

# WELCOME TO ECONOMICS CLASS-IX

**SUBJECT : ECONOMICS**

**CHAPTER: THE STORY OF VILLAGE PALAMPUR**

**PERIOD: 5**

**SUB-TOPIC: The capital needed in farming, Sale of surplus farm products and non-farm activities in palampur**

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**CHANGING YOUR TOMORROW**

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# WHAT WE EXPECT TO LEARN?

1. They will understand how the village farmers arrange the capital needed for farming.
2. They will also come to know how the village farmers sell their surplus product after the production .

## Recapitulation of the previous knowledge

1. What is the minimum wage fixed by the government?
2. How much Ramkali and Dala actually get in the palampur village.
3. Why did Ramkali and Dala get less wage?
4. Will the land sustain?
5. Define modern farming methods.



# Capital needed In Farming



## CAPITAL NEEDED FOR FARMING

- **In case of small farmers-** Most small farmers have to borrow money to arrange for the capital. They generally borrow from large farmers or traders who supply inputs for cultivation.
- **In case of medium and large farmers** holding is large so after the production generally they have surplus production's they sell in nearby market and have good earnings.
- CASE STUDY PG.NO-9



### The capital needed in Farming

Most small farmers have to borrow money to arrange for the capital. They borrow from large farmers or the village money lenders or the traders who supply various inputs for cultivation. The rate of interest on such loans is very high. They are put to great distress to repay the loan.

Large farmers charge them high interest rate, have to work for the large farmers during the busy harvesting time and that also at a rate much lower than the minimum wages set by government. This leads to overall exploitation.

In contrast to the small farmers, the medium and large farmers have their own savings from farming. They are thus able to arrange for the capital needed.



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# FIXED CAPITAL AND WORKING CAPITAL



**Picture 1.8** Work on the fields: Wheat crop—ploughing by bullocks, sowing, spraying of insecticides, cultivation by traditional method, cultivation by modern method, and cutting of crops.



Fixed capital	Working capital	Human capital
It means investment of enterprises in long term benefit of company. It gives a long term benefit on goods.	It means capital invested in current benefit of company. It gives short term benefit on goods.	It means people who are available for jobs. It is most important for operating any business.
It serves strategic objectives	It serves operational objectives.	It serves skill knowledge and wisdoms.
It cannot be changed in a short time.	It can be changed in a short time	It may or may not be changed in a short time.

## Fixed Assets



## Human Capital





# SALE OF SURPLUS FARM PRODUCT

- In case of medium and large farmers holding is large so after the production generally they have surplus production's they sell in nearby market and have good earnings
- Generally they keep these earnings in the bank account.
- They used the savings for lending loans to the small farmers.
- They also used the savings to arrange for the working capital for the farming in the next season.
- Some also use the savings to buy cattle, trucks or to set up shops

# Home assignment

1. What do the medium and large farmers do with the surplus from farm production?
2. Define capital.
3. What is the difference between working and fixed capital?
4. How do the small farmers arrange capital needed for farming?

A wooden cart, likely used for transporting goods, is positioned on a dirt road in a rural, hilly area. The cart is constructed from wood and has a large wheel. In the background, there is a house with a red roof and lush green hills under a clear sky. The text "THANKING YOU ODM EDUCATIONAL GROUP" is overlaid on the image in yellow and red.

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