SSC

SMIT SIR COMMERCE

GSEB | ENGLISH MEDIUM

ECONOMICS

STANDARD 12

CHAPTER 10

Industrial Sector

Complete Concept Notes | Textbook-Based | Board Exam Preparation

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Learn the Concept. Understand the Logic. Write Better Answers.

How These Notes Are Built

These notes are rebuilt from your Chapter 10 source and follow its textbook sequence: importance of industry, industrial structure, government measures, SEZs and the importance of small-scale industries.

- All seven importance points of the industrial sector are explained separately.
- Industry classification is covered by investment size, ownership and product type.
- All seven government measures for industrial development are explained with economic logic.
- Special Economic Zones are explained with their source-period features and locations.
- All ten importance points of small-scale industries are expanded with examples.
- Historical limits, scheme facts and statistics are clearly marked as textbook-era information.

TEXTBOOK DATA NOTE

Investment limits, SEZ counts, ownership examples and historical employment/production figures are preserved exactly as the prescribed source presents them. They should be treated as textbook-era exam facts, not current legal classifications.

Chapter at a Glance

Section	Topic	Core Idea
10.1	Importance of Industry	Income, jobs, exports, balanced growth, agriculture, structure, society
10.2	Industrial Structure	Classification by investment, ownership and product
10.3	Government Measures	7 forms of government support
10.4	SEZ	Export-oriented, investment-attracting special zones
10.5	Small-Scale Industries	10 major economic advantages

EXAM IMPORTANT

The chapter's central idea is: Industrialisation raises productive capacity, creates employment, supports agriculture and infrastructure, and changes the structure of the economy.

Learning Objectives

- explain all seven importance points of the industrial sector.
- interpret the chapter's national-income and employment data.
- classify industries by investment size.
- classify industries by ownership.
- distinguish consumer-goods and intermediate-goods industries.
- explain all seven government measures for industrial development.
- explain the concept, purpose and textbook features of SEZ.
- explain all ten importance points of small-scale industries.
- distinguish labour-intensive and capital-intensive techniques.
- answer board MCQs, case studies and long answers confidently.

Introduction - Why Industry Matters

An economy usually contains three broad producing sectors: agriculture, industry and services. The chapter treats industry as a major engine of faster economic development.

Industrialisation expands production, employment, income, technology and infrastructure. It is also presented as important for reducing unemployment and poverty and for strengthening social and political stability.

SMIT SIR'S NOTE

Industry does not replace agriculture; the chapter repeatedly shows that industrial development and agricultural development support each other.

10.1 Importance of the Industrial Sector

No.	Importance
1	Contribution in National Income
2	Employment
3	Export Income
4	Balanced Economic Development
5	Modernization of Agriculture
6	Strengthens Economic Structure
7	Change in Social Structure

10.1.1 Contribution in National Income

TEXTBOOK DATA NOTE

Historical textbook data: industrial-sector share in national income = 16.6% in 1951 and 27% in 2013-14 at constant prices.

Meaning: As industry expands, agriculture's dominance in national income falls and the economy becomes structurally more diversified.

Industry also supports the expansion of the service sector through transport, finance, communication, trade and business services.

10.1.2 Employment

TEXTBOOK DATA NOTE

Historical textbook data: share of labour employed in industry = 10.6% in 1951 and 24.3% in 2011-12.

Industrialisation creates direct jobs in factories and indirect jobs in transport, trade, repair, finance and other linked services.

SMIT SIR'S NOTE

The source especially highlights small-scale industries because they generally use labour-intensive production techniques.

10.1.3 Export Income

When industrial production exceeds domestic requirements, surplus manufactured goods can be exported.

Foreign exchange earned from exports helps pay for scarce imports such as machinery, technology or other essential products.

TEXTBOOK DATA NOTE

Historical textbook statement: industries earned about two-thirds of export income in 2013-14.

10.1.4 Balanced Economic Development

Industrial development helps the economy grow rapidly and can also reduce regional imbalance.

