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# Sectors of the Indian Economy — CBSE Class 10 Social Science Chapter Test

FREE CHAPTER TEST · CLASS X · SOCIAL SCIENCE (087) · PATTERN OF THE CBSE SAMPLE QUESTION PAPER 2026-27

| TIME ALLOWED | MAXIMUM MARKS | QUESTIONS | NAME / ROLL NO. |
|---|---|---|---|
| 1½ hours | 40 | 20 (A 10 · B 4 · C 3 · D 1 · E 2) | |

**GENERAL INSTRUCTIONS**

Read the following instructions very carefully and strictly follow them:

1. This question paper contains 20 questions. All questions are compulsory.
2. This question paper is divided into five sections: A, B, C, D and E.
3. In Section A, Questions 1 to 8 are multiple choice questions (MCQs) and Questions 9 and 10 are assertion-reason based questions of 1 mark each.
4. In Section B, Q11–14 are very short answer (VSA) type questions, carrying 2 marks each.
5. In Section C, Q15–17 are short answer (SA) type questions, carrying 3 marks each.
6. In Section D, Q18 is a long answer (LA) type question, carrying 5 marks.
7. In Section E, Q19–20 are case study based questions, carrying 4 marks each, with sub-parts of the values of 1, 1 and 2 marks.
8. There is no overall choice. However, an internal choice has been provided in 1 question of Section B, 1 question of Section C, 1 question of Section D and in the 2-mark sub-part of each question of Section E.
9. Answer very short answer questions in about 40 words, short answer questions in about 60 words, long answer questions in about 120 words and case-based questions in about 100 words.
10. This chapter test follows the section structure, question types and marks per question of the CBSE Class X Social Science (087) Sample Question Paper 2026-27, at about half the length of the 80-mark board paper: 40 marks in 1½ hours.
11. The answer key and the marking scheme are at the end of this booklet. Attempt the paper in 1½ hours before you look at them.

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**Chapter:** Sectors of the Indian Economy (Economics: Understanding Economic Development) · **Topics:** Primary, secondary and tertiary sectors · Final goods and GDP · Historical change in sectors · Rising importance of the tertiary sector · Employment and underemployment · MGNREGA 2005 · Organised and unorganised sectors · Public and private sectors

## SECTION A

*This section comprises 10 questions of 1 mark each: 8 multiple choice questions (MCQs) and 2 assertion-reason based questions.*

**1.** Which of the following activities belongs to the secondary sector? 1

(A) Fishing
(B) Making sugar from sugarcane
(C) Banking
(D) Teaching

**2.** A farmer sells wheat worth ₹800 to a flour mill, which sells flour worth ₹1,200 to a bakery, which sells bread worth ₹2,000 to consumers. The value of final goods that should be counted in GDP is 1

(A) ₹800
(B) ₹1,200
(C) ₹4,000
(D) ₹2,000

**3.** In the example above, the value added by the flour mill is 1

(A) ₹400
(B) ₹800
(C) ₹1,200
(D) ₹2,000

**4.** In developed countries over the last hundred years, the sector that has become the most important in terms of total production is the 1

(A) primary sector
(B) secondary sector
(C) tertiary sector
(D) public sector

**5.** The value added by a producer is 1

(A) the value of its output minus the value of the intermediate goods it buys
(B) the total of all sales at every stage
(C) the total income of the country divided by its population
(D) the price of the raw materials alone

**6.** Which of the following is a feature of the unorganised sector? 1

(A) Regular employment with paid leave
(B) Jobs registered with the government and covered by its rules
(C) Fixed working hours and overtime pay
(D) Low-paid, often irregular jobs with no paid leave or job security

**7.** The sector in which the government owns most of the assets and provides all the services is the 1

(A) private sector
(B) public sector
(C) unorganised sector
(D) tertiary sector

**8.** Which sector in India continues to employ the largest share of workers, although its share of production has fallen? 1

(A) Secondary
(B) Tertiary
(C) Primary
(D) Public

**9.** **Assertion (A):** The tertiary sector has become the largest producing sector in India. 1
**Reason (R):** As income levels rise, certain sections of people start demanding more services, such as eating out, tourism, shopping and private hospitals.

