **Write a short note on vazhvoli Thittam.**
   - The Government proposed to implement from 1999 a special school health programme called Vazhvoli Thittam.
   - Under the scheme, a field officer from the health department will visit schools once in a week and examine the children.
   - If necessary he will take them to a Primary Health Centre for treatment.
   - To make this scheme effective, teachers are also trained in the symptoms of the disease so that they can report to the medical officers visiting the school.
   - They can also teach subjects on health education.

8. **Write short notes on Human poverty index?**
   
   **Human poverty index (HPI)**
   - The 1997 HDI introduced Human Poverty Index (HPI).
   - It measures deprivation in longevity, knowledge and a decent living standard.
   - If people are expected to die before the age of 40, if adult illiteracy rate is high, and if health services are poor, access to safe water is low and if the percentage of malnourished children under five is high, then human poverty index will be high and the country can be ranked as poor.
   - It provides statewise as well as All – India Human Development Indices.

★★★
11. STATISTICAL ANALYSIS AND MEASURES OF CENTRAL TENDENCY

Textual Questions

I. Two Marks Questions:

1. Define statistics.

By statistics we mean aggregate of facts affected to a marked extent by multiplicity of causes numerically expressed, enumerated or estimated. According to reasonable standards of accuracy, collected in a systematic manner for a predetermined purpose and placed in relation to each other.

(or)

According to croxton and cowden, “statistics may be defined as a science of collection, presentation analysis and interpretation of numerical data”.

2. What are the types of data?

The data may be broadly categorized into two as Qualitative and Quantitative data.

3. What are the types of classification?

There are four types of classification. They are

(i) Geographical Classification
(ii) Chronological Classification
(iii) Qualitative Classification and
(iv) Quantitative Classification.

II. Three Mark Questions:

1. Write a note on graphs and diagrams.

Diagrams and graphs are extremely useful because of the following reasons:

(1) They give a bird’s eye view of the entire data. Therefore the information presented is easily understood.
Sura’s + Indian Economy + Std. XI + Sigaram Thoduvom Target

(2) They are attractive to the eye.
(3) They have a great memorising effect.
(4) They facilitate comparison of data.

2. Write a note on pie diagram.
   ♦ Pie diagram is used to represent the components of a variable.
   ♦ For example pie chart can show the household expenditure, which is divided under different heads like food, clothing, electricity, education and recreation.
   ♦ The pie chart is called so, because the entire graph looks like pie and the components resemble slice cut from pie.

3. Distinguish between Classification and Tabulation.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Classification</th>
<th>Tabulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Classification is the process of grouping the data on the basis of some common characteristics.</td>
<td>Tabulation is the process of placing the classified data in columns and rows.</td>
</tr>
<tr>
<td>2.</td>
<td>Classification is the first step in tabulation.</td>
<td>Tabulation process starts only after the classification is completed.</td>
</tr>
<tr>
<td>3.</td>
<td>Classification is done for the purpose of tabulation.</td>
<td>Tabulation is done for the purpose of analysis of data.</td>
</tr>
</tbody>
</table>

4. Distinguish between graphs and diagrams.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Diagrams</th>
<th>Graphs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Diagrams are prepared in a plain paper.</td>
<td>Graphs should be prepared in graph paper.</td>
</tr>
<tr>
<td>3.</td>
<td>Diagrams are more attractive to the eye. They are not useful for research analysis.</td>
<td>Graphs are very much useful for research analysis.</td>
</tr>
</tbody>
</table>
I. Two Marks Questions:

1. What are the two types of quantitative classification of data.

The are two types of quantitative classification. They are:
- Discrete frequency distribution.
- Continuous frequency distribution.

2. What is variable?
- Variable refers to the characteristic that varies in magnitude or quantity.
- A variable may be discrete or continuous.
- For eg.; Weight of the students.

3. What are the important types of diagram?

The important types of diagrams are
- Bar diagrams.
- Pie chart (or) Circular diagram.
- Pictogram and Cartograms.

