

## Example of Economic Activity

### Example

Imagine what would happen if farmers refuse to sell sugarcane to a particular sugar mill. The mill will have to shut down.

- Imagine what would happen to cotton cultivation if companies decide not to buy from the Indian market and import all cotton they need from other countries. Indian cotton cultivation will become less profitable and the farmers may even go bankrupt.

### What does this show?

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Farmers buy many goods such as tractors, pumpsets, electricity, pesticides and fertilizers. Imagine what would happen if the price of fertilizers or pumpsets go up. Cost of cultivation of the farmers will rise and their profits will be reduced.

This is an example of primary sector i.e. agriculture being dependent on the secondary sector i.e. industry.

People working in industrial and service sectors need food. Imagine what would happen if there is a strike by transporters and farmers refuse to take vegetables, milk, etc. from rural areas.  
Food will become scarce.

4. This is an example of the primary sector being dependent on the tertiary sector.

## Primary sector

It is involved with agriculture and direct use of natural resources.

Eg: Farming, apiculture, cattle farming, etc.

## Secondary sector

It is involved with large scale, processing of natural resources; aimed at value addition.

Eg: Iron and steel industry, sugar mill, shoe factory, etc.

## Tertiary sector

It is involved with supporting the activities of primary and secondary sectors.

Example: Baking, transportation, BPO, consultancy etc.

## Primary sector

Basket weaver, Flower cultivator, Milk vendor, Fisherman, Money lender, ~~Grardena~~ Crardena, potter, Bee-keepers.

Secondary sector

Workers in match factory ~~Tertiary~~

Tertiary sector

Tailor, priest, carrier, money lender, Astronaut, call centre employee

3. Yes, classification of economic activities into primary, secondary and tertiary sector is useful as it helps in estimating the relative importance in the growth in GDP of the economy.

4. Primary Sector - A farmer working his field, a dairy owner selling dairy products and milk, a fisherman selling fish.

Secondary Sector - An engineer working in a factory, a foreman, working in a factory.

Tertiary Sector - A chartered accountant, a transporter, a banker and a teacher.