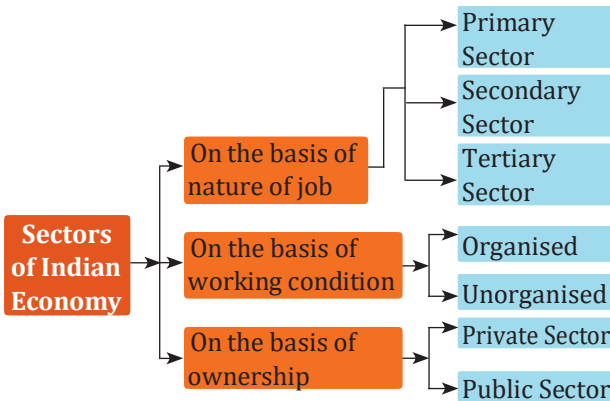


Economics and Economy

- ❑ Economics is a science that studies economic activities of individuals or entities and develops possible models for their functioning.
- ❑ Economic agents can be individuals, businesses, organizations, or governments. The area can be a region or a country.
- ❑ Economy is an area of the production, distribution, or trade, and consumption of goods and services by different economic agents.
- ❑ Indian Economy is referred to production, distribution, trade and consumption of goods and services within Indian Territory.
- ❑ An economy is the result of a set of processes that involves its culture, education, technological evolution, history, social organization as well as its geography, natural resource endowment and ecology.

Classification of Sectors of Economy

Classification of Sectors of Indian Economy



On the basis of Nature of Job

Primary Sector

- ❑ It is concerned with the extraction of raw materials.
- ❑ Agriculture, mining, fishing, forestry, dairy etc., are some examples of the primary sector.

- ❑ Goods in this sector are produced by exploiting natural resources. It forms the base for all other products that we subsequently make.
- ❑ People engaged in primary activities are called red-collar workers.

Secondary Sector

- ❑ It includes the industries where finished products are made from raw material produced in the primary sector.
- ❑ Industrial production, textile, sugar, bread, automobiles, oil refinery etc., comes under this sector.
- ❑ In this sector natural products change into other forms through ways of manufacturing associated with industrial activity. For example: cotton fibre to yarn and then clothes, sugarcane is used for making sugar, and iron ore is used for making iron and steel.
- ❑ People engaged in secondary activities are called blue collar workers.

Tertiary Sector (or Service Sector)

- ❑ This sector's activities help in the development of the primary and secondary sectors.
- ❑ These activities, by themselves, do not produce good but they are an aid or a support for the production process.
- ❑ Transport, storage, communication, banking, Insurance, trade are some examples of tertiary activities.
- ❑ These activities generate services rather than goods, therefore, the tertiary sector is also called the service sector.
- ❑ Service sector also includes some essential services that may not directly help in the production of goods for example, teachers, doctors, and those who provide personal services such as washer men, barbers, cobblers, lawyers, and people who do