

Unit 2 - Public and Private Sectors

Class: VIII

Subject: Social Science

I. Choose the correct answer

1. The public sector in India owes its origin in the Industrial policy resolution of the Government of India.

- a) 1957 b) 1958 c) 1966 **d) 1956**

2. Mixed economy is the mixture of merits of both.

- a) Capitalism b) Socialism
c) a & b are correct d) a & b are incorrect

3. _____ is governed by a company law and controlled by the Government as principal major share holders.

- a) Private Sector **b) Joint Sector** c) Public Sector d) None of these

4. Public sector is on motive.

- a) Profit Motive **b) Service Motive**
c) Speculative Motive d) None of these

II. Fill in the blanks

1. The Public sector & Private sector are allotted their respective roles in promoting the economic welfare of all sections of the community.

2. The private sector is on profit motive.

3. Socio-economic development is the process of social and economic development in a society.

4. The main function of private sector is to create innovation, & modernisation.

5. The government is committed to strengthening Understanding and co-operation among the citizens.

III. Match the following

- | | | |
|----------------|---|--------------------------|
| 1. Think Tank | - | Primary Sector 2 |
| 2. Agriculture | - | Gross Domestic Product 4 |
| 3. Industries | - | NITI Aayog 1 |
| 4. GDP | - | Secondary Sector 3 |

IV. Which is the Odd one

1. Which one of the following is not the indicator of the Socio Economic Development.

- a) Black Money
- b) Life Expectancy
- c) Gross Domestic Product (GDP)
- d) Employment

V. Which of the following is a correct answer

1. i) The Industries which would be exclusively owned by the state are referred to as Schedule-A

ii) The industries in which the private sector could supplement the efforts of the state sector, with the state taking the sole responsibility for starting new units which are specific in Schedule-B.

iii) The remaining industries which were in the private sector are not mentioned in Schedule.

- a) All are Correct
- b) i and iii are correct
- c) i and ii are correct
- d) None of these

VI. Answer in briefly

1. Write short note on public sectors.

The sector which is engaged in the activities of providing government goods and services to the general public is called public sector.

2. What does the society want?

- The Society wants the state to play an extensive role in developing the country.
- The economic growth may be sustained at a maximum rate if private sector and public sector join hand.

3. Write the objectives of Public sector.

- To promote rapid economic development through creation and expansion of infrastructure.
- To generate financial resources for development.
- To promote redistribution of income and wealth.
- To create employment opportunities.
- To promote balanced regional growth.
- To encourage the development of small scale and ancillary industries and to accelerate export promotion and import substitution.

4. What are the three organs of public sectors?

The three organs of public sector are:

- Administration by a government Department.
- The Joint sector companies
- Public corporation

5. Name some indicators that measure socio-economic development.

The indicators that measure socio-economic development are

- Gross Domestic Product (GDP)
- Life Expectancy
- Literacy
- Employment
- Provision of house, clean drinking water and sanitation.

6. Write short note on Private sector.

The segment of a national economy that is owned, controlled and managed by private individuals or enterprises is known as Private sector.

7. Name any three Major Private Sector industries.

- Infosys
- WIPRO Limited
- ICICI Bank Limited

VII. Answer the following in detail

1. Explain the organs of public sector.

The organs of Public sector are Administration by a Government

Department:

- It is very common in all most countries.
- Eg: Post and Telegraph, Railways.

The Joint Sector companies:

- It is governed by a company law and controlled by the Government as principal major share holders.
- Eg: Indian Synthetic Rubber Limited.

Public Corporation:

- This type of organization is the establishment of public corporation by the state of the Parliament of legislative.
- Eg: LIC, Air India.

2. Write briefly explain the history of public sector.

- When India achieved independence in 1947, it was primarily an agricultural country with weak industrial base.

- There were only 18 Indian ordinary factories in the country which the British had established for their own economic interest.
- The first Industrial Policy Resolution announced in 1948 laid down broad contours of the strategy of industrial development.
- The Planning commission was formed by a cabinet resolution in March 1950 and the Industrial Act was enacted in 1951 with the objective of empowering the government to take necessary steps to regulate industrial development.
- India's second five year plan (1956-60) and the Industrial policy Resolution of 1956 emphasised the development public sector enterprises to meet Nehru's national Industrialisation policy.

3. Explain any five measured indicators of socio - economic development.

Gross Domestic Product:

- GDP supports in developing socio-economic development. The proportion of GDP by the industrial sector both private and public sector has been increased.
- It results increasing government funds and increase public spending.

Life Expectancy:

- According to Health Ministry statistics, the life expectancy for male is 67.3 year and 69.5 for female.
- The government many schemes to serve poor and vulnerable families.

Literacy:

- Educational Skill plays a vital role in the socio-economic development Sarva Siksha Abhiyan is government of India's flagship programme.

Employment:

- A growing number of people moved to urban areas in search of employment.
- It increased urban population, hence government started the 'Smart city' scheme which provides the city with many facilities.

Provision of House, Clean Drinking Water, and Sanitation:

Government sector provides housing facilities, clean drinking water facilities, and sanitary facilities under clean India Planning.

4. What are the importance of public sector?

The importance of public sector are:

- **Public Sector and Capital formation:**
The role of public sector in collecting saving and investing them during the planning period has been very important.
- **Economic Development:**
Economic development mainly depends upon industrial development.
- **Balanced Regional Development:**
The areas which lacked basic industrial and civic facilities like electricity, water supply, township and manpower should be developed by bringing complete transformation.
- **Employment generation:**
Public sector has also contributed a lot towards the improvement of working and living condition of workers by serving as a model employer.
- **Export promotion and Foreign Exchange Earnings:**
Some public enterprises have done much to promote India's export. Many companies have done very well in export promotion.
- **Protection to sick Industries:**
Public sector to prevent sick unit closing down takes over their responsibility and prevent many people from getting unemployed.
- **Import Substitution:**
Some public sector enterprises were started specifically to produce goods which were formerly imported and thus to save foreign exchange.

5. Write the differences between public and private sector.

Public Sector	Private Sector
1. Ownership of industries is with government.	Ownership of industries is with private individuals.
2. Public revenue depends upon levy of taxes on income and commodities and services.	Issuing shares and debentures or by taking loan.
3. Public sector ensures the proper wage.	Private sector exploits the workers.
4. It does not allow to	It allows concentrated of huge

concentrate huge wealth in few hands or rich people.	wealth in few hands or rich people.
5. Public sector industries include Police, Army Mining, Health, Manufacturing, Electricity Banking, etc	Private sector industries include finance, Mining, Transport, Education, etc.
6. No tax evasion.	Tax evasion is high.
7. It is service oriented.	It is purely profit-oriented.
8. Reservations are implemented. Priority is given to the socially backward people.	It does not care the socially backward class people. Reservation is not followed.

6. Write the functions of private sector.

- The main function of private sector is to create innovation and modernization.
- The profit motive drives them to invent, innovate new techniques of production, and manage the productive activities in a scientific manner.
- Develop and maintain infrastructure and services.
- Promote and expand existing businesses.
- Promote human capital development to help vulnerable groups especially to participate in the labour market and encourage community business and co - operation, local exchange system.
- Promote small, micro, and medium enterprises through supply-side measures and demand-side measures and attract investment in the city.