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CLASS X · SOCIAL SCIENCE (087) · ECONOMICS · CBSE BOARD EXAMINATION 2027

ECONOMICS · CHAPTER 2 **MODEL ANSWERS**

Sectors of the Indian Economy

Board-Style Answer Booklet · Answers as CBSE expects them

CBSE marking-scheme pattern | Word count on every answer | 63 model answers | Most-probable 2027 answers marked

INSIDE THIS BOOKLET

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HOW TO USE IT

1. Write your own answer first, in the practice notebook.
2. Then open this booklet. Tick each numbered point you also wrote.
3. Give yourself 1 mark per matching point – that is how the examiner marks.
4. Copy any point you missed into My Mistakes (last page of the Chapter Booklet).
5. Rewrite the answer after 3 days, from memory.

USE WITH Chapter Booklet, Economics Ch 2

M

READ THIS FIRST · BASED ON THE CBSE SAMPLE PAPER AND MARKING SCHEME 2026–27

How CBSE Marks Economics

Every answer in this booklet follows the official marking-scheme pattern: numbered value points, keyword first, inside the word limit. Under each answer you will see its word count and how the marks are split.

The Economics section of the 2027 paper

Section D · 20 marks

Item	Type	Marks	Words	What earns the marks
Q29–Q34	MCQs: definitions, data tables, matching, short cases, calculations	1 each	–	Letter + answer
Q35–Q37	Short answers	3 each	60	3 points × 1 mark
Q38	Long answer, (A) **or** (B) – or a 5-mark case with data, as in Sample Paper 2026–27	5	120	5 points, or 1 + 2 + 2
Practice	2-mark questions and 4-mark cases in this booklet build the same skills	2 / 4	40 / 100	One point per mark

2026 gave both choices of the 5-mark Q38 from this chapter. Learn the four reasons for the tertiary sector's rise and five ways to create rural jobs; in 'distinguish' answers, compare on the same basis in each point.

How the marking scheme gives marks

SEVEN RULES

- **Marks come from value points.** Each correct, relevant point earns 1 mark: 2 marks = 2 points, 3 marks = 3 points, 5 marks = 5 points. The scheme accepts "any other relevant point", so a correct NCERT point that is not in our answer also scores.
- **Points are numbered and short.** Official answers have no introduction or conclusion. Our 5-mark answers sometimes add one opening and one closing line only so the answer reads well – skip them when short of time.
- **Keyword first.** Start each point with the key word and underline it – the examiner scans for it. Then give one fact: a name, a date, a number or an example.
- **MCQs:** write the letter and the answer text. Combination questions are answered like "(b) Only a, b and d".
- **Case / source-based:** (i) and (ii) need one clear line each; the 2-mark part needs two separate points. Use the passage's own clues, then add chapter facts.
- **Internal choice:** write "(A)" or "(B)" in the margin and attempt only one.
- **Do not repeat** one idea in two points – it earns one mark only.

Answer frames – copy this shape

2-mark answer ≤ 40 words

1. Keyword: one reason or fact.
2. Keyword: a second, different reason or fact.

Two lines, no introduction.

3-mark answer ≤ 60 words

1. Keyword: point + name / date / number.
2. Keyword: point + example.
3. Keyword: point + result.

One sentence per point.

5-mark answer ≤ 120 words

→ Optional opening line that answers the question in short.

1–5 Five numbered points, keyword first, a fact in each.

→ Optional closing line: "So / Hence …".

Order the points in time, or from cause to result.

Case-based 1 + 1 + 2 · ≤ 100 words

(i) One line, from the passage.

(ii) One line: passage clue + chapter fact.

(iii) Two separate points, one line each.

Never copy the whole passage.

Short of time? Learn these ten first

Most probable for 2027

C9	Distinguish between the public and private sectors.	[3]	C1	Explain the reasons for the rising importance of the …	[5]
C3	Suggest ways in which the government can create more …	[5]	C6	Distinguish between the organised and unorganised sectors.	[5]
D1	Case: Output and Jobs	[5]	D2	Case: Five on Two Hectares	[4]

A

ANSWERS · PART A

Textbook Check – Answers

Model answers to every Textbook Check question. Underlined words are the keywords the examiner looks for.

