

CHAPTER - 3
ORGANIZATION OF DATA

I Choose the correct answers (each question carries 1 mark).

- 1) The class midpoint is equal to:
 - a) The average of the upper and lower class limit.
 - b) The product of upper and lower class limit.
 - c) The ratio of the upper and lower class limit.
 - d) None of the above.
- 2) The frequency distribution of two variables is known as
 - a) Univariate classification
 - b) Bivariate classification.
 - c) Multivariate classification
 - d) None of the above
- 3) Statistical calculations in classified data are based on
 - a) The actual values of observations
 - b) The upper class limits.
 - c) The lower class limits.
 - d) The class midpoints.
- 4) Under exclusive method,
 - a) The upper class limit of a class is excluded in the class interval
 - b) The upper class limit of a class is included in the class interval
 - c) The lower class limit of a class is excluded in the class interval
 - d) The lower class limit of a class is included in the class interval
- 5) Range is the
 - a) Difference between the largest and the smallest values of a variable
 - b) Average of the largest and the smallest observation
 - c) Ratio of the largest to the smallest values of a variable
 - d) None of the above

Ans : 1) a 2) b 3) d 4) a 5) a

II Fill in the blanks. (Each question carries 1 mark).

1. Data classified according to geographical areas is called _____
2. Classification of data according to characteristics and attributes is called _____
3. Two ends of a class are called _____
4. _____ is the average of upper and lower limit of a class.
5. In _____ method of classification upper limit of a class is included.
6. Frequency distribution of discrete frequency is called _____
7. _____ is the frequency distribution of single variable.

Ans : 1) Geographical Classification

2) Qualitative Classification

3) Class limit

4) Mid value

5) Inclusive method

6) Frequency Array

7) Univariate frequency

III Answer the following questions in a word / sentence.

(Each question carries 1 mark).

1. What is raw data?
The collected data which is in unorganized form is called raw data.
2. What is quantitative classification of data?
Classification of data on the basis of a quantitative characteristic, such as height, weight etc. is called quantitative classification.
3. What do you mean by qualitative classification of data?
Classification of data on the basis of a qualitative characteristics such as sex, literacy etc. is called qualitative classification.
4. Give the meaning of class limits?
Two ends of a class are called class limits.
5. Write the meaning of midpoint in a class?
The middle value of a class is called mid value.

6. **What is univariate frequency distribution?**

Frequency distribution of single variable is called univariate frequency distribution.

7. **What is bivariate frequency distribution?**

Frequency distribution of two variable are called bivariate frequency distribution.

8. **Write the meaning of frequency array?**

For discrete variable, the classification of its data is known as a frequency array.

9. **Give the meaning of time series data?**

Classification of data on the basis of time is called time series classification.

10. **What is spatial classification of data?**

Classification of data on the basis of locality, country, city, village etc. is called spatial (Geographical) classification.

IV **Answer the following questions in about four sentences. (Each question carries 2 marks)**

1. **Mention the types of variable.**

1) Continuous variable 2) Discrete variable

2. **Differentiate between inclusive and exclusive methods of classification.**

Both upper class and lower class limits of classes are included in respective classes are called inclusive method for ex. 0-9, 10-19, etc.

Upper class limits are excluded and lower class are included in respective classes are called exclusive method. For example : 0-10, 10-20, 20-30, 30-40 etc.

3. **Mention the types of classification of data.**

- 1) Quantitative classification
- 2) Qualitative classification
- 3) Chronological (Temporal) classification
- 4) Geographical (Spatial) classification.

4. **Give the formula to find out midpoint.**

$M =$

5. **What is frequency?**

How many times the observation occurs in the raw data is called frequency.

V **Answer the following questions in about twelve sentences (Each question carries 4 marks)**

1. **Briefly explain 'loss of information' in classified data.**

The classified summarises the raw data making it concise and comprehensible, it does not show the details that are found in raw data. Once the data are grouped into classes, an individual observation has no significance in further statistical calculations. This is called loss of information.

2. **Differentiate between continuous and discrete variables.**

A quantity which can assume all fractional or integral values within its specified range is known as continuous variables.

It may take integral value, (1,2,3,4,5) fractional value (1/2, 3/4 etc) It includes fractional and integral values of the variable in the particular class.

Variable are those which are exact and are not normally fractions are called discrete variables.

A discrete variable can take only certain values. It jumps from one value to another and values are not continuous. For example : number of students in a class, here number of students can be 60, 70, 95, 98 etc.

3. **Write a note on Classification of data.**

Systematic grouping of the data according to their common characteristics is called classification of data.

Objectives of classification of data

The main objectives of classification of data are

- 1) To present the facts in a simple form.
- 2) To study the relationship between the groups.
- 3) To eliminate unnecessary data.
- 4) To condense the mass data into meaningful information.
- 5) Classification facilitates easy tabulation of data.

Methods of classification of data

The raw data is classified in various ways depending on the requirement. They are:

- 1) Quantitative classification
- 2) Qualitative classification
- 3) Chronological (Temporal) classification
- 4) Geographical (Spatial) classification

VI Answer the following in about twenty sentences (each question carries 6 marks)

1. Prepare a tally marking chart for the marks in economics scored by 70 students in an examination.

28, 17, 15, 22, 29, 21, 23, 27, 18, 12, 7, 2, 9, 4, 1, 8, 3, 10, 5, 20, 16, 12, 8, 4, 33, 27, 21, 15, 3, 36, 27, 21, 15, 3, 37, 16, 2, 8, 9, 2, 4, 6, 32, 31, 29, 18, 14, 13, 15, 11, 9, 7, 1, 5, 37, 32, 23, 24, 20, 19, 25, 19, 25, 19, 25, 19, 20, 6, 9, 30

ಅಂಕಗಳು	ತಾಳೆ ಗುರುತು	ಆವೃತ್ತಿ
0-7	/// //	17
8-15	/// // //	17
16-23	/// // // //	18
24-31	/// //	12
32-39	///	6
		70

2. Explain frequency distribution with unequal classes with example.

When the width of class interval of a group is not equal, it is known as unequal class interval.