The chapter notes that governments can establish public-sector enterprises in backward areas so that employment and income rise outside already-developed regions.

As incomes rise, demand expands not only for necessities but also for durable, luxury and entertainment products - creating further industrial opportunities.

REMEMBER THIS

Balanced development means growth should spread across sectors and regions, not remain concentrated in a few places.

10.1.5 Modernization of Agriculture

Agriculture requires industrial products to raise land and labour productivity.

- Tractors and farm machinery
- Threshers
- Submersible pumps
- Spraying equipment
- Chemical fertilisers
- Pesticides and other inputs

EXAM IMPORTANT

Industry supports agriculture through machines + irrigation equipment + fertilisers + crop-protection inputs.

10.1.6 Strengthens Economic Structure

Industry supplies basic materials and equipment needed for infrastructure and transport.

- Steel and cement for roads, bridges and irrigation projects
- Buses, trucks, rail equipment, aircraft, cars and two-wheelers for transport
- Defence and safety equipment that reduces external dependence

SMIT SIR'S NOTE

Core idea: industry builds the physical productive capacity of the economy.

10.1.7 Change in Social Structure

Industrialisation can create new social values and work habits.

- Discipline and hard work
- Competition
- Teamwork and co-operation
- Self-dependence
- Innovation
- Institutional capability
- Greater resistance to superstition, fatalism and narrow thinking

The chapter argues that these changes can support wider economic development.

Importance of Industry - One-Look Summary

Importance	Economic Logic
National Income	Raises productive output and structural diversification
Employment	Creates direct and indirect jobs
Exports	Earns foreign exchange
Balanced Development	Supports backward regions and broader demand
Agriculture	Supplies technology and modern inputs
Economic Structure	Builds infrastructure and transport capacity
Social Structure	Promotes modern work values and institutions

10.2 Industrial Structure

Industrial structure means the way industries are classified and organised in the economy.

The chapter classifies industries on three bases:

1. Size of Investment
2. Ownership
3. Type of Product

10.2.1 Industries by Investment Size

TEXTBOOK DATA NOTE

The investment limits below are textbook-era classifications and should not be treated as current MSME law.

Type	Investment Limit in Source	Technique	Examples
Cottage	Negligible; family run	Traditional / simple	Khadi, papad, khakhra, incense sticks
Tiny	Up to Rs.25 lakh	Labour intensive	Artistic metal, leather, clay products
Small Scale	Rs.25 lakh to Rs.5 crore	Labour intensive; may support large industries	Tools, consumer goods, repair units
Medium Scale	Rs.5 crore to Rs.10 crore	Labour or capital intensive	Machinery, chemicals, electronics
Large Scale	Above Rs.10 crore	Capital intensive	Railway equipment, heavy vehicles, iron/steel

Cottage Industries

Cottage industries are very small, often family-run units using traditional methods, simple equipment and very little capital or electricity.

Examples in source: Khadi, papad, khakhra and incense sticks.

KEY TERM - COTTAGE INDUSTRY

Small household/family-based industry using simple traditional methods and negligible investment.

Tiny and Small-Scale Industries

Tiny Industries: The source places them up to Rs.25 lakh investment and describes them as labour intensive.

Small-Scale Industries: The source places them from Rs.25 lakh to Rs.5 crore and emphasises labour-intensive production and their ancillary relationship with larger industries.

REMEMBER THIS

For board answers, use the source-period limits exactly as given in the chapter.

Medium and Large-Scale Industries

Medium Scale: Rs.5 crore to Rs.10 crore in the source; may use either labour-intensive or capital-intensive methods.

Large Scale: Above Rs.10 crore in the source; generally capital intensive and used for heavy industrial production.

