

# CH-1 THE STORY OF VILLAGE PALAMPUR

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## VILLAGE PALAMPUR

- Palampur is a small hypothetical village having about 450 families. It is 3 km away from Raiganj— big village. Shahpur is the nearest town to the village.
- The village is well connected with neighbouring villages and towns. The village is well connected by the road and most of the houses are electrified.
- It has two primary schools and one high school.
- There is a government primary health Centre and a primary dispensary.

## MAIN PRODUCTION ACTIVITIES

- Farming is the main production activity in the village Palampur. Most of the people are dependent on farming for their livelihood.
- Non-farming activities such as dairy, small-scale manufacturing (e.g. activities of weavers and potters, etc.), transport, etc., are carried out on a limited scale.

## FACTORS OF PRODUCTION (OR REQUIREMENTS FOR PRODUCTION OF GOODS AND SERVICES)

1. Land, labour and capital are the basic requirements for production of goods and services which are popularly known as factors of production. Land includes all free gifts of nature, e.g., soil, water, forests, minerals, etc. Labour means human effort which of course includes physical as well as mental labour.

### Land

In its simplest form, land is the physical place where any economic activity takes place. However, land also includes all the natural resources found on it. Resources can include timber, water, oil, livestock, and so forth.

### Capital

Capital is short for capital goods. These are man-made objects like machinery, equipment, and chemicals that are used in production.

### Entrepreneurship

Specialized Knowledge and Expertise to produce a product. It is the drive to develop an idea into a business. An entrepreneur combines the other three factors of production to create a product or service.

2. Physical capital is the third requirement for production. Physical capital includes fixed capital (e.g. tools, machines, building, etc.)
3. Working capital includes raw materials such as seeds for the farmer, yarn for the weaver. and money in hand.

## Important Changes in Farm Activities

Land area under cultivation is virtually fixed. However, some wastelands in India had been converted into cultivable land after 1960.

Over the years, there have been important changes in the way of farming, which have allowed the farmers to produce more crops from the same amount of land.

## THESE CHANGES INCLUDE :

- a. Multiple cropping farming
- b. Use of modern farming methods.

Due to these changes (in the late 1960s) productivity of land has increased substantially which is known as **Green Revolution**. Farmers of Punjab, Haryana and western Uttar Pradesh were the first to try out the modern farming methods in India.

Overuse of fertilizers, pesticides and water is resulting into land degradation. The farmers in Punjab are facing these problems.

Labour : After land, labour is the next basic factor of production. Small farmers provide their own labour, whereas medium and large farmers make use of hired labour to work on their fields.

There are many landless families in Palampur which provide labours. As the work is less for the number of labourers they are not given minimum wages set by the government.

So some labourers migrate to the cities.

Capital: After land and labour, capital is another basic factor of production. All categories of farmers (e.g. small, medium and large) require capital. Small farmers borrow from large farmers or the village moneylenders or the traders who supply them various inputs for cultivation.

Modern farming requires a great deal of capital.

### SALE OF SURPLUS FARM PRODUCTS

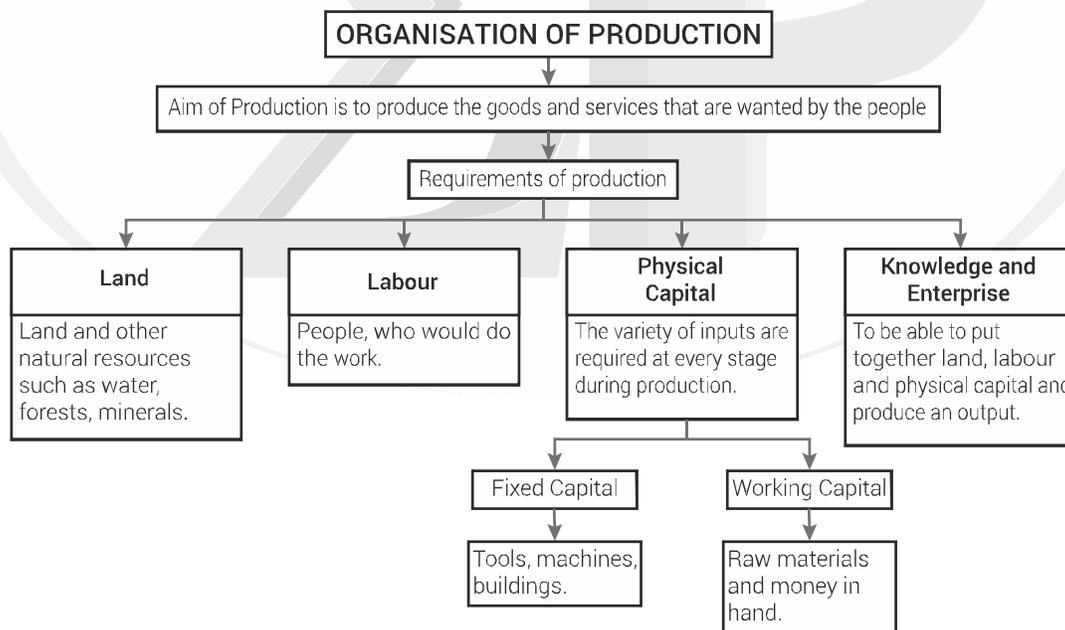
1. Farmers produce crops on their lands by using the three factors of production, viz. land, labour and capital. They retain a part of produce for self-consumption and sell the surplus in the nearby market.
2. That part of farm produce which is sold in the market is called marketable surplus. Small farmers have little surplus output. It is the medium and large farmers only who have substantial surplus produce for selling in the market.

