

# WELCOME TO ECONOMICS CLASS

**SUBJECT : ECONOMICS  
STD-X**

**CHAPTER: THE SECTORS OF INDIAN ECONOMY  
PERIOD: 3**

**SUB-TOPIC:** Historical change in sector, Eco-Primary, secondary and tertiary sectors in India and raising importance of the tertiary sector in production

**CHANGING YOUR TOMORROW**

# WHAT WE EXPECT TO LEARN?

At the end of the class the students will understand

1. How the shifting of the sectors took place from the primary sector to tertiary sector.
2. They will also be able to know how much GDP contributed by the three sector.
3. They also will come to know that due to some factors the importance of the tertiary sectors is rising day by day in Indian economy.

## Recapitulation of the previous class

1. Define GDP.
2. What is double counting?
3. What do you mean by intermediate goods?
4. What is the difference between final goods and intermediate goods?
5. Do you think primary sector linked with tertiary sector? Give one example if Yes.
6. Which sector of economy in India bears most of the work force?

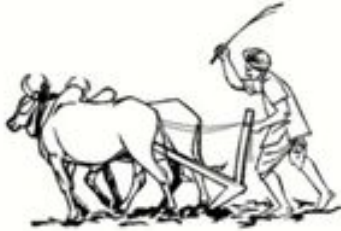


**Historical change in the  
sectors:  
three stages.**

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## HISTORICAL CHANGE IN SECTORS



At the initial stages of development, Primary Sector was the most important sector of economic activity.



Gradually, new methods of manufacturing were introduced, factories came up and started expanding. Slowly, secondary sector became the most important in total production and employment.



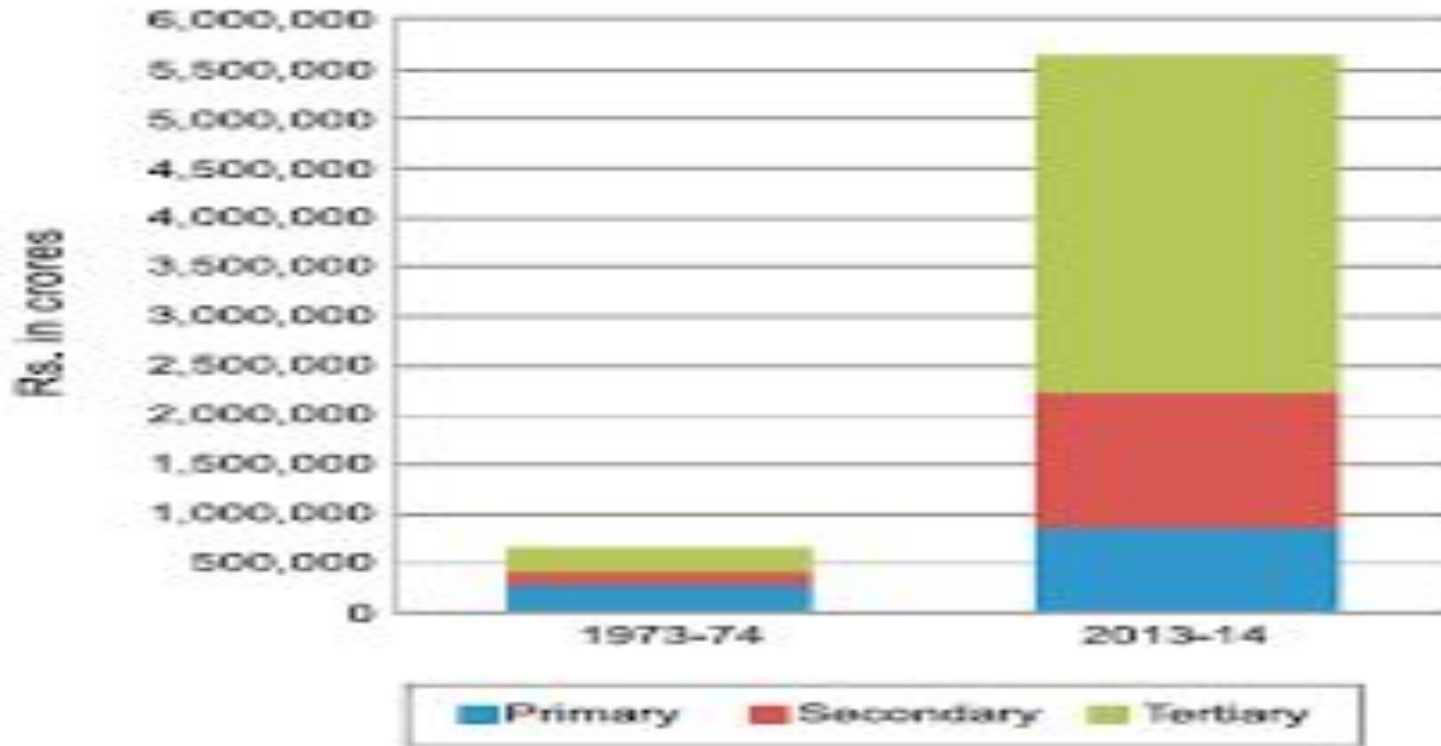
Today, there's been a further shift from secondary to tertiary in the developed countries. Today, the tertiary sector is widely recognized as the most important sector of all the three sectors.