Class interval is the difference between the two limits (upper and

lower limits of a group of observation or value) and it may either be equal or unequal. In all the above illustrations the class intervals are equal. However, if marks groups are formed as 200-240, 240-300, 300-350, 350-400 or alike, the marks groups may be termed as unequal marks groups having unequal class interval.

3. List the four questions to be addressed while preparing a frequency distribution. Briefly explain any two of them.

While preparing a frequency Distribution?

While preparing a frequency distribution, the following four questions need to be addressed:

1. How many classes should we have?
2. What should we determine the class limits?
3. How should we determine the class limits?
4. How should we get the frequency for each class?

1. How many classes should we have?

Before we determine the number of classes, we first find out as to what extent the variable in hand changes in value. Such variations in the value of variables are captured by its range. The Range is the difference between the largest and the smallest values of a variable. A large range indicates that the values of the variable are widely spread. On the other hand, a small range indicates that the values of the variable are spread narrowly.

The number of classes would be large if we choose small class intervals. A frequency distribution with too many classes would look too large. Such a distribution is not easy to handle. So we want to have a reasonably compact set of data.

2. What should we determine the class limits?

We can determine the number of classes once we decide the class interval. Similarly, we can determine the class interval once we decide the number of classes. Thus we find that these two decisions are interlinked with one another. We cannot decide on one without deciding on the other.

CHAPTER-4
PRESENTATION OF DATA

I Choose the correct answers (each question carries 1 mark).

- 1) In qualitative classification, classification is done on the basis of
- a) Attributes like physical status, nationality etc.
 - b) Characteristics like age, height, production, income etc
 - c) Time such as hours, days, weeks, months etc
 - d) Place like village, town, block, district, state, nation etc
- 2) A histogram is a
- a) One dimensional diagram
 - b) Two dimensional diagram
 - c) Three dimensional diagram
 - d) four dimensional diagram
- 3) Frequency polygon is used in the presentation of
- a) Ungrouped data
 - b) grouped data
 - c) Both types of data
 - d) none of these
- 4) Data represented through a histogram can help in finding graphically the
- a) mean
 - b) mode
 - c) median
 - d) all of the above
- 5) Ogives can be helpful in locating graphically the
- a) mode
 - b) mean
 - c) median
 - d) none of the above

Ans : 1) a 2) b 3) c 4) b 5) c

II Fill in the blanks. (Each question carries 1 mark).

- 1) In tabular presentation, data is presented in _____
- 2) Arithmetic line graph is also called _____
- 3) Component Bar diagrams are also called _____
- 4) Body of the table contains _____

Ans : 1) Columns and rows 2) Time series graph
3) Subdivided 4) Numerical information

III Answer the following questions in a word / sentence (each question carries 1 mark).

- 1) What do you mean by textual presentation of data?
A descriptive form of presentation of data written in paragraphs is called Textual Presentation of Data.
- 2) What do you mean by frequency polygon?
A frequency polygon is a line graph having more than four sides.
- 3) What is caption?
The headings for vertical columns is called captions.
- 4) What do you mean by stubs?
The designations of the rows are called stubs or stub items.

IV Answer the following questions in about four sentences. (Each question carries 2 marks)

- 1) What are four kinds of classifications used in tabulation?
1) Single table 2) Double table 3) Tripple table 4) Multipal table
- 2) What is quantitative classification? Give an example.
Classification of data on the basis of quantitative characteristics such as height, weight, income, import, etc., is called quantitative classification.
For Example : Weight, height, marks scored, income, expenditure etc. are the quantitative classification.
- 3) Write the meaning of temporal classification with an example.
Classification of data on the basis of time is called temporal or chronological classification.
In chronological classification the collected data is grouped with reference to time, such as, years, months, weeks, etc. These are classified normally in ascending order of time.
- 4) What is spatial classification?
Classification of data on the basis of locality country, city, village

etc. is called spatial or geographical classification.

- 5) Whether the data represented by a component bar diagram can also be represented by a pie chart? Explain.

Yes data represented by a component bar diagram can also be represented by a pie chart accurately. But data should be converted in to percentage form.

- 6) How can you obtain a frequency curve?

Smooth free curve moving around the frequency polygon is known as frequency curve.

This is drawn through the points of frequency polygon. The frequency curve here will not pass through all the points of the frequency polygon. Instead, it will move around the frequency curve.

- 7) How can you obtain an arithmetic line graph?

A graph showing numerical data with respect to time, is known as arithmetic line graph.

Arithmetic line graph, also called Time series graph is an important method of Diagrammatic presentation of data. In this graph, time, hour, day, date, week, month, year, etc. is plotted along X-axis and the value of the variable (line series data) along Y-axis. The line graph obtained by joining these plotted points is called Arithmetic line graph.

- 8) What kind of diagrams are more effective in presenting the following?

- a) Monthly rainfall in a year-Arithmetic Line Graph
b) Composition of the population of Delhi by religion-Pai diagram

- V Answer the following questions in about twelve sentences (each question carries 4 marks)

- 1) Draw a table and figure out its parts.