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

**10.** **Assertion (A):** Workers in the organised sector enjoy security of employment. 1
**Reason (R):** Organised sector enterprises are registered by the government and have to follow its rules and regulations, such as the Factories Act and the Minimum Wages Act.

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

## SECTION B

*This section comprises 4 very short answer (VSA) type questions of 2 marks each.*

**11.** (a) What is meant by 'final goods' and 'intermediate goods'? Why is only the value of final goods counted in GDP? 2

**OR**

(b) What is Gross Domestic Product (GDP)? Who measures it in India?

**12.** Explain the meaning of underemployment (disguised unemployment) with an example from rural areas. 2

**13.** Why does the government spend money on activities such as railways, irrigation, schools and hospitals instead of leaving them to private companies? Give two reasons. 2

**14.** How can more employment be created in rural areas? Give two ways. 2

## SECTION C

*This section comprises 3 short answer (SA) type questions of 3 marks each.*

**15.** (a) Classify economic activities into three sectors, with two examples of each. 3

**OR**

(b) Why has the tertiary sector become so important in India? Give three reasons.

**16.** Explain the need to protect workers in the unorganised sector. Who are the most vulnerable among them? 3

**17.** A weaver buys yarn worth ₹1,000 and sells cloth worth ₹1,500. The spinning mill had bought cotton worth ₹600 from a farmer. (i) What is the value added at each of the three stages? (ii) Show that the total value added equals the value of the final good. (iii) What would go wrong if the sales of all three were added to find GDP? 3

## SECTION D

*This section comprises 1 long answer (LA) type questions of 5 marks each.*

**18.** (a) Distinguish between the organised and the unorganised sectors, with five points. 5

**OR**

(b) 'The shift in the share of production among the sectors in India has not been matched by a similar shift in employment.' Explain with five points.

## SECTION E

*This section comprises 2 case study based questions of 4 marks each, with sub-parts of 1, 1 and 2 marks.*

**19.** The Mahatma Gandhi National Rural Employment Guarantee Act 2005 was passed by the Central Government. All those who are able to, and are in need of, work in rural areas are guaranteed 100 days of employment in a year by the government. If the government fails in its duty to provide employment, it will give unemployment allowances to the people.

**(i)** For how many days of employment in a year does the Act guarantee work? [1]

**(ii)** What happens if the government fails to provide work? [1]

**(iii)** Why is this Act called a 'Right to Work'? Give two benefits of the work done under it. [2]

**OR**

**(iii)** Give two ways in which such an Act helps to reduce disguised unemployment and poverty in rural areas. [2]

**20.** Kanta works in an office. She attends her office from 9.30 a.m. to 5.30 p.m. She gets her salary regularly at the end of every month, and in addition gets provident fund, medical and other allowances. Her cousin Kamala works as a daily-wage labourer in a small garment shop in the same town; she is paid less and gets no leave.

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

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

**(iii)** Give two benefits that Kanta enjoys and Kamala does not. [2]

**OR**

**(iii)** How can the government protect workers like Kamala? Give two ways. [2]

**END OF THE QUESTION PAPER**

## ANSWER KEY — SECTION A

| Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Q9 | Q10 |
|---|---|---|---|---|---|---|---|---|---|
| (B) | (D) | (A) | (C) | (A) | (D) | (B) | (C) | (A) | (A) |

## MARKING SCHEME AND WORKED SOLUTIONS

*Marks for each step are shown in brackets, as in the CBSE marking scheme. Any correct alternative method earns full marks.*

**Q1. Answer (B).** Natural products are changed into other forms through manufacturing in the secondary (industrial) sector.