Labour-Intensive vs Capital-Intensive Technique

Basis	Labour Intensive	Capital Intensive
Main Input	More labour, less capital	More capital/machinery, less labour
Employment	Higher job creation	Lower jobs per unit of capital
Suitable For	Labour-abundant economy	Capital-rich / high-tech production
Textbook Link	Small-scale industries	Large-scale industries

EXAM IMPORTANT

Small-scale industries are important in India because they can generate more employment with relatively less capital.

10.2.2 Industries by Ownership

Ownership Type	Basic Meaning
Public Sector	Owned/controlled by government
Private Sector	Owned and managed privately
Joint Sector	Government and private participation under source framing
Co-operative Sector	Run on co-operative basis for common benefit

10.2.2.1 Public Sector Units

KEY TERM - PUBLIC SECTOR UNIT

Industrial unit whose ownership and administration are under government control.

The chapter divides public-sector units into three categories:

1. Departmental Industries
2. Public Corporations
3. Joint Stock Companies

Departmental Industries

These are directly run as government departments. Their income and expenditure are included in the government budget.

Examples in source: Railways and Post.

Public Corporations

These are owned by central or state government but their administration is placed under an independently organised corporation.

Examples in source: LIC, State Transport Corporation, Air India, GSFC and GNFC.

KEY TERM - PUBLIC CORPORATION

Government-owned unit administered through an autonomous statutory/corporate structure in the source.

Government Joint Stock Companies

The source describes these as units managed like companies under prevailing company law, with government raising capital through shares.

Examples: BHEL, ONGC and IOC.

SMIT SIR'S NOTE

Do not confuse this source category with the separate Joint Sector category explained later.

10.2.2.2 Private Sector Industries

Private-sector industries are owned and managed by individuals, partnerships or other private owners.

Examples in source: car, television and footwear manufacturing units.

KEY TERM - PRIVATE SECTOR

Industries whose ownership and management are in private hands.

10.2.2.3 Joint Sector Industries

The source treats joint sector as a separate ownership category involving government and private/public participation and gives GSPC as an example.

TEXTBOOK DATA NOTE

The exact ownership wording in the source is internally unusual. These notes preserve the textbook category and example rather than replacing it with outside legal definitions.

10.2.2.4 Co-operative Sector Industries

These industries operate on co-operative principles to reduce exploitation of small owners, labourers or consumers and to distribute benefits among members.

Examples in source: IFFCO and KRIBHCO; the chapter also mentions co-operative dairies, banks and essential-goods shops.

KEY TERM - CO-OPERATIVE SECTOR

Industries owned/managed on co-operative principles for collective benefit.

Ownership Types - Comparison

Type	Ownership / Control	Example from Source
Public	Government	Railways, LIC, BHEL
Private	Private individuals / firms	Car, TV, footwear units
Joint Sector	Government + private participation in source framing	GSPC
Co-operative	Members on co-operative basis	IFFCO, KRIBHCO

10.2.3 Industries by Product

Type	Meaning	Examples
Consumer Goods Industries	Produce goods that directly satisfy consumer wants	Ghee, oil, soap, shampoo, powder
Intermediate Goods Industries	Produce semi-finished goods used in further production	Yarn, steel sheets, machinery

Consumer Goods vs Intermediate Goods

Consumer Goods: Final-use goods purchased directly for consumption.

Intermediate Goods: Goods that still pass through another stage of production before final use.

REMEMBER THIS

Consumer good = direct use. Intermediate good = used for further production.

10.3 Government Measures for Industrial Development

No.	Measure
1	State-Owned Enterprises
2	Encouragement / Promotion of Private Sector
3	Import Tariff
4	Technical Skills and Training
5	Economic Support
6	Infrastructural Facilities / Services
7	Institutes and Industrial Policies

10.3.1 State-Owned Enterprises

Basic and key industries may require huge capital and involve high risk. Private investors may hesitate to enter them.

Government therefore establishes strategic/basic enterprises whose output supports other industries and the wider economy.

SMIT SIR'S NOTE

Public-sector investment can create the foundation on which private industry grows.