The three sectors

A1. What are the three sectors of economic activity? Explain each with examples. [3]

1. **Primary:** directly uses natural resources – agriculture, dairy, fishing, mining.
2. **Secondary:** changes natural products by manufacturing – cotton into cloth, cane into sugar.
3. **Tertiary:** produces services that support the others – transport, banking, trade, teaching.

32 words · limit 60 | Marking: 3 points × 1 = 3 | 2025 32/1/1 Q16–Q17 (classify activities). | MUST DO

A2. Why is the primary sector also called the agriculture and related sector? [2]

1. **Source:** most natural products come from agriculture, dairy, fishing and forestry.
2. **Nature:** these activities directly use natural resources.

18 words · limit 40 | Marking: 2 points × 1 = 2

A3. Why is the secondary sector also called the industrial sector? [2]

1. **Manufacturing:** it changes natural products into other forms.
2. **Industries:** it came to be linked with the different industries that grew up.

21 words · limit 40 | Marking: 2 points × 1 = 2

A4. Why is the tertiary sector also called the service sector? Give two examples of new services. [2]

1. **Services:** it produces services, not goods, and helps the other two sectors.
2. **New services:** call centres, ATM booths, software companies, internet cafés.

22 words · limit 40 | Marking: 2 points × 1 = 2

A5. "The three sectors are interdependent." Explain with an example. [3]

1. **Example:** a sugar mill (secondary) needs sugarcane from farmers (primary).
2. **Services:** trucks, storage and banks (tertiary) move and finance the goods.
3. **Effect:** if farmers refuse to sell, the mill, transporters and traders all suffer.

34 words · limit 60 | Marking: 3 points × 1 = 3

GDP and change over time

A6. What is GDP? Why are only final goods counted in it? [3]

1. **GDP:** value of all final goods and services produced within a country in a year.
2. **Final goods:** goods that reach the consumer, e.g. biscuits.
3. **Reason:** their value already includes intermediate goods like flour; counting both is double counting.

38 words · limit 60 | Marking: 3 points × 1 = 3 | MUST DO

A7. Who estimates GDP in India, and how? [2]

1. **Who:** a ministry of the Central Government.
2. **How:** with state and UT departments, it collects data on goods, services and prices.

21 words · limit 40 | Marking: 2 points × 1 = 2

A8. Explain the historical change in the importance of the three sectors in developed countries. [3]

1. **Early stage:** primary sector most important; most people worked on land.
2. **Industry:** new manufacturing methods made the secondary sector most important.
3. **Last 100 years:** the tertiary sector became most important in production and employment.

34 words · limit 60 | Marking: 3 points × 1 = 3

A9. Which is the largest producing sector and which is the largest employer in India? [2]

1. **Largest producer:** tertiary sector – it replaced the primary sector.
2. **Largest employer:** primary sector still employs the most workers.

18 words · limit 40 | Marking: 2 points × 1 = 2 | MUST DO

Unemployment and new jobs

A10. What is disguised unemployment? Give an example. [2]

1. **Meaning:** more people work than needed; output does not fall if some leave.
2. **Example:** five family members work on a small plot that needs only three.

26 words · limit 40 | Marking: 2 points × 1 = 2 | MUST DO

A11. How does underemployment occur in urban areas? [2]

1. **Who:** casual workers – painters, plumbers, repair persons – seek daily work.
2. **Why:** they do not find work every day, so they earn very little.

23 words · limit 40 | Marking: 2 points × 1 = 2

A12. State three features of MGNREGA 2005. [3]

1. **Right to work:** guarantees 100 days of work a year to rural people who need it.
2. **Allowance:** unemployment allowance if the government fails to give work.
3. **Preference:** work that will increase production from land.

