

## UNIT : 1 PRODUCTION

**CLASS: VII**

**SUBJECT: Social (Economics)**

### I. Choose the correct answer

1. Production refers to
  - a) destruction of utility
  - b) creation of utilities
  - c) exchange value
  - d) none of these
2. Utilities are in the nature of
  - a) form utility
  - b) time utility
  - c) place utility
  - d) all of these
3. Primary factors are
  - a) land, capital
  - b) capital, labour
  - c) land, labour
  - d) none of these
4. The entrepreneur is also called
  - a) exchanger
  - b) Agent
  - c) organizer
  - d) communicator

### II. Fill in the blanks

1. Utility means want satisfying power of a product.
2. Derived factors are Capital and Organization .
3. Land is a fixed in supply.
4. Labour is the human input into the production process.
5. Capital is the man made physical goods used to produce other goods and services.

### III. Match the following

1. Primary production	-	Adamsmith	3
2. Time utility	-	fishing, mining	1
3. Wealth of nation	-	entrepreneur	5
4. Human capital	-	stored for future	2
5. Innovator	-	education, health	4

### IV. Give short answer

#### 1. What is production?

Production is a process of combining various material inputs and immaterial inputs in order to make something for consumption

#### 2. What is utility?

Utility means want satisfying power of a product.

#### 3. Name the types of utility.

Utilities they are classified into form utility, time utility and place utility.

#### 4. What are the factors of production?

1. Primary production
2. Secondary Production
3. Tertiary Production

#### 5. Define: Labour

Alfred Marshall defines labour as, 'the use of body or mind, partly or wholly, with a view to secure an income apart from the pleasure derived from the work'

## 6. Define: Division of labour.

Division of labour means dividing the process of production into distinct and several component processes and assigning each component in the hands of a labour or a set of labourers, who are specialists in that particular process.

## 7. Write the forms of capital.

1. Physical Capital or Material Resources

**Ex. Machinery, tools, buildings, etc.**

2. Money capital or Monetary resources

**Ex. Bank deposits, shares and securities, etc.**

3. Human capital or Human Resources

**Ex. Investments in education, training and health**

## 8. Write the three characteristics of entrepreneur.

- Identifying profitable investible opportunities
- Deciding the location of the production unit
- Making innovations

## V. Give brief answer

### 1. Explain the types of production.

#### Types of Production:

There are three types of production. They are

1. Primary production
2. Secondary Production
3. Tertiary Production

## 1. Primary Production:

- Primary production refers to the state of activity in which natural resources are directly used.
- Since agricultural is given prime importance, it is also referred as agricultural sector production. Agriculture, forestry, fishing, mining and oil extraction are examples to primary sector.

## 2. Secondary Production:

- The process of manufacturing products by using primary products as raw materials is known as secondary level production.
- Since industries are given prime importance, it is also referred as industrial sector production.
- Manufacturing of cars, clothing, chemicals, engineering and building etc.. are examples to secondary sector.

## 3. Tertiary Production:

- Tertiary production is known as the services which are not visible rendered by the teachers, doctors etc., are to the economy. Banking, insurance, education, health and defence etc. are examples to service sector.

## 2. What is land ? What are the characteristics of land?

### Land

Land as a factor of production refers to all those natural resources or gifts of nature which is provided freely to man.

## Characteristics of Land

1. Land is a Free Gift of Nature
2. Land is fixed in supply
3. Land is imperishable
4. Land is a Primary Factor of Production
5. Land is Immovable
6. Land has some Original Indestructible Powers
7. Land Differs in Fertility

### 3. Explain the merits and demerits of division of labour.

#### Merits of division of labour:

- It improves efficiency of labour when labour repeats doing the same tasks.
- It leads to the use of modern machinery in production, resulting in inventions.  
Ex. More's Telegraphic Codes.
- Time and raw materials are used very efficiently.

#### Demerits of division of labour:

- Repetition of the same task makes labourer to feel that the work is monotonous and stale. It kills the humanity in him.
- Narrow specialization reduces the possibility of labourer to find alternative avenues of employment. This results in unemployment.
- Reduce the growth of handicrafts and the worker loses the satisfaction of having made a commodity in full.

#### 4. Describe the characteristics of capital.

##### Characteristics of Capital:

- Capital is a passive factor of production
- Capital is man-made
- Capital is not an indispensable factor of production
- Capital has the highest mobility
- Capital is more flexibility
- Capital is productive
- Capital Lasts Long
- Capital involves present sacrifice to get future benefits

AAMS KOSAMPATIY