**Q2. Answer (D).** Only the final good (bread, ₹2,000) is counted; its value already includes the wheat and flour. Adding all stages (₹4,000) counts them twice.

**Q3. Answer (A).** Value added = value of output − value of inputs bought = 1,200 − 800 = ₹400.

**Q4. Answer (C).** First the primary sector was the most important; then the secondary sector; and in the past hundred years the tertiary (service) sector has become the most important in total production.

**Q5. Answer (A).** Value added = value of output − value of inputs (intermediate goods) bought; adding the value added at every stage gives the value of the final good.

**Q6. Answer (D).** The unorganised sector is made up of small, scattered units largely outside the control of the government; rules exist but are not followed.

**Q7. Answer (B).** Railways and post offices are examples of the public sector; in the private sector, ownership of assets and delivery of services is in the hands of private individuals or companies.

**Q8. Answer (C).** The primary sector, mainly agriculture, still employs the largest share of workers, while it produces a much smaller share of GDP than the tertiary sector.

**Q9. Answer (A).** Both true, and R is one of the reasons for the growth of the tertiary sector (along with basic services, support for other sectors and IT services). Answer (A).

**Q10. Answer (A).** Both true, and R explains A. Answer (A).

**Q11. (2 marks)** Answer: (a) final vs intermediate; avoid double counting; (b) value of final goods and services in a year; measured by a central government ministry.
**(a)** Final goods reach the consumers; intermediate goods (such as wheat used to make flour) are used up in producing final goods. [1]
The value of final goods already includes the value of all the intermediate goods used in making them; counting both would count the same value more than once (double counting). [1]
**OR (b)** GDP is the value of all final goods and services produced within a country during a particular year. [1]
In India the task of measuring GDP is undertaken by a central government ministry, with the help of various government departments of all the States and Union Territories. [1]

**Q12. (2 marks)** Answer: More workers than needed; family members on a small farm.
It is a situation in which people appear to be working but all of them are made to work less than their potential; if some are removed, output does not fall. [1]
Example: a small farmer's family of five works on a 2-hectare plot that needs only three people; two members are disguisedly unemployed and could work elsewhere without affecting production. [1]

**Q13. (2 marks)** Answer: Huge costs and high private charges; schools and health care for all are the government's duty.
Many things needed by society as a whole, such as roads, railways, harbours, electricity and irrigation, need huge spending beyond the capacity of private companies, which would also charge high rates for them; so the government provides them. [1]
Running proper schools and providing quality education and health facilities are the duty of the government, so that every citizen, including the poor, can use them. [1]

**Q14. (2 marks)** Answer: Credit, irrigation, roads and storage; small industries and food processing.
Provide cheap credit, build dams and canals for irrigation, and improve rural roads, transport and storage, so that farmers can grow more crops and more people get work. [1]
Set up small-scale industries and units such as dal mills, cold storage, honey collection and food processing in semi-rural areas; tourism and regional crafts can also create jobs. [1]

**Q15. (3 marks)** Answer: (a) primary, secondary and tertiary with examples; (b) basic services; support for other sectors and rising incomes; new IT-based services.
**(a)** Primary sector: activities that use natural resources directly — agriculture, dairy, fishing, forestry, mining. [1]
Secondary sector: natural products are changed into other forms through manufacturing — making sugar from sugarcane, weaving cloth, brick making, construction. [1]
Tertiary sector: activities that help the development of the primary and secondary sectors by providing services — transport, storage, communication, banking, trade, teaching. [1]
**OR (b)** Basic services such as hospitals, educational institutions, post and telegraph, police stations, courts, municipal corporations, defence, transport, banks and insurance companies are required in any country. [1]
The development of agriculture and industry leads to the development of services such as transport, trade and storage; as income levels rise, people demand more services such as eating out, tourism and private hospitals. [1]
Over the past decades certain new services, such as those based on information and communication technology, have become important and essential. [1]