Table Number

Title of the table

Table 1: Population of India according to workers and non-workers by gender and location, 2001

Column Headings/Captions

Units Crores

Location	Gender	Workers			Non-worker	Total
		Main	Marginal	Total		
Rural	Male	17	3	20	18	38
	Female	6	5	11	25	36
	Total	23	8	31	43	74
Urban	Male	7	1	8	7	15
	Female	1	0	1	12	13
	Total	8	1	9	19	28
All	Male	24	4	28	25	53
	Female	7	5	12	37	49
	Total	31	9	40	62	102

Source: Census of India 2001

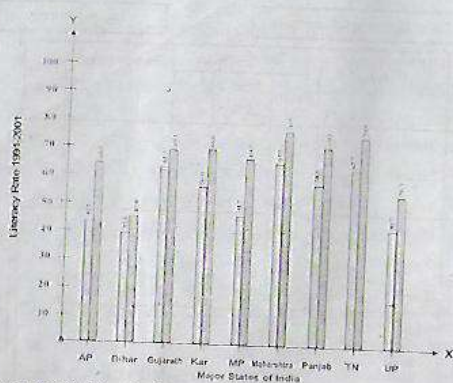
Note: Figures are rounded to nearest crore

Source

Note

2. Draw a multiple bar diagram with the help of the following data Literacy rate in the major states of India (in percentage)

Major Indian states	Literacy in 2001	Literacy in 1991
AP	44.1	60.5
Bihar	37.5	47.0
Gujarat	61.3	69.1
Karnataka	56.0	66.6
MP	44.7	63.7
Maharashtra	64.9	76.9
Punjab	58.5	69.7
TN	62.7	73.5
UP	40.7	56.3

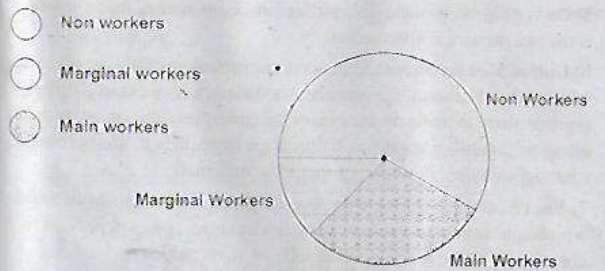


3) Draw a pie chart using the following data.

Distribution of Indian population by their working status (in crores)

Status	Population
Marginal worker	9
Main worker	31
Non-worker	62

Status	Population Percent	Angular Component
Marginal Worker	62	$\frac{62}{102} \times 360 = 219^\circ$
Main Worker	31	$\frac{31}{102} \times 360 = 109^\circ$
Non-Worker	9	$\frac{9}{102} \times 360 = 32^\circ$
	102	360°



VI Answer the following in about twenty sentences.

(Each question carries 6 marks)

1) What is tabulation? What are the parts of a table? Explain.

Presentation of the data in rows and columns along with some explanatory notes is called Tabulation.

Rows are horizontal arrangements and columns are vertical arrangements. Thus, table is one of the most important devices of presenting the data in a condensed and readily comprehensive form.

Components of the Table

A good table should have the following parts or components.

1) **Table number** : An appropriate number should be assigned to a table for the identification and easy reference in future. It should be written on the top of the table.

2) **Title of the Table** : Every table must be given a suitable title and it which is usually appears on the top of the table. Title explains the nature of data. It should be short and simple.

3) **Head notes** : Head note figures are immediately below the title on the right side. It supplies additional information about the title.

4) **Captions and Stubs** : Captions are the headings for vertical columns and stubs are headings for the horizontal rows. Captions are usually written in the middle of the columns. Stubs will be in the extreme left part of the table.

5) **Body** : The body of the table is the main component of the table which contains a numerical information.

6) **Unit of Measurement** : The unit of measurement of the figures in the table (actual data) should always be stated along with the title. If different units are there for rows or columns of the table, these units must be stated along with 'stubs' or 'captions'. If figures are large, they should be rounded up and the method of rounding should be indicated.

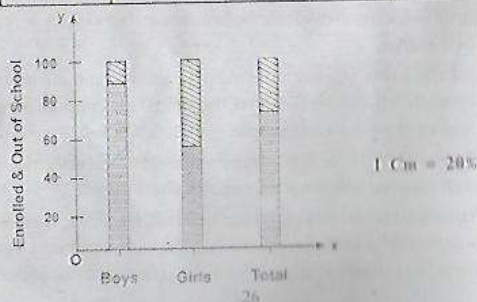
7) **Foot Note** : Any thing from the title, captions and stabs in a table which cannot be understood by the reader should be explained in foot notes. It should be in the extreme left part of the table.

8) **Source Note** : If the source of the information has not explicitly contained in the title it is included in the source note. It must be given in the bottom of the table.

2) What is component bar diagram? Draw a component bar diagram with the help of following table.

Enrolment by gender at schools (in percent) of children aged 6-14 years in a district of Bihar

Gender	Enrolled (in %)	Drop outs (in %)
Boy	91.5	8.5
Girl	58.6	41.4
All	78.0	22.0



3) Explain the method of constructing a frequency polygon with an example.

Presentation of the frequencies in the form of rectangles and joining the mid-points of rectangles is known as frequency polygon.

Frequency polygon curve is constructed with the help of discrete as well as continuous series. The following methods we must follow while constructing frequency polygon.

- 1) Rectangles of histogram are drawn and then after the mid-points of the rectangles are joined by a line joining them.
 - 2) Get the mid points of the upper horizontal side of each rectangle.
 - 3) Join these mid points of the adjacent rectangles of the histogram by straight lines.
 - 4) Ends of the frequency polygon are to be extended to mid point of classes at both sides.
 - 5) Labelling should be properly done and scale of measurement should be clearly shown.
- 4) Explain Ogive with proper diagrams.

A graphic presentation of cumulative frequency curve. Such a curve may show a falling or rising trend on the graph paper is called ogive.