4. Calculate mode from the following data. 12 persons have the following marks.

10, 8, 7, 6, 8, 12, 13, 7, 8, 9, 5, 16

Arrange the Data:
5, 6, 7, 7, 8, 8, 8, 9, 10, 12, 13, 16

8 repeats three times. Therefore the mode is 8.

5. What is a grouped data?

Frequency Distribution is a summarised table in which raw data are arranged into classes and frequencies. It is called grouped data.
12. MEASURES OF VARIABILITY

Textual Questions

I. Two Marks Questions:

1. Name the three major types of Index Numbers.

   Index numbers are classified into three major types.
   (i) Price Index Number.
   (ii) Quantity Index Numbers.
   (iii) Value Index Number.

2. What are the three main methods to calculate weighted index numbers?

   There are three main methods to calculate weighted index numbers. They are named after the economists who have constructed them viz. Hermann Paasche, Etienne Laspeyres and Irving Fisher.
   (i) Paasche Index
   (ii) Laspeyre’s Index
   (iii) Fisher’s Index

II. Three Mark Questions:

1. What are the methods of measuring variability?

   Variability can be measured by different methods the following are some of the methods.
   (i) Range
   (ii) Inter - quartile Range or Quartile Deviation
   (iii) Mean Deviation
   (iv) Variance and Standard Deviation.
2. **What is mean deviation?**
   - The mean deviation is defined as the average distance between the mean and each point in the distribution.
   - It is the arithmetic mean of the deviation of each point to the mean.
   - Points smaller than the mean will have negative signs and those which are larger than the mean will have positive signs.

3. **What is variance?**
   - The variance and standard deviation are the most widely used measures of variation.
   - Variation is the most stable measure of variability and its derivative is standard deviation.
   - Variance also resembles mean deviation where the negative signs are removed by taking modules.

### Other Important Questions

#### I. Two Marks Questions:

1. **What are the three major classification of index number?**
   Index numbers are classified into three major types. They are,
   - (1) Price Index Numbers
   - (2) Quantity Index Numbers
   - (3) Value Index Numbers

2. **What are the methods of constructing Index number?**
   - (1) Unweighted Index Number
   - (2) Weighted Index Number

3. **What are the different components of time series?**
   - (1) Trend Component
   - (2) Cyclical Component
4. **What are the two uses of Time Series?**
   (1) Identifying the nature of the variables.
   (2) Predicting future values.

5. **What is Range?**
   - The simplest measure of variability is the range of the data.
   - Range is the numerical difference between the largest and the smallest value.

6. **What is consumer price Index?**
   - The consumer price index (or cost of living index) is one of the popular indexes.
   - It measures the relative changes in retail prices paid by consumers over time.

7. **What is time series?**
   - A time series is a sequence of numerical data points at successive time.
   - It is simply a sequence of numbers collected at regular intervals over a period of time.

8. **What is the difference between seasonal and irregular component?**

<table>
<thead>
<tr>
<th>Seasonal</th>
<th>Irregular component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal componant is that part of the movement which is assigned to the effect of the seasons on the year.</td>
<td>Irregular component is such variation that cannot be predicted by any method. They are caused by irregular changes or erratic fluctuations in a given variable.</td>
</tr>
</tbody>
</table>
13. **What are the uses of Time series?**

- Time series analysis are useful to examine how a given economic variable changes over time or how it changes in relation to other variables over a given time period.
- It is also used to predict future events based on known past movement of a variable.
- Thus the two main uses of time series analysis:
  1. identifying the nature of the (economic) variable represented by the sequence of observations, and
  2. predicting (or forecasting) future values of the time series variable on the basis of the past.

14. **Write short notes on**

   (1) **Trend component,**
   (2) **Cyclical component.**

(1) **Trend component**
- Trend component is a long term movement in a time series.
- It represents a general systematic linear or nonlinear pattern that changes over time and does not repeat.

(2) **Cyclical component.**
- Cyclical component may also have a similar nature (like that of trend) but it repeats itself in systematic intervals over time.

***