**Q16. (3 marks)** Answer: Low pay, no leave or security; can be dismissed any time; landless labourers, small farmers, casual urban workers.
Unorganised sector jobs are low-paid and often not regular; there is no provision for overtime, paid leave, holidays or leave due to sickness, and employment is not secure. [1]
Workers can be asked to leave without any reason; when there is less work, as in some seasons, some people may be asked to leave. [1]
Most vulnerable: landless agricultural labourers, small and marginal farmers, sharecroppers and artisans in rural areas; casual workers, street vendors, head-load workers and garment makers in urban areas; most of them belong to SC, ST and backward communities. [1]

**Q17. (3 marks)** Answer: (i) ₹600, ₹400, ₹500; (ii) ₹1,500; (iii) ₹3,100, double counting.
(i) Farmer ₹600 (no inputs bought, in this example); spinning mill 1,000 − 600 = ₹400; weaver 1,500 − 1,000 = ₹500. [1]
(ii) 600 + 400 + 500 = ₹1,500, the value of the cloth (the final good). [1]
(iii) Adding all sales gives ₹3,100; the cotton would be counted three times and the yarn twice — double counting would overstate production. [1]

**Q18. (5 marks)** Answer: (a) five differences: regular terms, registration and rules, security and hours, paid leave and PF, medical and pension; (b) primary employs the largest share; others produce most; underemployment; too few new jobs; shift in production not matched by employment.

**(a)** The organised sector covers enterprises or places of work where the terms of employment are regular; the unorganised sector is made up of small and scattered units largely outside the control of the government. [1]

Organised sector units are registered by the government and have to follow rules under laws such as the Factories Act, Minimum Wages Act and Shops and Establishments Act; in the unorganised sector there are rules but these are not followed. [1]

Organised sector workers have security of employment and work only a fixed number of hours, with overtime paid; unorganised sector jobs are often not regular, and there is no overtime pay. [1]

Organised sector workers get paid leave, payment during holidays, provident fund and gratuity; unorganised workers get no paid leave or holidays. [1]

Organised workers are entitled to medical benefits and pension after retirement, and factory managers must ensure facilities such as drinking water and a safe working environment; unorganised workers have no such benefits. [1]

**OR (b)** The largest share of workers in India is still employed in the primary sector, though its share of GDP has fallen well below that of the tertiary sector. [1]

The secondary and tertiary sectors produce most of the output but employ fewer people. [1]

There is underemployment in agriculture: more people work than needed, so some are disguisedly unemployed. [1]

Not enough jobs were created in the secondary and tertiary sectors to absorb workers moving out of agriculture. [1]

Hence the shift in share of production has not been matched by a similar shift in employment. [1]

**Q19. (4 marks)** Answer: (i) 100; (ii) unemployment allowance; (iii)(a) guaranteed by law; works raise land productivity; (b) work for the underemployed; higher incomes.

**(i)** 100 days. [1]

**(ii)** It gives unemployment allowances to the people. [1]

**(iii)(a)** Employment is guaranteed by law to everyone who is able and in need of it in rural areas, so it is a legal right. [1]

The types of work under it (such as water conservation and irrigation works) help to increase production from land. [1]

**OR (iii)(b)** It gives paid work to family members who were underemployed on small farms. [1]

It raises rural incomes and so reduces poverty, especially in the lean agricultural season. [1]

**Q20. (4 marks)** Answer: (i) organised; (ii) unorganised; (iii)(a) security and regular pay; paid leave, PF, medical; (b) enforce minimum wages; credit and social security.

**(i)** The organised sector. [1]

**(ii)** The unorganised sector. [1]

**(iii)(a)** Regular salary and security of employment, with fixed working hours. [1]

Paid leave, provident fund and medical benefits. [1]

**OR (iii)(b)** By making and enforcing laws on minimum wages and working hours in small enterprises. [1]

By providing cheap credit and support to small units so that they can survive and pay workers better, and through social security schemes for unorganised workers. [1]

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