Ogives are constructed from cumulative frequency table, which are generally made in 'less than' or 'more than' form, therefore, there are following two types of ogives :

- 1) Less than Ogives
- 2) More than Ogives.

1) Less than Ogives : This consists in plotting the less than cumulative frequencies against the upper class boundaries of the respective classes. These points are joined with free hand to get less than Ogive.

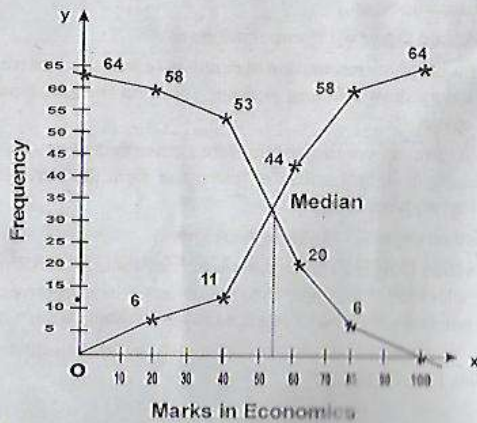
Such a curve becomes a positively sloping smooth curve, generally rising from left to right.

2) **More than Ogives :** In more than ogive, 'more than, cumulative frequencies are plotted against the lower boundary of the respective classes. It has a decreasing or downward sloping curve from left to right.

In this case we plot more frequencies in lower size of class and lesser in the higher classes. It gives the shape of an elongated 'S', upside down in a smooth form.

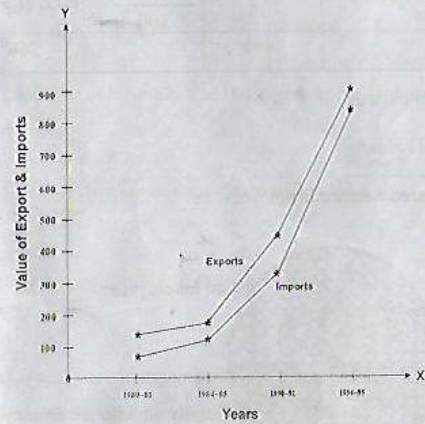
Marks	Number of Students	Less than cumulative frequency	More than cumulative frequency
0-20	06	6	64
20-40	05	11	58
40-60	33	44	53
60-80	14	58	20
80-100	06	64	06

Less than and more than ogive curve can explained with the following diagram.



5) Draw an arithmetic line graph using following data
Value of import and export of India (in 100 crores)

Year	Exports	Imports
1980-81	67	125
1984-85	117	171
1990-91	326	432
1994-95	827	900

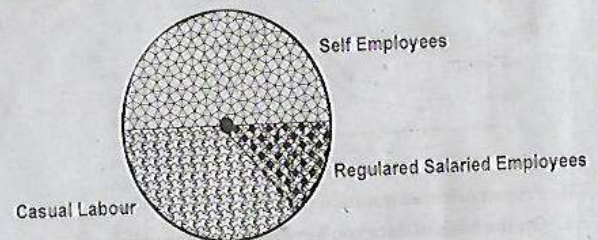


VII Project oriented question (5 marks)

1. On the basis of data you have collected regarding participation of women in your locality in the below mentioned categories construct a pie chart.
 - a) Self employed
 - b) Regular salaried employees.
 - c) Casual wage labourers.

It	Items	Items
Self Employees	50	$\frac{50}{100} \times 360 = 180^\circ$
Casual Labour	20	$\frac{20}{100} \times 360 = 72^\circ$
Regulated Salaried Employees	30	$\frac{30}{100} \times 360 = 108^\circ$
	100	360°

- Self Employees
- Casual Labour
- Regulated Salaried Employees



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CHAPTER – 3 LIBERALISATION, PRIVATISATION AND GLOBALISATION

I Fill in the blanks. (Each question carries one mark)

- 1) Reforms were Introduced during _____
- 2) RBI regulates _____ Sector
- 3) WTO was founded in _____
- 4) Taxes on incomes of individuals is called _____

Ans : 1) 1991 2) Financial 3) January 1st 1995
4) Direct Taxes

II Answer the following question in a word /sentence each. (Each question carries one mark)

1. What is Liberalisation?

Giving greater freedom to economic agents (activities) to take their own decisions and a reduced role for the government is called liberalisation.

2. Give the meaning of Privatisation?

A greater role for private enterprise and capital in the functioning of the economy is called privatisation.

3. What is Globalisation?

Opening up of the economy for world market by attaining international competitiveness is called Globalisation.

4. Expand I.B.R.D.

International Bank for Reconstruction and Development

5. Expand GATT.

General Agreements on Tariffs and Trade.

6. Give the meaning of Direct Tax

Taxes levied on the income and wealth of the people are called direct taxes.

7. **What do you mean by Outsourcing?**

Outsourcing means going outside one's own organisation to obtain the specialized services of various kinds in time and at lower cost.

8. **Who regulates the financial Sector?**

Reserve Bank of India. (RBI)

III **Answer the following questions in four sentences each.**

(Each question carries two marks)

1. **Give the meaning of Industrial Licencing.**

Permission or an approval to start an industry with a certain capacity in a specified area is called industrial licencing

2. **Mention four Objectives of Trade Policy.**

- 1) Removal of Govt. control and licencing
- 2) Simplification of procedure for imports and exports.
- 3) Removal of restriction on the movement of goods and services.
- 4) Greater freedom will be given to private people to take their own decision.

3. **What is Fiscal Policy?**

The public expenditure and debt policies of the government is called fiscal policy.

4. **What are the Services of out Sourcing?**

- | | |
|---------------------|----------------------------|
| 1) Banking Services | 2) Music Recording |
| 3) Film Editing | 4) Clinical Advice |
| 5) Record Keeping | 6) Maintenance of Accounts |

5. **What do you mean by Disinvestment?**

Sale of a part of equity of public enterprises to private sector is called disinvestment.

