

OPEN STUDENT FOUNDATION

Chapters : 6

Std-12 Economics Practice Sheet Day 6

Date : 24/02/24

Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [10]
- The unemployment generated due to new technology is (March-2018, July-2022)
(A) Frictional (B) Cyclical (C) Half (D) Seasonal
 - Which production technique is important to increase unemployment? (March-2018, July-2019, July-2022)
(A) Capital intensive technique (B) Labour intensive technique
(C) Agricultural intensive technique (D) Educational intensive technique
 - The unemployment generated by new production technique and technology is known as (July-2018)
(A) Disguised (B) Cyclical (C) Frictional (D) Half
 - Which day is declared as an employment day? (July-2018)
(A) 2nd Oct. (B) 2nd Feb. (C) 1st May (D) 17nd Nov.
 - In which reference to the concept of unemployment is discussed? (March-2019)
(A) Poverty (B) Population
(C) Education (D) Active labour migration
 - With reference to which compulsory unemployment concept is discussed? (July-2019, May-2021)
(A) Active (B) Inactive (C) Children (D) Senior citizens
 - Who decided the 4 types of measures of unemployment? (March-2020, Aug-2020, May-2021, March-2022)
(A) Rajkrishna (B) Mahalnobis (C) Keins (D) Rodan
 - Which unemployment does produce zero marginal productivity? (Aug-2020)
(A) Cyclical (B) Frictional (C) Disguised (D) Half
 - Which is an active age group of labour supply? (March-2022)
(A) 15 to 60 years (B) 20 to 60 years (C) 15 to 64 years (D) 18 to 35 years
 - Which type of unemployment arises due to the scarcity of effective demand ? (March-2023)
(A) Frictional (B) Seasonal (C) Cyclic (D) Disguised

Section B

- Write the answer of the following questions. [Each carries 2 Marks] [6]
- Explain meaning of full unemployment. (March-2018, Aug-2020, March-2023)
 - Explain frictional unemployment with examples. (July-2019, March-2019, Aug-2020, May-2021)
 - “Labour intensive technique is more applicable for India.” - Explain. (July-2018, July-2019, March-2020, May-2021)

Section C

- Write the answer of the following questions. [Each carries 3 Marks] [15]
- State the concept of cyclical unemployment. (July-2018)
 - Defective education methods are responsible for unemployment. (July-2019, March-2020, Aug-2020)

16. Explain frictional unemployment with examples. (March-2022, March-2023)
17. Explain the concept of disguised unemployment. (May-2021)
18. Explain MGNREGA. (July-2022)



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Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [10]
1. The unemployment generated due to new technology is (March-2018, July-2022)
(A) Frictional (B) Cyclical (C) Half (D) Seasonal
⇒ Ans : (A)
 2. Which production technique is important to increase unemployment? (March-2018, July-2019, July-2022)
(A) Capital intensive technique (B) Labour intensive technique
(C) Agricultural intensive technique (D) Educational intensive technique
⇒ Ans : (A)
 3. The unemployment generated by new production technique and technology is known as (July-2018)
(A) Disguised (B) Cyclical (C) Frictional (D) Half
⇒ Ans : (C)
 4. Which day is declared as an employment day? (July-2018)
(A) 2nd Oct. (B) 2nd Feb. (C) 1st May (D) 17nd Nov.
⇒ Ans : (B)
 5. In which reference to the concept of unemployment is discussed? (March-2019)
(A) Poverty (B) Population
(C) Education (D) Active labour migration
⇒ Ans : (D)
 6. With reference to which compulsory unemployment concept is discussed? (July-2019, May-2021)
(A) Active (B) Inactive (C) Children (D) Senior citizens
⇒ Ans : (A)
 7. Who decided the 4 types of measures of unemployment? (March-2020, Aug-2020, May-2021, March-2022)
(A) Rajkrishna (B) Mahalnobis (C) Keins (D) Rodan
⇒ Ans : (A)
 8. Which unemployment does produce zero marginal productivity? (Aug-2020)
(A) Cyclical (B) Frictional (C) Disguised (D) Half
⇒ Ans : (C)
 9. Which is an active age group of labour supply? (March-2022)
(A) 15 to 60 years (B) 20 to 60 years (C) 15 to 64 years (D) 18 to 35 years
⇒ Ans : (C)
 10. Which type of unemployment arises due to the scarcity of effective demand ? (March-2023)
(A) Frictional (B) Seasonal (C) Cyclic (D) Disguised

➡ Ans : (C)

Section B

● Write the answer of the following questions. [Each carries 2 Marks] [6]

11. Explain meaning of full unemployment. (March-2018, Aug-2020, March-2023)

- ➡ Those individuals who are ready to work at the current wage rate and possess qualifications too, but do not get any job are said to be 'fully unemployed or openly unemployed'.
- ➡ Commonly, the country in which labour supply increases fast and the process of urbanisation is also fast, over there, high rate of full unemployment can be seen.
- ➡ This type of unemployment is seen more in cities than in villages. Open unemployed people are those who migrate from villages to cities in search of a job. People suffering from open unemployment are educated or less trained/ skilled persons.
- ➡ Open unemployment can be seen more among the age group of 15 to 25 years. People with open unemployment cannot work and cannot get work, but such people consume goods and spend. Hence, they become a burden and reason for low productivity.