10.3.2 Promotion of Private Sector

Government can support private industry through:

- Concessional land
- Electricity and water facilities
- Tax concessions
- Cheap and adequate finance
- Opening previously reserved areas for private participation

10.3.3 Import Tariff

KEY TERM - IMPORT TARIFF

Tax imposed on imported goods.

An import tariff raises the domestic price of foreign products. This can protect local producers from very cheap foreign competition.

Logic: Imported goods become costlier -> domestic products become relatively more competitive -> local industry receives protection.

10.3.4 Technical Skills and Training

Under liberalisation and globalisation, domestic firms face strong international competition.

Government training may cover new technologies, modern products, marketing techniques and administration so that firms remain competitive.

10.3.5 Economic Support

Government may lower industrial production costs by providing supportive facilities such as:

- Concessional land
- Water
- Electricity
- Telephone/communication
- Transport
- Finance

Lower cost improves price competitiveness in domestic and international markets.

10.3.6 Infrastructural Facilities and Services

Industry needs reliable basic infrastructure such as roads, water, electricity, banks, insurance and sewage systems.

Good infrastructure saves time, effort and cost, helping firms become more competitive.

REMEMBER THIS

Infrastructure is an indirect subsidy to productivity: firms can focus on production instead of creating every basic facility themselves.

10.3.7 Institutes and Industrial Policies

Government shapes industrial growth through industrial, import, export, monetary, fiscal and tax policies.

It also creates legal frameworks to reduce unfair competition and establishes institutions that provide industrial finance.

- IDBI
- SIDBI
- ICICI
- IFCI
- LIC
- GIC

The source also notes efforts to attract foreign investment.

Government Measures - One-Look Logic

Measure	How It Helps Industry
State Enterprises	Builds high-risk basic/key industries
Private-Sector Promotion	Reduces entry and operating burden
Import Tariff	Protects domestic industry from import competition
Technical Training	Improves skills and competitiveness
Economic Support	Reduces production cost
Infrastructure	Saves time and raises efficiency
Institutes & Policies	Provides finance, laws and policy support

10.4 Special Economic Zones - SEZ

KEY TERM - SEZ

Special Economic Zone - specially developed area intended to promote exports and attract investment under favourable policy conditions.

The source states that SEZs were introduced from 1 April 2000.

- Attract foreign investment
- Create a relatively control-free environment for exports
- Make Indian producing sectors globally competitive
- Provide tax incentives
- Promote export-oriented production and FDI

TEXTBOOK DATA NOTE

The source describes SEZs as tax-free zones inspired by China's SEZ model. Treat this as textbook-period framing.

SEZ Locations Listed in the Textbook

TEXTBOOK DATA NOTE

Historical textbook list: eight SEZs.

State / Region	SEZ Location
Maharashtra	Santacruz
Kerala	Kochin
Gujarat	Kandala and Surat
Tamil Nadu	Chennai
Andhra Pradesh	Visakhapattanam
West Bengal	Falta
Uttar Pradesh	Noida

SMIT SIR'S NOTE

Board fact from source: 8 SEZs are listed, with 18 more proposed.

Who Can Establish an SEZ?

According to the source, an SEZ may be started by:

- Private persons
- Government
- Joint sector
- State government or representative bodies
- Foreign institutions

The source also states that such SEZs remain subject to government control.

10.5 Importance of Small-Scale Industries

Small-scale industries are presented as especially suitable for a labour-abundant, capital-scarce developing economy.

TEXTBOOK DATA NOTE

Textbook-era definition: investment above Rs.25 lakh and below Rs.5 crore.

No.	Importance
1	Employment Generation
2	Increase in Production
3	Increase in Production Units
4	Exports
5	Labour-Intensive Technique
6	Saving of Foreign Exchange
7	Short Period of Time
8	Balanced Regional Development
9	Decentralisation
10	High Rate of Development

1. Employment Generation

Small-scale industries use more labour relative to capital, so they have strong employment potential.