34 words · limit 60 | Marking: 3 points × 1 = 3 | MUST DO

Organised, unorganised, public, private

A13. What is the organised sector? What benefits do its workers get? [3]

1. **Meaning:** registered units with regular terms of employment.
2. **Laws:** follow Factories Act, Minimum Wages Act, Payment of Gratuity Act and similar laws.
3. **Benefits:** job security, fixed hours, paid leave, provident fund, gratuity, medical benefits.

34 words · limit 60 | Marking: 3 points × 1 = 3 | MUST DO

A14. State three features of the unorganised sector. [3]

1. **Units:** small and scattered, largely outside government control.
2. **Rules:** rules are not followed; jobs are low-paid and irregular.
3. **Insecurity:** no paid leave or overtime; workers can be removed any time.

30 words · limit 60 | Marking: 3 points × 1 = 3

A15. What are the public and private sectors? Give one example of each. [2]

1. **Public:** government owns most assets and provides services – Indian Railways.
2. **Private:** assets owned by individuals or companies – Reliance Industries.

19 words · limit 40 | Marking: 2 points × 1 = 2 | 2026 32/1/1 Q30 (ownership). | MUST DO

A16. Why does the government have to provide some services itself? [3]

1. **Huge cost:** roads, bridges, railways, harbours and dams need huge spending.
2. **Reasonable cost:** private firms will not provide them cheaply to all.
3. **Support:** it supplies affordable electricity and sells grain cheaply through ration shops.

34 words · limit 60 | Marking: 3 points × 1 = 3

B

ANSWER KEY · PART B

Objective – Answer Key

All 20 MCQ and assertion–reason answers, each with a one-line reason so you learn the fact, not only the letter.

Write the option letter **and** the answer, as the marking scheme does – e.g. "(b) ..." followed by the answer text.

Q	Answer	Why (one line)
B1	**(a) primary sector**	Directly use natural resources.
B2	**(b) secondary sector**	Cloth changed into garments.
B3	**(c) Working in a call centre**	A service.
B4	**(d) all final goods and services produced within a country in a year**	Final only.
B5	**(a) double counting**	Wheat is already in the biscuit's value.
B6	**(b) tertiary sector**	Replaced primary.
B7	**(c) Primary**	Not enough jobs elsewhere.
B8	**(d) disguised unemployment**	Hidden – all seem busy.
B9	**(a) 100 days in a year**	Or an allowance.
B10	**(b) Paid leave and provident fund**	Regular terms of employment.
B11	**(c) unorganised sector**	Small, self-employed, unprotected.
B12	**(d) public sector**	Government-owned.
B13	**(a) a-ii, b-iii, c-i, d-iv**	Three ways to classify.
B14	**(b) Only II is correct**	It produces services.
B15	**(c) Flour**	Used up in production.
B16	**(d) 54%**	100 – 18 – 28 = 54.
B17	**(a) Both A and R are true, and R is the correct explanation of A.**	R is one reason for A.
B18	**(b) Both A and R are true, but R is not the correct explanation of A.**	Both true; R does not explain A.
B19	**(d) A is false, but R is true.**	A false; R true.
B20	**(c) A is true, but R is false.**	A true; R false – government owns them.

C

ANSWERS · PART C

Board Pattern – Answers

Model answers in the marking-scheme pattern. Orange tags show where a similar question came in a board or sample paper.

Rising importance of the tertiary sector

★★☆ 2026 32/1/1 · 5 marks

C1. Explain the reasons for the rising importance of the tertiary sector in India. [5]

1. **Basic services:** government must provide hospitals, schools, post offices, police, courts and banks.
2. **Support:** growth of agriculture and industry needs transport, trade and storage.
3. **Rising income:** people demand eating out, tourism, shopping, private schools and hospitals.
4. **IT:** new services – software, call centres, internet – have grown fast.
5. **Caution:** but many small shopkeepers and repair workers still earn very little.