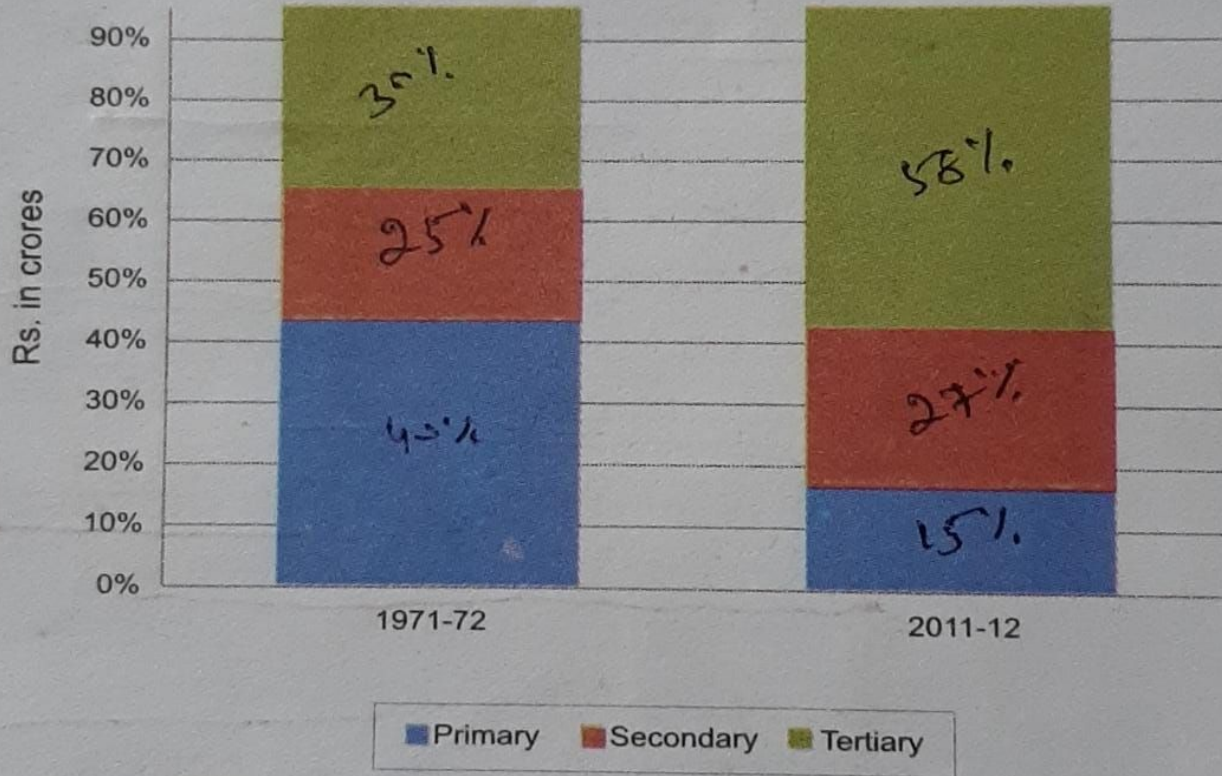
# HISTORICAL CHANGES

- Initial Stage all developed countries depended upon Primary Sector more.
- Entry of Secondary sector changed the production style and speed
- People started demanding more and more goods
- This demand only led to the growth of Tertiary Sector
- Now, we can see that all developed countries have tertiary sector leading the highest amount in their GDP.