TEXTBOOK DATA NOTE

Historical textbook employment figures: 191.40 lakh (1994-95), 249.33 lakh (2001-02), 1,012.59 lakh (2011-12).

EXAM IMPORTANT

Core logic: Labour-intensive technique -> more employment per unit of capital.

2. Increase in Production

Many small producers together can contribute significantly to national production even though each individual unit uses relatively little capital.

TEXTBOOK DATA NOTE

Historical source production values: Rs.1,22,154 crore (1994-95), Rs.2,82,270 crore (2001-02), Rs.18,34,332 crore (2011-12).

3. Increase in Production Units

Small units can be started more easily because capital requirements are lower.

TEXTBOOK DATA NOTE

Historical source number of units: 79.60 lakh (1994-95), 105.21 lakh (2001-02), 447.73 lakh (2011-12).

The chapter interprets this rise as evidence of wider industrialisation.

4. Exports

Small-scale industries also earn foreign exchange by exporting their output.

TEXTBOOK DATA NOTE

Historical source exports: Rs.29,068 crore (1994-95), Rs.71,244 crore (2001-02), Rs.1,77,600 crore (2006-07).

5. Labour-Intensive Production Technique

Labour-intensive production uses more labour and less capital.

This is considered suitable for India in the source because labour availability is high and capital is relatively scarce.

REMEMBER THIS

Labour-abundant economy -> labour-intensive technique can absorb more workers.

6. Saving of Foreign Exchange

Small-scale industries can save foreign exchange in two ways:

1. Earn foreign exchange through exports.
2. Reduce import expenditure by producing goods domestically.

The chapter therefore links small industries with improvement in the Balance of Payments.

7. Short Period of Time

Small industries can generally be established and begin production quickly because they need less capital, simpler equipment and shorter preparation time.

This helps overcome temporary shortages of goods more quickly than very large projects with long gestation periods.

8. Balanced Regional Development

Small units can be established in many parts of the country using local capital, materials and labour.

This spreads industry beyond a few big cities and can reduce the gap between developed and backward regions.

EXAM IMPORTANT

Small scale industries support regional balance by spreading jobs and income geographically.

9. Decentralisation

Large-scale industry may concentrate capital and wealth in the hands of a small number of large investors.

Small-scale industry permits many small producers to own productive assets and earn income, helping decentralise economic power.

KEY TERM - DECENTRALISATION

Wider distribution of ownership, production, income and economic opportunity instead of concentration in a few hands.

10. High Rate of Development

Small-scale units require less capital, shorter setup time and can adjust more quickly to changes in market demand.

When many such units expand simultaneously, production and income can rise rapidly.

SMIT SIR'S NOTE

The chapter's argument is that small investment + many producers + flexibility can create a high development rate.

Small-Scale Industries - Historical Data Snapshot

TEXTBOOK DATA NOTE

All figures below are historical textbook data.

Indicator	1994-95	2001-02	Latest Source Year
Employment (lakh)	191.40	249.33	1,012.59 (2011-12)
Production (Rs. crore)	1,22,154	2,82,270	18,34,332 (2011-12)
Units (lakh)	79.60	105.21	447.73 (2011-12)
Exports (Rs. crore)	29,068	71,244	1,77,600 (2006-07)

Small-Scale vs Large-Scale Industries

Basis	Small Scale	Large Scale
Capital Need	Relatively low	Very high
Technique	Mostly labour intensive	Mostly capital intensive
Employment	High per unit of capital	Lower per unit of capital
Setup Time	Shorter	Longer
Geographical Spread	Can be widely dispersed	Often concentrated
Flexibility	High	Lower
Role	Employment, decentralisation, regional balance	Heavy industry, large output, infrastructure

How the Chapter Connects Together

Idea	Connection
Industrialisation	Raises income and employment
Large / Basic Industry	Builds infrastructure and productive capacity
Small Industry	Spreads jobs, ownership and regional development
Government Policy	Provides protection, finance and infrastructure
SEZ	Promotes exports and foreign investment
Agriculture + Industry	Mutually supportive through machinery, inputs and demand

Common Mistakes Students Make

COMMON MISTAKE

Wrong idea: Industrial development benefits only industry.
Correct idea: The chapter shows links with agriculture, infrastructure, exports, employment and social change.

