PAPER I - INDIAN ECONOMY & INDIAN FINANCIAL SYSTEM

Module A: INDIAN ECONOMIC ARCHITECTURE

Chapter 3: SECTORS OF THE INDIAN ECONOMY

MCQs Practice Pack

Question 1: Which economic sector is primarily concerned with the highest level of decision-making and is often considered the "brain" behind an economy's performance, including roles like senior executives and top government officials?

A. Primary Sector

B. Tertiary Sector

C. Quaternary Sector

D. Quinary Sector

Question 2: An industry that is new and growing rapidly, with a high potential for future success and job creation, is commonly referred to as what?

A. A Legacy Sector

B. A Sunrise Sector

C. A Quaternary Sector

D. An Organised Sector

Question 3: What is the fundamental role of the Secondary Sector in an economy?

A. To provide essential public and private services.

B. To extract and harvest raw materials directly from nature.

C. To process raw materials and manufacture finished goods.

D. To engage in research and development activities.

Question 4: Which of the following is the best example of an activity within the Quaternary, or 'knowledge', sector?

A. A farmer growing wheat.

B. A factory worker assembling cars.

C. A software developer writing code for a new application.

D. A government minister setting national policy.

Question 5: A key characteristic of the Organised Sector is that it is governed by various acts and regulations. Which of the following is a direct benefit for an employee in this sector?

A. Daily wages paid in cash.

B. No fixed working hours.

C. Job security and social security benefits like a provident fund.

D. The freedom to join or leave the job without notice.

Question 6: Complete the following sentence: An economy is referred to as an __________ economy if at least half of its national income and livelihood is generated by agriculture and its allied activities.

A. industrial

B. agrarian

C. service

D. unorganised

Question 7: Complete the following sentence: The __________ sector is characterized by unstable and irregular work, and it is not governed by the same acts and regulations that protect workers in the formal economy.

A. Quinary

B. Organised

C. Secondary

D. Unorganised

Question 8: Which of the following statements about the sectors of an economy is TRUE?

A. The Primary sector is also known as the service sector.

B. The Tertiary sector's main function is to provide raw materials.

C. The Quaternary sector is a sub-sector of the Tertiary sector that deals with knowledge and information-based activities.

D. The Secondary sector is mainly composed of unorganised and traditional production methods.

For Question 9, use the following table to find the correct match.

Column A (Agricultural Revolution)	**Column B (Related Product)**
1. White Revolution	a. Oil Seeds
2. Blue Revolution	b. Milk / Dairy
3. Yellow Revolution	c. Jute
4. Golden Fibre Revolution	d. Fish / Aquaculture

Question 9: From the table above, which of the following is a correct match?

A. 1-d

B. 2-c

C. 3-a

D. 4-b

Question 10: Which of the following is the most defining characteristic of the Unorganised Sector?

A. Employees receive a regular monthly salary.

B. Employment terms are not fixed, and enterprises are not registered with the government.

C. All government rules are strictly followed.

D. The employer makes a mandatory contribution to the employee's provident fund.

Answer Key & Explanations

Q. No	Correct Answer	Explanation
1	D	The **Quinary Sector** represents the highest tier of decision-makers in a society or economy, whose decisions have a significant impact on all other sectors.
2	B	A **Sunrise Sector** is an emerging industry that shows promise of rapid growth and is expected to become a significant contributor to the economy in the future.
3	C	The **Secondary Sector** (or industrial sector) takes the raw materials from the primary sector and **transforms them into finished goods**, adding value in the process.
4	C	The Quaternary Sector is the knowledge-based part of the economy. **Software development** is a prime example as it involves creating, managing, and processing information.

Q. No	Correct Answer	Explanation
5	C	The **Organised Sector** is defined by its adherence to government regulations, which provides employees with formal benefits like **job security and social security (e.g., PF)**, which are absent in the unorganised sector.
6	B	An **agrarian** economy is one that is fundamentally based on agricultural production, where the primary sector is the largest contributor to national income and employment.
7	D	The **Unorganised Sector** is defined by its lack of formal structure, registration, and regulation, leading to irregular work and a lack of legal protection for its workers.
8	C	Statement C is true. The Quaternary sector, focused on knowledge, and the Quinary sector, focused on high-level decisions, are considered advanced sub-sectors of the broader Tertiary (service) sector.
9	C	The **Yellow Revolution (3-a)** is the term used for the mission to dramatically increase the production of edible **Oil Seeds** in India to achieve self-sufficiency. (White=Milk, Blue=Fish, Golden Fibre=Jute).
10	B	The most fundamental difference is that the **Unorganised Sector** consists of small, scattered units that are largely outside government control, meaning **employment terms are not fixed or regular**.