IV **Answer the following questions in twelve sentences each.**
(Each question carries four marks)

✓ 1. **Briefly explain the back ground of Economic Reforms in India.**

The origin of the financial crisis can be traced from the inefficient management of the Indian economy in the 1980's. The need for new economic reforms arose from a number of factors or reasons. These reasons are;

- 1) **Slow rate of industrial growth :** There was slow rate of industrial growth, because the private sector was subject to a number of restrictions, controls, quotas etc.
- 2) **Poor performance of public sector :** The performance of public sector enterprises was much below the desired level and a number of public sector enterprises run in to losses.
- 3) **Deficit balance of payment and Fiscal deficit :** There was serious balance of payments problem because imports exceeds exports and fiscal deficit rose to 8.5 percent to GDP. Current account deficit in external balance rose to 2.5 percent.
- 4) **Gulf Crisis :** Iran, Iraq war in 1990-91 was known as Gulf Crisis. It led to a sharp rise in petrol prices in international market. Our exports to gulf countries fell sharply, but there was a steep rise in import bill. It made the balance of payment position further grim. It compelled the government to introduce the new economic policy at this situation.
- 5) **Economic Imbalance :** The expenditure incurred by the government, particularly on subsidies and welfare schemes was huge, and the tax collection was insufficient. This leads economic imbalance in the economy.
- 6) **Sharp fluctuations in stock market :** There were sharp fluctuations in stock market, as the banking institutions were

subject to strict regulations, while the non banking financial institutions were not subject to strict regulations.

✓2. **Write a note on WTO.**

World trade organization came into existence on 1st January 1995 as a successor of GATT. WTO is located in Geneva in Switzerland. At present 149 countries have got membership of WTO and India is a founder member of WTO.

The WTO is a properly established permanent world trade organization. It has a legal status and enjoys privileges and immunities on the same footing as the IMF and the world bank. WTO is a "watching dog of international trade" and it regularly examines the trade regimes of individual members.

Objectives of WTO :

The main objectives of WTO are as follows :

- 1) WTO provides equal opportunities for all countries in international trade.
- 2) To implement multilateral trade agreements among all the member countries.
- 3) To settle disputes among member countries on issues related to multilateral trade.
- 4) Optimum utilisation of world resources to increase production and trade in goods and services.
- 5) To reduce tariffs, subsidies and trade restrictions among all the member countries.
- 6) To implement liberalisation, privatisation and globalisation policies and removal of trade discriminations among all countries.

Favorable Impact of WTO :

The important favorable impact of WTO are;

- 1) India's exports of textile and export of service sector increase.
- 2) India foreign exchange reserves increased
- 3) Balance of payments position has improved
- 4) It increases international competitiveness to all the sector.
- 5) Rapid progress in information technology and Bio-Technology

3. Write a note on Trade and Investment policy reforms.

Liberalisation of trade and investment regime was initiated to increase international competitiveness of industrial production and also foreign investments and technology into the economy. The aim was also to promote the efficiency of the local industries and the adoption of modern technologies.

To liberalise the economy the govt has implemented various reforms. They are;

- 1) Reforms were introduced to remove trade barriers and liberalize foreign trade and investments.
- 2) Reforms have removed all quantitative restrictions on exports and imports.
- 3) Reduction of tariff rates.
- 4) Removal of licencing producers for imports.
- 5) Restrictions on export have been liberalized and export duties have been reduced.

4. Briefly explain the financial sector reforms.

Financial sector includes financial institutions such as commercial banks, investment banks, stock exchange operations and foreign exchange market. This financial sector is controlled by the RBI through various norms and regulations. One of the major aims of the financial sector reforms is to reduce the role of RBI from regulator to facilitator of financial sector.

The important financial sector reforms of NEP are as follows;

- 1) Liberalising the restrictions of banks and other financial institutions.
- 2) The financial sector reform policies led to the establishment of new private sector banks.
- 3) The reform policies allowed foreign banks to function in the country.
- 4) The commercial banks have been given freedom to open new branches on fulfilling certain conditions.
- 5) Foreign investment limit in banks is raised to 50 percent.
- 6) Banks have been given permission to raise funds within the country and abroad.
- 7) Foreign institutional investors (FII) such as merchant bankers, mutual funds, and pension funds are now allowed to invest in Indian financial markets.
- 8) Movement to market determined interest rate structure.

✓ 5. Write a short note on outsourcing.

Outsourcing means going outside one's own organisation to obtain the specialized services of various kinds in time and at lower cost.

Services of out Sourcing

- | | |
|--------------------------------------|----------------------------|
| 1) Banking Services | 2) Music Recording |
| 3) Film Editing | 4) Clinical Advice |
| 5) Record Keeping | 6) Maintenance of Accounts |
| 7) Railway enquiry and teaching etc. | |

Reasons for increased outsourcing in India :

Many multinational companies (MNC's) are outsourcing their services to India because:

- 1) The cost of these services in India are much less than developed countries.
- 2) Better skill and accuracy

- 3) The availability skilled man power at lower wages.
This is the big achievement by the Indian IT industries as it as proved its competitive strength in the world.

Advantages of outsourcing in India :

The main advantages of outsourcing are:

- 1) Increasing employment opportunities.
- 2) Increasing income of the people
- 3) Increasing standard of living of the people
- 4) Increasing economic progress.

V Answer the following questions in twenty sentences each. (Each question carries four marks)

✓ 1. Briefly explain the important areas of Liberalisation.

Liberalisation refers to giving greater freedom to economic agents (activities) to take their own decisions and a reduced role for the government.