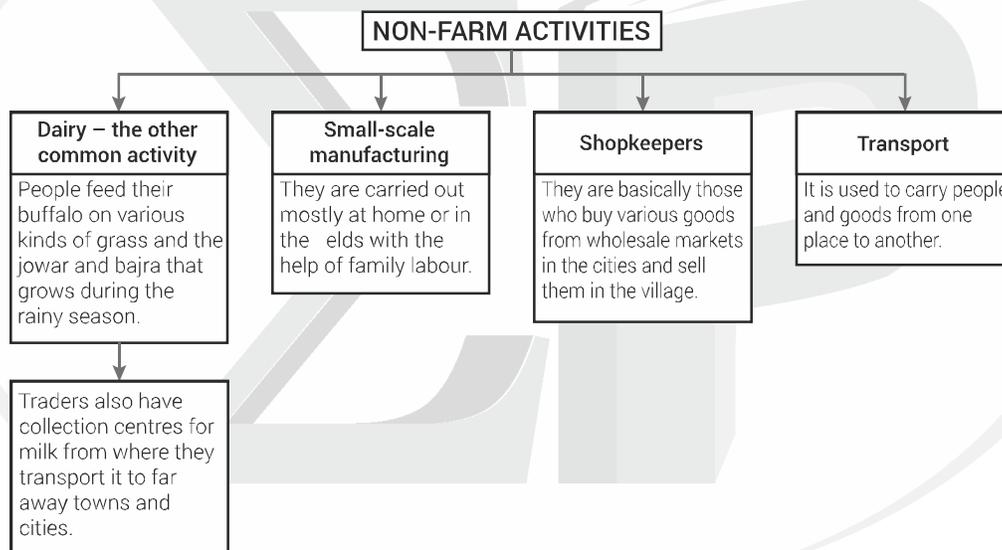
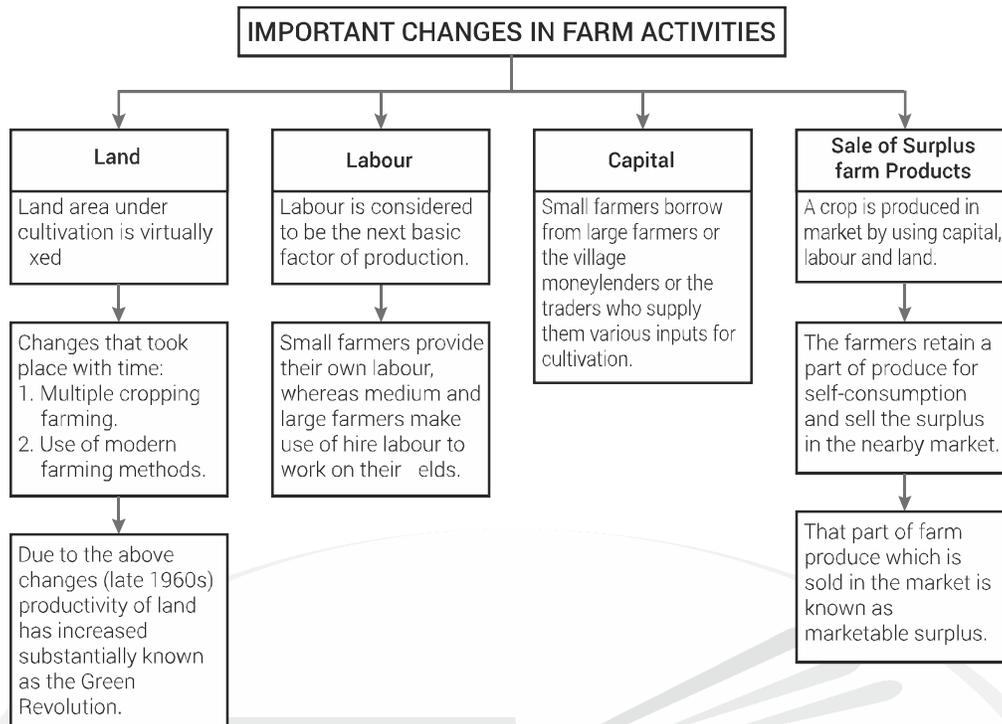
### NON-FARM ACTIVITIES

Out of every 100 workers in the rural areas in India, only 24 are engaged in non-farm activities. There is a variety of non-farm activities in the villages. Dairy, small scale manufacturing, transport, etc., fall under this category.