COMMON MISTAKE

Wrong idea: A fall in agriculture's share means agriculture became useless.
Correct idea: It mainly reflects structural change as industry/services grow.

COMMON MISTAKE

Wrong idea: Public corporation and departmental industry are the same.
Correct idea: Departmental industries are directly run as government departments; public corporations have separate administration.

COMMON MISTAKE

Wrong idea: Joint stock company and joint sector are identical.
Correct idea: The source treats them as separate categories.

COMMON MISTAKE

Wrong idea: Consumer goods and intermediate goods are the same.
Correct idea: Consumer goods directly satisfy wants; intermediate goods require further production.

COMMON MISTAKE

Wrong idea: Import tariff makes imported goods cheaper.
Correct idea: It raises their price and protects domestic producers.

COMMON MISTAKE

Wrong idea: SEZ means ordinary industrial area with no special policy.
Correct idea: The source describes SEZs as export/investment zones with special incentives.

COMMON MISTAKE

Wrong idea: Investment limits in the chapter are current law.
Correct idea: They are textbook-era classifications.

COMMON MISTAKE

Wrong idea: Small-scale industry is unimportant because each unit is small.
Correct idea: The chapter stresses the combined effect on jobs, output, exports and regional development.

COMMON MISTAKE

Wrong idea: Labour-intensive means using no machinery.
Correct idea: It means relatively more labour and less capital, not zero machinery.

How to Write Major Answers in the Exam

Q1. Explain the Importance of the Industrial Sector

Best structure: Write all 7 points in textbook sequence with one economic effect each.

Q2. Explain Industrial Structure

Best structure: Investment -> Ownership -> Product.

Q3. Explain Industries by Ownership

Best structure: Public (3 subtypes) -> Private -> Joint -> Co-operative.

Q4. Explain Government Measures for Industrial Development

Best structure: State enterprise -> Private support -> Tariff -> Training -> Economic support -> Infrastructure -> Institutes/policies.

Q5. Explain SEZ

Best structure: Meaning -> 1 April 2000 -> objectives -> incentives -> locations.

Q6. Explain Importance of Small-Scale Industries

Best structure: Write all 10 points with one line of explanation each.

Practice Set A - MCQs

1. Industrial sector share in national income in 2013-14 in source was:

- A. 27%
- B. 16.6%
- C. 24.3%
- D. 49%

2. Industrial employment share in 2011-12 was:

- A. 24.3%
- B. 10.6%
- C. 27%
- D. 49%

3. Which is an importance of industry?

- A. Modernization of agriculture
- B. Reduction of all trade
- C. Elimination of services
- D. No employment

4. Large-scale industries in the source require:

- A. More than Rs.10 crore
- B. Up to Rs.25 lakh
- C. Rs.25 lakh only
- D. No investment

5. Tiny industries in the source are:

- A. Up to Rs.25 lakh
- B. Above Rs.10 crore
- C. Rs.5-10 crore
- D. Zero only

6. Small-scale industries in source are:

- A. Rs.25 lakh to Rs.5 crore
- B. Above Rs.10 crore
- C. Up to Rs.25 lakh only
- D. Rs.5-10 crore

7. Which is a public-sector example?

- A. Railways
- B. Private shoe company
- C. Household tailoring only
- D. None

8. Which is a public corporation example?

- A. LIC
- B. Household firm
- C. Private partnership only
- D. Cottage unit

9. Which is a government joint stock company example?

- A. BHEL
- B. Papad unit
- C. Private shoe unit
- D. Cottage industry

10. Which is a co-operative-sector example?

- A. IFFCO
- B. BHEL
- C. Railways
- D. Private TV unit

11. Consumer goods directly:

- A. satisfy consumer wants
- B. require one more stage necessarily
- C. are only exports
- D. are only services