Liberalisation leads to market oriented economy. It reduces Government's role and allows market forces to play a major role in the economy. It involves;

- 1) **Deregulation of Industrial Sector :** Government of India introduced several reforms in its industrial sector in 1991. The main objective of the government was to increase the efficiency and production in the industrial sectors of the economy.
- 1) Abolition of industrial licencing except for few industries related to security, strategic and environmental concerns.
- 2) The number of industries reserved for the public sector has been reduced from 17 to 3.
- 3) The only 3 industries which are now reserved for the public sector are atomic energy, railway transport and production of war equipments.
- 4) The government left all other industries to private sector.

- 5) Dereserving some of the products reserved for small scale industries.
- 2) **Financial Sector Reforms** : Under new economic policy several financial and banking reforms were introduced to control inflation, to develop financial institutions and to stabilize the value of rupee in the international market.
The important financial sector reforms of NEP are as follows:
 - 1) Liberalising the restrictions of banks and other financial institutions.
 - 2) The financial sector reform policies led to the establishment of new private sector banks.
 - 3) The reform policies allowed foreign banks to function in the country.
 - 4) The commercial banks have been given freedom to open new branches on fulfilling certain conditions.
- 3) **Tax Reforms** : **The income and expenditure policy of the government is called a fiscal policy.** This is also called tax reforms.
There are mainly two types of taxes. They are;
 - 1) **Direct Tax** : Direct taxes are those in which the tax burden cannot be transferred on others. High rate of income tax was an important reason for tax evasion. To correct the defects of direct taxes govt introduce various reforms in direct taxes, they are;
 - 1) To rate of tax on individual income have been reduced substantially.
 - 2) Reduction of corporation tax on domestic companies to 30%
 - 2) **Indirect Taxes** :
The main reforms of indirect taxes are;
 - 1) Providing common national market for goods and services.
 - 2) Many tax procedures have been simplified and rates lowered.

- 3) Government introduced GST in July, 1, 2017.
- 3) **Foreign Exchange Reforms** : **"The deliberate reduction in the external value of rupee against foreign currencies is called devaluation of rupee"**. The results of devaluation are;
 - 1) Devaluation of rupee reduces the prices of export goods and at the same time, it increases the prices of import goods.
 - 2) Full convertability of rupee in the current account has been introduced to promote exports.
 - 3) Devaluation led to increase in export and solve the problem of balance of payment in India.
 - 4) Now a days the exchange rate of rupee is allowed to be determined by market forces (demand and supply) in the foreign exchange market.
- 4) **Reforms in Trade and Investment** : To liberalise the economy the govt has implemented various reforms. They are;
 - 1) Reforms were introduced to remove trade barriers and liberalize foreign trade and investments.
 - 2) Reforms have removed all quantitative restrictions on exports and imports.
 - 3) Reduction of tariff rates.
 - 4) Removal of licencing producers for imports.
2. **Briefly explain the effects of reforms on Agricultural sector.**
Though the economic reforms have made significant changes in the Indian economy, they are not free from criticisms. On the other hand, the reform process has been widely criticized for not being able to address some of the basic problems facing our economy especially in the areas of employment, agriculture, industry, infrastructure development and fiscal management. Reforms have not been able to benefit agriculture.
 - 1) Public investment in agriculture sector especially in infrastructure,

which includes irrigation, power, roads, market linkages has been reduced in the reform period.

- 2) The removal of fertilizer subsidy has led to increase in the cost of production, which has severely affected the small and marginal farmers.
- 3) This sector has been experiencing number of policy changes such as reduction in import duties on agricultural products, removal of minimum support price and lifting of quantitative restrictions on agricultural products etc., have adversely affected Indian farmers.
- 4) Due to economic reform Indian farmers have to face international competition.
- 5) Export oriented policy strategy in agriculture has encouraged the farmers to take up the cultivation of each crops. This has led to rise in prices of food grains.

VI Project - Oriented Question (Five Marks)

1. Now find out if these companies which are mentioned above existed in India before 1991 or came after the new economic policy.

Give appropriate examples for the following

Nature of the product	Name of foreign company
Biscuits	Britania (Goodday) 1998
Computers	HP Microsoft (America) 2001
Cars	Toyota (Japan) 1997
TV and Refrigerators	Panasonic (Japan)
Stationary	Camlin Ltd. (USA)

**CHAPTER – 4
POVERTY**

I Choose the correct answer. (Each question carries one mark)

1. Poverty Line separates

- a) Poor and non-poor
- b) Rich and non-rich
- c) Poor and Weak
- d) None of the above.

2. In pre-independent India, he was the first to discuss the concept of poverty line.

- a) Dadabhai Naoraji
- b) Gopala krishna Gokhale
- c) Vinobha bave
- d) Vinoda Bai

3. Some are rich most of the time but may sometime have a patch of bad luck, they are called

- a) Occasionally Poor
- b) Usually Poor
- c) Always Poor
- d) None of the above

4. The act provides guaranteed wage employment to every poor household for minimum of 100 days in a year is called.

- a) PMRY
- b) SISRY
- c) MGNREGA
- d) SGSY

Ans : 1) a 2) a 3) a 4) c

II Fill in the blanks. (Each question carries four marks)

1. The causes of poverty line in the institutional and _____ factors that mark the life of the poor.
2. Most poverty alleviation programmes implemented are based on the perspective of the _____.
3. _____ impoverished millions of people in India.

