

WELCOME TO ECONOMICS CLASS

**SUBJECT : ECONOMICS
STD-X**

**CHAPTER: THE SECTORS OF INDIAN ECONOMY
PERIOD: 2**

SUB-TOPIC: Comparing the three sectors and how do we count the
various goods and services
CHANGING YOUR TOMORROW

WHAT WE EXPECT TO LEARN?

1. At the end of the concept the students will be able to compare the work of the three sectors.
2. They will be able to realise that without any one sector other two sectors can't be work.
3. They will also come to know what is GDP and what is the process to count the GDP of the nation.

Recapitulation of the previous class

1. Which group of activities is associated directly with the natural resources?
2. Why is the primary sector also called the agricultural sector?
3. Why is the secondary sector also called the industrial sector?
4. BPO is an important activity of which sector?
5. Define tertiary sector.



Sugarcane growing
(primary sector)



Transporting of sugarcane
(tertiary sector)



Manufacturing of sugar and drink
(secondary sector)

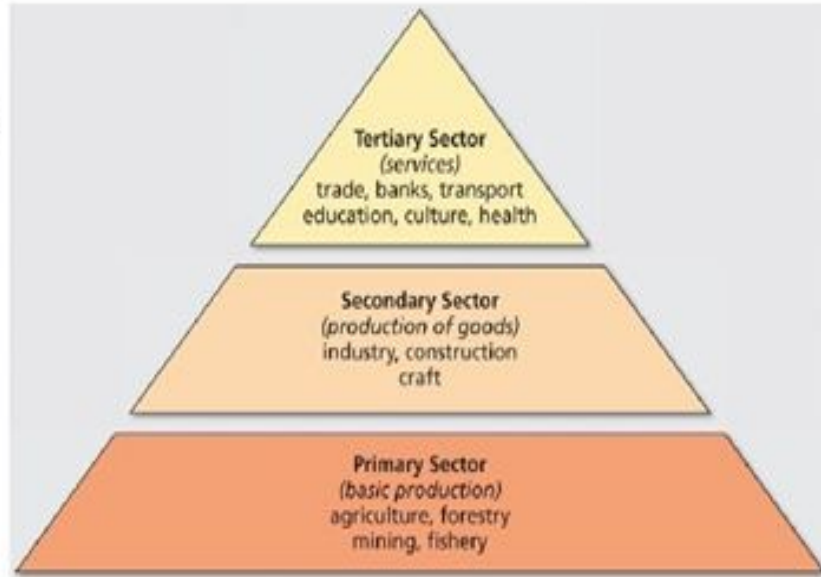


Final product

COMPARISON BETWEEN THREE SECTORS

Economic Activity

- **Three distinct sectors**
 - Primary and secondary sectors
 - **Tertiary sector becomes important in more mature economies**
 - All three sectors are connected in complex arrangements, networks, and flows



Three sectors of the economy. In reality there is considerable interaction among sectors.

SECTORS OF THE ECONOMY

● The **primary sector** obtains raw materials or natural products.

■ The **secondary sector** turns raw materials into manufactured products.

● The **tertiary sector** includes the business that sell the products.

1. **Primary sector.** Crop farmers grow corn and sell it.



2. **Secondary sector.** Industries buy the corn and heat it to make popcorn. They package the popcorn in bags.



transport

transport

3. **Tertiary sector.** Boxes are transported to a shop where people can buy them.



HOW DO WE COUNT THE PRODUCTION OF THE THREE SECTORS: To know the total production in any one of the three sectors, we need to count the goods and services produced in that sector in a financial year?

This counting of goods and services involves two problems:

1. There are too many goods and services produced. So, counting them would be a difficult task.
2. Sometimes intermediate goods are also counted. It is called **double counting**.

STEPS INVOLVED IN THE ESTIMATION OF GDP:

1. First the total production of each sector is calculated by adding final goods and services produced in that sector in a year.

Then the production of all three sectors are added, the sum of which is called the gross Domestic product. (GDP)

NET DOMESTIC PRODUCT- The net domestic product equals the gross domestic product minus depreciation on a country's capital goods.(building, machinery vehicle etc.)

Estimation of GDP in India is measured by the central government ministry with the help of various governments of states and union territories.

It collects information about the total volume (number) of goods and services and their prices and then estimates the GDP.

<https://www.youtube.com/watch?v=aswb46bpH0A>

Home assignment

1. Give an example to show the interdependence of the sectors.
2. What is Gross Domestic Product (GDP)? How do we count the various goods and services for calculating GDP? Explain with an example.
3. What type of goods and services are included for calculation of GDP in India?
4. Give brief idea about GDP.
5. What are final and intermediate goods?
6. Do you think primary sector is linked with tertiary sector? Give one example if yes.

THANKING YOU
ODM EDUCATIONAL
GROUP