12. Import tariff is:

- A. tax on imports
- B. subsidy to imports
- C. export tax only
- D. no tax

13. SEZ was introduced in source from:

- A. 1 April 2000
- B. 1 April 1991
- C. 15 Aug 1947
- D. 1 Jan 2011

14. How many SEZs are listed in source?

- A. 8
- B. 18
- C. 7
- D. 10

15. Small-scale industries mainly use:

- A. Labour-intensive technique
- B. Only capital-intensive technique
- C. No labour
- D. No capital

Practice Set B - Conceptual MCQs

16. Government establishes a steel plant in a backward area. Which industrial benefit?

- A. Balanced regional development
- B. Population control
- C. Exchange-rate change
- D. BoP deficit

17. Factory produces tractors and pumps used by farmers. Which industrial role?

- A. Modernization of agriculture
- B. Public debt
- C. Population growth
- D. Barter

18. Government taxes cheap imports to protect local firms. Which measure?

- A. Import tariff
- B. SEZ
- C. Co-operative sector
- D. Consumer goods

19. A unit directly run as part of a ministry is:

- A. Departmental industry
- B. Private sector
- C. Co-operative
- D. Joint sector

20. A government-owned unit with separate corporation administration is:

- A. Public corporation
- B. Cottage industry
- C. Private firm
- D. Consumer good

21. Soap manufacturer is classified by product as:

- A. Consumer-goods industry
- B. Intermediate industry
- C. SEZ only
- D. Public corporation

22. Steel sheet used in further production is:

- A. Intermediate good
- B. Consumer good
- C. Final service
- D. Currency

23. Government offers cheap land, water and electricity to industries. Which measure?

- A. Economic support
- B. Population policy
- C. Exchange rate
- D. BoP

24. Many small units open in backward districts. Main benefit?

- A. Balanced regional development
- B. Centralisation
- C. Fewer jobs
- D. Higher import dependence

25. A small unit uses more workers and less machinery. Technique?

- A. Labour intensive
- B. Capital intensive
- C. No production
- D. Monetary

MCQ Answer Key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	A	2	A	3	A	4	A	5	A
6	A	7	A	8	A	9	A	10	A
11	A	12	A	13	A	14	A	15	A
16	A	17	A	18	A	19	A	20	A
21	A	22	A	23	A	24	A	25	A

Board-Style One-Line Questions

- State the contribution of industry to national income in 2013-14 according to the source.
- State the industrial employment share in 2011-12.
- What is a cottage industry?
- What is a medium-scale industry?
- What is a public corporation?
- What is private-sector industry?
- What is co-operative-sector industry?
- What is a consumer-goods industry?
- What is an intermediate-goods industry?
- What is import tariff?
- What is SEZ?
- When were SEZs introduced according to the source?
- What is labour-intensive technique?
- What is decentralisation?

Board-Style Short / Brief Questions

- Explain contribution of industry to national income.
- Explain employment importance of industry.
- Explain industrial sector and agricultural modernization.
- Explain industries by investment size.
- Explain departmental industries.
- Explain public corporations.
- Explain co-operative-sector industries.
- Explain import tariff as an industrial-development measure.
- Explain technical training and infrastructure support.
- Explain the purpose of SEZ.
- Explain any five advantages of small-scale industries.

Board-Style Detailed Questions

- Explain the importance of the industrial sector.
- Explain the industrial structure of India.
- Explain industries on the basis of ownership.
- Explain the measures taken by government for industrial development.
- Write a detailed note on Special Economic Zones.
- Explain the importance of small-scale industries.
- Differentiate labour-intensive and capital-intensive production techniques.

Application / Case-Based Practice

Case 1

A family makes papad at home with simple tools and almost no investment.