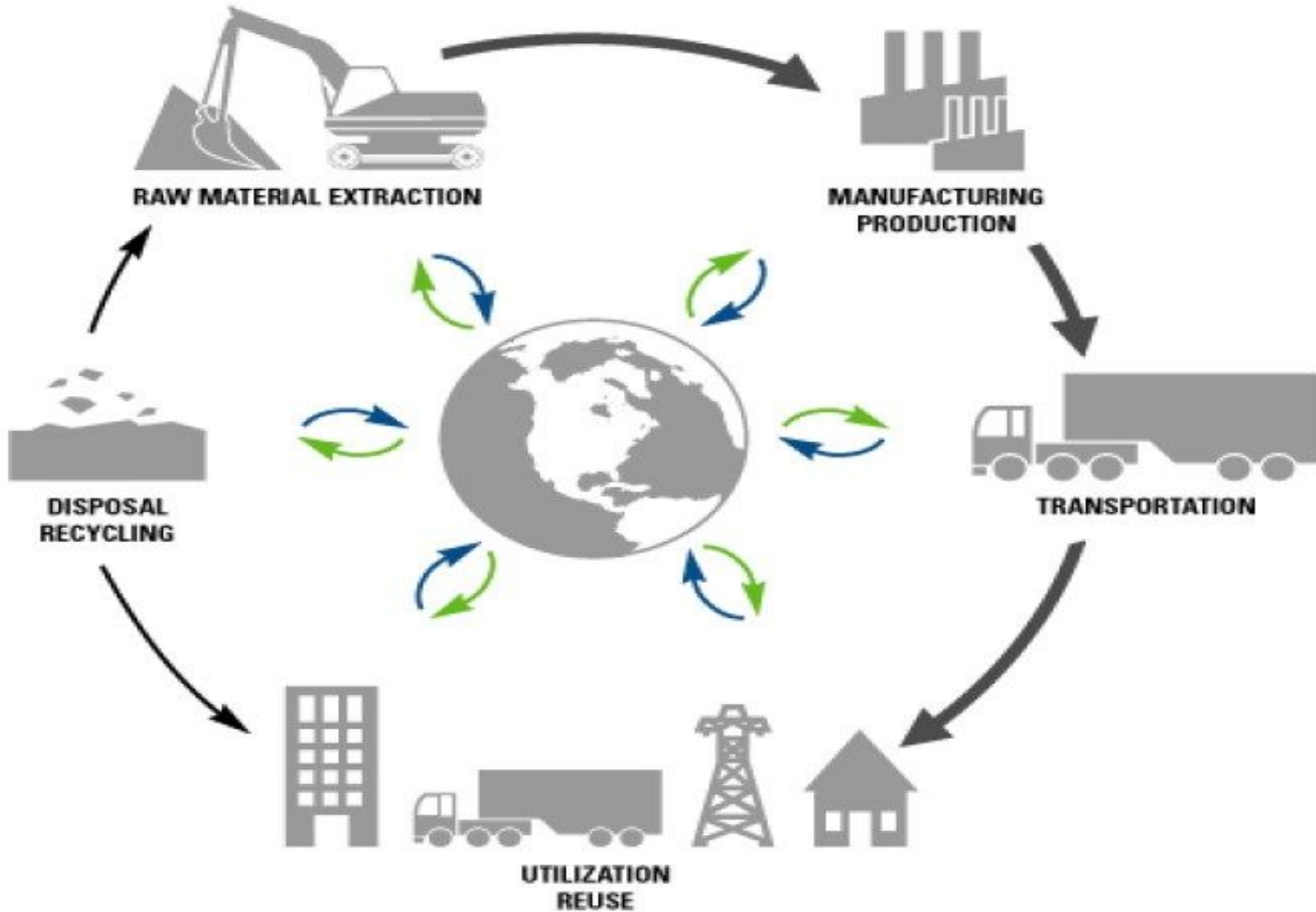
**Graph 1 : GDP by Primary, Secondary and Tertiary Sectors**



## Graph 2 : Share of Sectors in GDP (%)









# Service Sector and Economic, Growth

- Services sector in future providing about 70 per cent of the new job opportunities in the economy
- New employment possibilities in the services sector are construction, trade, transport, storage, financial services, communication and personal services
- Employment in manufacturing would also expand, but its contribution to the total increase in employment would only be around 17 per cent.
- India is among the top 15 countries with highest overall GDP in 2011, India ranked 9th in overall GDP and 10th in services GDP.
- Service sector has a share of 57 per cent in the gross domestic product (GDP) in 2011-2012.
- Services sector has been increased by 9.1 per cent

## Rising Importance of Tertiary Sector (Reasons)

In any country several services are required  
↓  
These can be considered as basic services

↓  
e.g., Hospitals, educational institutions, post and telegraph services, police stations, courts, village administrative offices, municipal corporations, defence, transport, banks, insurance, etc.

Development of agriculture leads to the development of other services

↓  
Services are—transport, trade, storage, godown, etc.

↓  
The Greater the development of primary and secondary sectors, more the demand for these services

Income levels increased

↓  
Demand of more services

↓  
e.g., Eating out, tourism, shopping, private hospitals, private schools and professional training institutes

New services added up since a decade

↓  
e.g., Information technology, communication, new banking system, etc.

↓  
The use of these services are rising rapidly



## Home assignment

1. Let's work these out page no-24
2. Let's work these out page no-23
3. Explain any five reasons for service sector growth in India.
4. How is the tertiary sector different from other sectors? Illustrate with a few examples.
5. "Tertiary sector is not playing any significant role in the development of Indian economy." Do you agree? Give reasons in support of your answer.





**THANKING YOU**  
**ODM EDUCATIONAL**  
**GROUP**