12. Explain frictional unemployment with examples. (July-2019, March-2019, Aug-2020, May-2021)

- ➡ When in the production process, because of changes in demand or production or due to change in taste and preferences or new technology, new goods enter the market and unemployment arises, then this unemployment is called frictional unemployment.
- ➡ In a developed nation when the old production system is replaced by a new production system then the units with the old production system face economic loss and shut down. As a result, the labourers working in those units remain unemployed till they don't learn the work according to the new technology. This unemployment is for a short term.
- ➡ As an example, Typewriter machines were replaced with computers when computers were invented. But not all skilled typewriters couldn't replaced themselves with computer skills, so frictional unemployment took place. Others similar examples are: conventional dialer phones are replaced with mobile phones, copper-brass utensils are replaced with stainless steel, etc.

13. "Labour intensive technique is more applicable for India." - Explain. (July-2018, July-2019, March-2020, May-2021)

- ➡ There is a scarcity of capital and abundance of labour in India. In these circumstances, to solve the problem of unemployment, labour intensive techniques of production should have been adopted but from the second five year plan, India has adopted development of heavy and basic industries. In planning schemes also in place of capital intensive technique, labour intensive technique was given less importance.
- ➡ Capital intensive techniques believe in production by machines and use lesser labour and generate unemployment. If labour intensive techniques are adopted for bigger population, the employment can be decreased.

Section C

● Write the answer of the following questions. [Each carries 3 Marks] [15]

14. State the concept of cyclical unemployment. (July-2018)

- ➡ In a capitalist type of economy, investors and the saving class are distinct classes and so, it creates disequilibrium. As a result, sometimes the economy faces prosperity and sometimes depression. The switching between prosperity and depression creates cyclical unemployment.
- ➡ During prosperity there is a high investment, production, income, employment in the economy. When the economy faces depression then there is a reduction in the demand of goods and services. Due to

reduction in effective demand, industries have to reduce production or shut down the production and many labourers are retrenched from work. So here, depression becomes the reason for unemployment.

- ➡ So this type of unemployment is called cyclical or depressive unemployment or trade cycle unemployment.
- ➡ i.e. America experienced severe depression during 1929-30 and its effect was faced by many countries of the world. That is why this depression was known as a Great Depression.
- ➡ In India, due to prosperity and depression in capitalist market and stock market, every now and then cyclical unemployment is seen. The Indian diamond industry faces this type of unemployment.

15. Defective education methods are responsible for unemployment. (July-2019, March-2020, Aug-2020)

- ➡ In India, one reason for high educational unemployment is an ineffective educational system. Those who can work according to the changing working atmosphere in every sector, such types of workers are not created.
- ➡ With the objective of increasing economic growth rate, technology and mechanisation has been adopted by industries and agriculture. So such labourers are required to have knowledge of these techniques, but the present education system is opposite to that. Hence, skilled labourers are few because of lack of vocational education.
- ➡ Present education fails in mental and physical formation of human beings even after acquiring education, a person is incapable of self employment and suffers from the problem of unemployment.

16. Explain frictional unemployment with examples. (March-2022, March-2023)

- ➡ When in the production process, because of changes in demand or production or due to change in taste and preferences or new technology, new goods enter the market and unemployment arises, then this unemployment is called frictional unemployment.
- ➡ In a developed nation when the old production system is replaced by a new production system then the units with the old production system face economic loss and shut down. As a result, the labourers working in those units remain unemployed till they don't learn the work according to the new technology. This unemployment is for a short term.
- ➡ As an example, Typewriter machines were replaced with computers when computers were invented. But not all skilled typewriters couldn't replaced themselves with computer skills, so frictional unemployment took place. Others similar examples are: conventional dialer phones are replaced with mobile phones, copper-brass utensils are replaced with stainless steel, etc.

17. Explain the concept of disguised unemployment. (May-2021)

- ➡ In any activity if too many persons are employed at the given level of technology, and when a few persons are removed from work, the total production does not change, then there exists disguised unemployment.
- ➡ Disguised unemployment means hidden unemployment. It has zero marginal productivity.
- ➡ As an example, For the measured production at farm, 20 farm labourers are appointed instead of 10. So we cant see any production from more 10 farm labourers who are identified as disguised employed.
- ➡ Thus, no more production is measured from the unwanted employed people. These unwanted employed people are disguised employed and this is Disguised unemployment.

18. Explain MGNREGA. (July-2022)

- ➡ In February 2006, National Rural Employment Guarantee Act (NREGA) was started with the objective of providing employment to rural people residing in backward districts of the country. The name NREGA was changed to MGNREGA on 2nd October, 2009.
- ➡ To make this programme successful, the government declared 2nd February as "Employment Day". In this programme, at least one person from each family is given guarantee of getting employment for 100 days in a year.
- ➡ 1/3rd employment is reserved for females under this scheme. It was recommended to provide minimum wages for physical labour. Moreover, labourers should be provided wages within seven days. Labourers should be given employment within 5 km from their residence.

- ➡ If labourers are given employment beyond 5 kms, 10 % extra wages are given to them. Labourers working under this scheme are provided job cards which are valid for five years. After receiving a job card if the labourer does not get employment then he is paid employment allowance.