4. Economists identify the poor on the basis of their occupation and _____

Ans : 1) Social 2) 5 year plans 3) British Rule
4) Income Assessment

III Answer the following question in a word /sentence each.
(Each question carries one mark)

- 1. Give the meaning of poverty.**
Inability to secure the minimum consumption requirements for life, health and efficiency is called poverty.
- 2. Why the poor are physically weak?**
1. Malnutrition 2. Ill health 3. Dis ability
- 3. Who are the churning poor?**
Those who are living sometime above poverty line some othertime below poverty line are called churning poor.
- 4. Define poverty line as per planning commission.**
According to planning commission "poverty line on the basis of nutritional requirements of less than 2400 calories per person per day in rural areas and 2100 calories per person per day in urban areas."
- 5. What is 'Head count Ratio'?**
The number of poor estimates as the proportion of people below the poverty line is known as head count ratio.
- 6. What programme has the government adopted to help the elderly people and poor and destitute women?**
National social assistance programme.
- 7. Suppose you are from a poor family and you wish to get help**

from the government to set up a petty shop under which scheme will you apply for assistance?

Pradhan Manthri Rojgar Yojana (PMRY)

IV Answer the following question in four sentences each. (Each question carries two marks)

- 1. Poverty has many dimensions. How it has to be looked at?**
Poverty has many dimensional, it has to be looked at through a variety of indicators.
Ex : 1) Level of income and consumption 2) Social Indicators
3) Indicates of vulnerability to risks. 4) Socio and political assess
- 2. List the features of poorest households.**
 1. The poor people have few assets
 2. Poor people live in huts
 3. Some poorest people do not even have such huts also
 4. Starvation, hunger, lack of literacy and skills
- 3. Who are the urban poor? Give examples.**
Urban poor are those poor who are come from rural areas for seeking employment in urban area is called urban poor. Ex: 1) Push cart vendor 2) Street cobbler
- 4. Who are the rural poor? Give examples.**
Rural poor are those who are living below poverty line lived in rural areas is called rural poor.
Ex : 1) Landless labours 2) Small land owners.
- 5. What are the social factors that trigger and perpetuate the poverty?**
 - 1) Joint family system
 - 2) Tradition bound
 - 3) Illiteracy and ignorance

6. Name the states where poverty level is far above the national poverty level.

- 1) Jammu Kashmir 2) Kerala 3) Delhi

7. Name the states where poverty level is lower than the national poverty level.

- 1) Jharkhand 2) Chattisgarh 3) Bihar

8. How can creation of income earning assets address the problem of poverty?

- 1) Income earning assets create self employment opportunities.
- 2) Self employment opportunities increase the income of the people.

9. Name the self-employment generation programmes of the government for the poor.

- 1) Rural employment generation programme
- 2) Pradhanamanthri Rojghar yojana
- 3) Swarna Jayanthi Shahari Rojghar yojana

10. Why are employment generation programmes important in poverty alleviation in India?

Employment generation programmes are important, because

- 1) These programmes increase the employment opportunities.
- 2) Employment generation programmes increase the standard of living of the people.
- 3) These programmes increase social and economic status.
- 4) These programmes help to increase the assets.

11. List the programmes that aim at improving the food and nutritional status of the poor.

- 1) Public Distribution system (PDS)
- 2) Integrated children development scheme (ICDS)

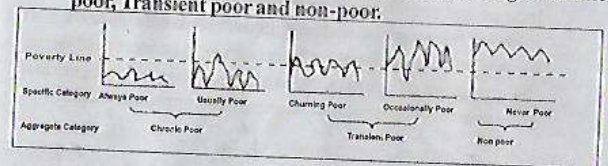
3) Mid Day Meals Scheme (MDMS)

12. List the factors that prevent the successful implementation of poverty alleviation programmes.

- 1) Distribution of Land and other assets were unequal.
- 2) Benefits were illegally taken by the non poor.
- 3) Insufficient resources.
- 4) Lack of proper implementation.

V Answer the following question in twelve sentences each. (Each question carries four marks)

1. Write the chart of poverty line and give the meaning of chronic poor, Transient poor and non-poor.



1) **Chronic Poor** : Those people who are living below poverty line for a long period are called chronic poor.

2) **Transient Poor** : Those people who keep fluctuating between the category of poor and non poor are called transient poor.

3) **Never Poor (Non Poor)**

Those people who are always live above poverty line are called never poor or non poor.

2. What do you mean by Growth oriented approach to poverty reduction? Why it is not successful in India.

"Increase in domestic product and percapita income for the purpose of reduction of poverty is called growth oriented approach".

The main objective of the planning in 1950's and early 1960's was

based on the economic growth which increased Gross Domestic Product and percapita income to reduce poverty. But growth oriented approach has not succeeded because.

- 1) Rapid growth of population.
 - 2) Lack of proper implementation of land reforms.
 - 3) Negligence of the government to employment growth oriented approach.
 - 4) It widened the gap between the rich and poor.
- ✓ 3. **Explain the employment generation programmes of poverty alleviation in India.**

Income and employment generation approach has been initiated from 3rd five year plan and progressively enlarged since then. The income and employment for the poor could be increased through the creation of additional assets and by work generation programmes. The employment generation approach includes

- a) Self Employment Programme
 - b) Wage Employment Programme
- A) **Self Employment Programme** : Our Government implemented various self employment programme for poverty eradication. The important self employment programmes are:
- 1) **Swarnajayanthi Grama Swarozgar Yojana (SGSY)** : SGSY is the main self employment programme for rural poor. The main objectives of SGSY are;
 - 1) Promoting micro enterprises.
 - 2) To bring the assisted poor families above the poverty line.
 - 3) Provision of income generating assets.
 - 2) **Swarnajaynathi Shahari Rozgar Yojana (SJSRY)**

SJSRY is a centrally sponsored scheme. Its main aim is to provide gainful employment to the urban unemployed.