Answer: Cottage industry.

Case 2

A government ministry directly runs an industrial/service unit through its budget.

Answer: Departmental public-sector unit.

Case 3

A government-owned corporation has separate administration.

Answer: Public corporation.

Case 4

A firm produces steel sheets that other factories use.

Answer: Intermediate-goods industry.

Case 5

Government raises tax on imported finished goods to protect local firms.

Answer: Import tariff.

Case 6

A special zone offers tax incentives to export-oriented firms and attracts foreign investment.

Answer: SEZ.

Case 7

A small industrial unit creates many jobs using little machinery.

Answer: Labour-intensive small-scale industry.

Case 8

Small units are spread across backward districts and create local jobs.

Answer: Balanced regional development.

Chapter Glossary

Term	Simple Meaning
Industrialisation	Expansion and development of industrial production.
Cottage Industry	Family-based very small industry using simple methods.
Tiny Industry	Very small industry under the source's investment limit.
Small-Scale Industry	Industry within the source's small-investment range, generally labour intensive.
Medium-Scale Industry	Industry in the source's Rs.5-10 crore range.
Large-Scale Industry	Industry above the source's Rs.10 crore range.
Public Sector	Government-owned/controlled sector.
Public Corporation	Government-owned unit with independent corporate administration.
Private Sector	Privately owned and managed industry.
Joint Sector	Government-private participation under source framing.
Co-operative Sector	Member-owned industry run for collective benefit.
Consumer Goods	Goods directly satisfying consumer wants.
Intermediate Goods	Goods used in further production.
Import Tariff	Tax on imports.
SEZ	Special Economic Zone.
Labour Intensive	Technique using relatively more labour than capital.
Capital Intensive	Technique using relatively more capital than labour.
Decentralisation	Spread of ownership/income/production among many producers.

5-Minute Chapter Revision

Importance: NI, Employment, Export, Balanced Growth, Agriculture, Structure, Society.

Investment Types: Cottage, Tiny, Small, Medium, Large.

Ownership: Public, Private, Joint, Co-operative.

Public Sector Subtypes: Departmental, Public Corporation, Joint Stock Company.

Products: Consumer + Intermediate.

Government Measures: 7.

SEZ: 1 April 2000 in source; attract FDI and exports.

SSI: Labour intensive; 10 importance points.

Core SSI Benefits: Jobs, output, exports, forex saving, regional balance, decentralisation.

EXAM IMPORTANT

Ultra-short memory: Industry builds capacity; small industry spreads jobs and ownership.

One-Page Master Revision Sheet

Topic	Must Remember
Importance of Industry	7 points
NI Contribution	16.6% (1951) -> 27% (2013-14) source
Employment	10.6% -> 24.3% source
Investment Types	5
Ownership Types	4
Public Sector Subtypes	3
Product Types	2
Government Measures	7
SEZ Start	1 April 2000 source
SEZ Count	8 listed + 18 proposed in source
SSI Range	Rs.25 lakh to Rs.5 crore - source
SSI Technique	Labour intensive
SSI Importance	10 points
Industrial Finance Institutions	IDBI, SIDBI, ICICI, IFCI, LIC, GIC

Have You Mastered This Chapter?

- [ ] I can explain all 7 importance points.
- [ ] I can classify industries by all 3 bases.
- [ ] I can explain public-sector subtypes.
- [ ] I can explain all 7 government measures.
- [ ] I can explain SEZ with source facts.
- [ ] I can explain all 10 SSI benefits.
- [ ] I can distinguish labour-intensive and capital-intensive techniques.
- [ ] I know which limits and statistics are textbook-era.

CHAPTER 10 COMPLETE

Industrial Sector

SMIT SIR'S FINAL MESSAGE

This chapter becomes easy when you see the structure: industry creates productive capacity, government builds the environment for industry, SEZs promote investment and exports, and small-scale industries spread jobs, production and ownership across the economy.

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