58 words · limit 120 | Marking: 5 points × 1 = 5 | 2026 32/1/1 Q38(B). | MUST DO

C2. "Not every part of the tertiary sector is growing equally." Explain. [3]

1. **Skilled:** a few services employ highly skilled, educated workers and pay well.
2. **Low-paid:** small shopkeepers, repair persons and transport workers barely earn a living.
3. **Why:** they do this work because no other work is available.

35 words · limit 60 | Marking: 3 points × 1 = 3

Creating employment

★★☆ 2026 32/1/1 · 5 marks

C3. Suggest ways in which the government can create more employment in rural areas. [5]

1. **Irrigation:** a well or dam lets farmers grow a second crop, employing more people.
2. **Roads and storage:** rural roads, transport and cold storage open new work.
3. **Cheap credit:** bank loans at low interest for seeds, tools and small businesses.
4. **Agro-industry:** dal mills, honey collection, fruit and vegetable processing nearby.
5. **MGNREGA:** 100 days of guaranteed work; tourism and crafts also add jobs.

61 words · limit 120 | Marking: 5 points × 1 = 5 | 2026 32/1/1 Q38(A). | MUST DO

C4. What is disguised unemployment? Explain with one rural and one urban example. [3]

1. **Meaning:** more people work than needed; output does not fall if some leave.
2. **Rural:** a family of five working on a small plot that needs three.
3. **Urban:** casual painters and plumbers who find work only on some days.

38 words · limit 60 | Marking: 3 points × 1 = 3

C5. How does MGNREGA 2005 help rural people? Three points. [3]

1. **Work:** 100 days of paid work a year for those who need it.
2. **Allowance:** unemployment allowance if work is not given.
3. **Assets:** works like irrigation and soil conservation raise farm output.

31 words · limit 60 | Marking: 3 points × 1 = 3

Organised and unorganised sectors

★★☆ NCERT core · 3–5 marks

C6. Distinguish between the organised and unorganised sectors. [5]

1. **Registration:** organised units are registered; unorganised are outside government control.
2. **Laws:** organised follows labour laws; unorganised ignores rules.
3. **Security:** organised jobs are secure; unorganised workers can be removed any time.
4. **Hours and pay:** organised – fixed hours, overtime pay; unorganised – long hours, low pay.
5. **Benefits:** organised – paid leave, provident fund, pension; unorganised – none.

52 words · limit 120 | Marking: 5 points × 1 = 5 | MUST DO

C7. Who are the workers in the unorganised sector, and why do they need protection? [3]

1. **Rural:** landless labourers, small farmers, sharecroppers, artisans.
2. **Urban:** casual construction workers, street vendors, head-load workers, rag pickers.
3. **Why:** low, irregular wages, no security, and many face social discrimination.

28 words · limit 60 | Marking: 3 points × 1 = 3

C8. How can the government protect workers in the unorganised sector? [3]

1. **Wages:** fix and enforce minimum wages and working hours.
2. **Safety:** protect workers' safety and health.
3. **Self-employed:** give cheap credit, inputs and help in marketing.

24 words · limit 60 | Marking: 3 points × 1 = 3

Public and private sectors

★★★ 2 of 2 papers · 1–3 marks

C9. Distinguish between the public and private sectors. [3]

1. **Ownership:** public – government owns assets; private – individuals or companies.
2. **Motive:** public – welfare, not just profit; private – profit.
3. **Examples:** Indian Railways, post office; Tata Iron and Steel, Reliance Industries.

28 words · limit 60 | Marking: 3 points × 1 = 3 | 2025 32/1/1 Q29. | MUST DO

C10. Explain the role of the government (public sector) in the economy. [5]

1. **Infrastructure:** builds roads, bridges, railways, harbours and dams that need huge spending.
2. **Electricity:** supplies power at rates small industries can afford.
3. **Food:** buys wheat and rice at fair prices; sells cheaply through ration shops.
4. **Health and education:** runs schools and hospitals for all.
5. **Welfare:** tackles malnutrition, high infant mortality and poverty in backward areas.