- 3) **Pradanamantri Rozgar Yogana (PMRY)** : PMRY started in 1993 with the objective of making available self employment opportunities to the educated unemployed youth by assisting them in setting up any economically viable activity.
- 4) **Rural Employment Guranty Programe (REGP)** : REGP is implemented in the Rural areas and small towns for setting up off heavy industries.

B) Wage Employment Programmes

The important wage employment programmes are;

- 1) **National Food for Work Programme** : National food for work programme was launched on Nov 14, 2004 in 150 most backward districts of the country with the objective to intensify the generation of supplementary wage employment.
- 2) **MGNREGA** : The act provides guaranteed wage employment to every poor household for minimum of 100 days in a year.

✓ 4. **Explain the programmes that provides minimum basic amenities to the people to reduce the poverty in India.**

The major programmes that aim to provide minimum basic amenities are;

A) To Improve the Food and Nutritional Status of poor :

Our National and State Governments impliment various programmes for the purpose of increasing food and nutritious status of poor people. Important among them.

- a) **Public Distribution System (PDS)** : The basic objective of the public distribution system in India is to provide essential consumer goods at cheap and subsidized prices to the consumers so as to maintain the minimum nutritional status of our population.

- b) **Integrated Child Development Scheme (ICDS)** : To tackle the problem of malnutrition and under nutrition, the government of India launched the integrated child development services (ICDS) in 1975.
- c) **Mid – Day Meals Scheme (MDMS)** : In 1995, the government launched the mid day meal (MDM) scheme to improve the nutritional status of school children.
- B) **Provide Basic Infrastructure in Rural Areas** : The programme that aims to provide basic infrastructure in rural area are
 - a) **Pradhanamantri Gram Sadak Yojana (PMGSY)** : The PMGSY, was launched in December, 2000, to provide road connectivity to 1.6 lakh unconnected habitations with population of 500 persons or more in the rural areas by the end of the both plain period.
 - b) **Pradhanamantri Gramodaya Yojana (PMGY)** : PMGY was launched in 2000-2001 in all the states. PMGY initially had six components viz primary health, primary education, rural shelter, rural drinking water, nutrition and electrification.
- 5. **Critically asses the poverty alleviation programmes of the government.**

The main objective of Indian planning is to eradicate poverty. In this regard government has launched many poverty alleviation programmes. In spite of various poverty alleviation programmes, hunger, malnutrition, illiteracy and lack of basic amenities continue in many parts of the country. No radical changes taken place over the last six decades. The main reasons of the failure are as follows :

- 1) **Distribution of Land and Other Assets were Unequal** : The unequal distribution of land and other assets have made mis appropriation of benefits of poverty alleviation programmes by the non poor. Hence the poor actually did not benefit much.

- 2) **Benefits were Illegally Taken by the Non Poor** : The non poor took advantage of the schemes meant for the poor by unfair means which went unchecked. That means non poor are getting the benefits of the poverty alleviation programme.
- 3) **Insufficient Resources** : Government spends huge amount of money on poverty alleviation programmes. But the amount allocated for these programmes is not sufficient.
- 4) **Lack of Proper Implementation** : Poverty alleviation programmes depend upon government and bank officials for their implementation. But they are dishonest, corrupt and untrained. So there is a lack of effective implementation.
- 5) **Lack of Active Participation of the Poor** : High growth rate alone is insufficient to reduce poverty. In fact, there is a need of active participation of the poor for the effective implementation of poverty alleviation programmes.
- 6) **Lack of Proper Identification of Poor** : The poor are not properly identified. There is a grate need to identify the poor and poverty stricken areas.

VI Answer the following question in twenty sentences each. (Each question carries six marks)

- 1. **Explain the causes of poverty.**

✓ Poverty is one of the serious problems of India. Poverty is a wide spread phenomenon and is one of the outstanding features of developing economies. It is the hopelessness of the people and their disappointment, their suffering. The main causes of poverty in India are as follows.

- 1) **Rapid growth of population** : The rate of growth of population in India has been larger than the rate of growth of the country. As a result the standard of living of the people is low and they have remained poor.

- 2) **Inequality of income** : Inequality of income and wealth is another reason for poverty in India. The income and wealth is concentrated in a few hands and inequalities breed further inequalities.
 - 3) **Unemployment** : Unemployment and under employment are much more wide spread problem in India. The degree of unemployment among the poor is very high. So that they are not able to earn the required income to purchase minimum needs of their family members.
 - 4) **Social and political factors** : Various social and political factors such as illiteracy, ignorance, tradition bound nature and political system, etc., contribute to poverty in the country.
 - 5) **Inflationary pressure** : Inflation is contributing in its own way to the poverty in the country. Continuous raising prices adversely affect the life of poor people.
 - 6) **Backward agriculture** : India is the predominantly agricultural economy. Agriculture in the country is backward and primitive method of cultivation are in practice. As a result, the people depending on agriculture also poor and backward.
 - 7) **Low resource Base** : The most important factor which responsible for poverty in India is the low resource base of poor both in rural and urban areas. At present a large section of rural people are having very little land or no land at all.
 - 8) **Vicious circle of poverty** : At present India is facing the challenge of vicious circle of poverty. Here poverty is both the cause and the effect.
2. **Explain briefly the three dimensional programmes adopted by the government to eradicate the poverty in India.**

Refer : Main question No V, question No : 2, 3, 4

VII Project Oriented Question (Five Marks)

1. **Suppose you are a resident of a village, suggest a few measures to tackle the problem of poverty.**

Some measures that I can suggest for eradicating poverty in rural areas are as follows:

- 1) Spending properly on Human Capital Formation especially in the form of education and health.
- 2) Making people aware about various government programmes that are in operation;
- 3) Providing easy loans for starting self-employment.
- 4) Keeping a control on population growth.