54 words · limit 120 | Marking: 5 points × 1 = 5

Sectors and GDP

★★☆ NCERT core · 1–3 marks

C11. Distinguish between final and intermediate goods, with examples. Why does the difference matter? [3]

1. **Final:** reach the consumer, e.g. biscuits.
2. **Intermediate:** used up in making other goods, e.g. wheat, flour.
3. **Matters:** GDP counts only final goods, to avoid double counting.

26 words · limit 60 | Marking: 3 points × 1 = 3

C12. "The primary sector still employs the most people though its share of GDP is the smallest." Why is this a problem? [3]

1. **Few jobs:** industry and services have not created enough jobs.
2. **Disguised unemployment:** too many people work on small farms.
3. **Low income:** output per worker is low, so farm families stay poor.

31 words · limit 60 | Marking: 3 points × 1 = 3

D

ANSWERS · PART D

Case-Based – Answers

One line each for the 1-mark parts; separate points for the 2-mark parts. The whole answer stays within the word limit.

D1. Case-Based · Output and Jobs (printed in the booklet) [5]

(i) Which is the largest producing sector? [1]

Tertiary sector (55% of GDP).

(ii) What does the gap between the primary sector's share in GDP and in employment show? Two points. [2]

(i) Half the workers produce only one-fifth of output, so output per worker is low.
(ii) More people work on farms than needed – disguised unemployment.

(iii) Suggest two ways to move workers out of the primary sector. [2]

(i) Set up agro-processing and small industries in semi-rural areas.
(ii) Expand services such as tourism, transport and IT, with training and cheap loans.

54 words in all · limit 120 | Marking: 1 + 2 + 2 = 5 | 5-mark data case: 1 + 2 + 2.

D2. Case-Based · Five on Two Hectares (printed in the booklet) [4]

(i) What kind of unemployment did the family face? [1]

Disguised unemployment.

(ii) In which sector did the brother find work? [1]

Secondary sector.

(iii) Suggest two ways the government can create more work in Ramesh's village. [2]

(i) Irrigation from a well or dam for a second crop.
(ii) Cold storage, roads and cheap loans for small businesses.

25 words in all · limit 100 | Marking: 1 + 1 + 2 = 4 | Same theme as 2026 32/1/1 Q38(A).

D3. Case-Based · Two Workers (printed in the booklet) [4]

(i) **In which sector does Meera work?** [1]

Organised sector.

(ii) **In which sector does Sonu work?** [1]

Unorganised sector.

(iii) **Suggest two ways the government can protect workers like Sonu.** [2]

(i) Fix and enforce minimum wages and working hours.
(ii) Provide safety, health benefits and cheap credit to start his own work.

26 words in all · limit 100 | Marking: 1 + 1 + 2 = 4

D4. Case-Based · Who Owns It? (printed in the booklet) [4]

(i) **Name the units in the public sector.** [1]

The state transport bus depot and the government hospital.

(ii) **What is the main motive of the private hospital?** [1]

To earn profit.

(iii) **Why must the government run some services itself? Two reasons.** [2]

(i) Some need huge spending that private firms will not make at a reasonable cost.
(ii) Poor people need health care and transport they can afford.

38 words in all · limit 100 | Marking: 1 + 1 + 2 = 4 | Same theme as 2025 32/1/1 Q29 and 2026 32/1/1 Q30.

D5. Case-Based · A Town of Services (printed in the booklet) [4]

(i) **To which sector do these new units belong?** [1]

Tertiary (service) sector.

(ii) **Give one reason why such services have grown.** [1]

Rising incomes increase demand for services.

(iii) **Why has this growth not helped all workers equally? Two points.** [2]

(i) Well-paid jobs need skills and education.
(ii) Many work as repair persons or helpers only because no other work exists.

30 words in all · limit 100 | Marking: 1 + 1 + 2 = 4 | Same theme as 2026 32/1/1 Q38(B).