Some of the people are engaged in these non farming activities.

### AT THE TIME OF QUICK REVISION





## ASSIGNMENT

### SOLVED NCERT QUESTIONS

1. Every village in India is surveyed once in ten years during the Census and some of details are presented in the following format. Fill up the following based on information on Palampur.
  - a. LOCATION :
  - b. TOTAL AREA OF THE VILLAGE :
  - c. LAND USE (in hectares) :

Cultivated Land		Land not available for cultivation
Irrigated	Unirrigated	(Area covering dwellings, roads, ponds, grazing ground)
		26 hectares

**d. FACILITIES :**

Educational	
Medical	
Market	
Electricity Supply	
Communication	
Nearest Town	

**Ans. a. LOCATION :** Bulandshahr District, Western Uttar Pradesh

**b. TOTAL AREA OF THE VILLAGE :** 226 Hectares

**c. LAND USE (in hectares) :**

Cultivated Land		Land not available for cultivation
Irrigated	Unirrigated	26 hectares
200 hectares		

**d. FACILITIES :**

Educational	Two Primary school and one high school
Medical	One primary health centre and one private dispensary
Market	Rai and Shahpur
Electricity Supply	Most of the houses have electricity supply
Communication	Well connected with Raiganj and Shahpur
Nearest Town	Shahpur

**2. Modern farming methods require more inputs which are manufactured in industry. Do you agree?**

**Ans.** Yes, modern farming methods require more inputs, which are manufactured in industry. There has been a shift from traditional techniques such as bill carts, compost fertilizer, river water irrigation and others to modern farming techniques such as fertilizers, tractors, etc. These modern techniques are manufactured in industries and require large money to purchase and lead to larger monetary inputs.

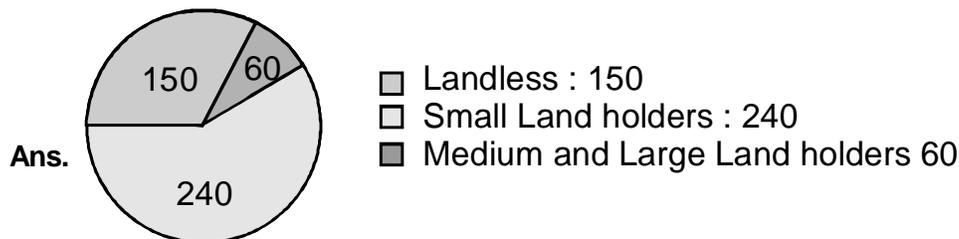
**3. How did the spread of electricity help farmers in Palampur?**

**Ans.** The spread of electricity helped farmers to install and use tube well for irrigation purposes. The tube wells can irrigate large tracts of lands and it ensured continuous good harvest of crops. This allowed the farmers to grow different crops in a year and earn greater profits. So the spread of electricity helped farmers in Palampur.

**4. Is it important to increase the area under irrigation? Why?**

**Ans.** Yes, it is important to increase the area under irrigation. By having a supply of continuous water, farmers can grow multiple crops in a year. By growing multiple crops, farmers earn greater profits thereby improving economic conditions of the village and area. Irrigation facilities would also lessen the reliance on rains as means of irrigation and avoid droughts and loss of crops.

**5. Construct a table on the distribution of land among the 450 families of Palampur.**



**6. Why are wages for farm labourers in Palampur less than minimum wages?**

**Ans.** Labourers are paid wages either in cash or in kind such as crops, etc. There exists competition among labourers for work to they are willing to work for lesser amount. There is an increased supply of labourers than demand, which causes labourers to pay less than the minimum wage.

**7. What are the different ways of increasing production on the same piece of land? use examples to explain.**

**Ans.** An availability of irrigation facilities will allow year-around supply of water. The farmer then can plant multiple crops throughout the year thereby increasing his production and profit. The use of high quality seeds will lead to higher yield thereby increasing production. The use of fertilizers will improve the quality of production and the use of insecticides will avoid the destruction of crops by insects.

**8. How do the medium and large farmers obtain capital for farming? How is it different from the small farmers?**

**Ans.** The medium and large farmers own large lands and thus have large production. They sell the excess production for profit and save that money for farm use for next year. They also use part of the money and lend it to small farmers for interest and save the money earned through interest also. Small farmers obtain capital by taking loans at height interest rate from medium and large farmers.

**9. On what terms did Savita get a loan from Tajpal Singh? Would Savita's condition be different if she could get a loan from the bank at a low rate of interest?**

**Ans.** Savita got a loan at a high interest of 24% and would have to work at Rs. 35/ in Tajpal Singh's farm as a labourer. Savita's situation would have been different had she taken the loan from a bank since the interest rate had been low and from she would have tied to work on her farm. If required, she could have been worked as a labourer and received farmers as a labourer and receive the minimum wage and not be in debt to other farmers.

**OTHER IMPORTANT QUESTIONS**

**ONE MARK QUESTIONS**

**1. What are the main activities of the people of village of Palampur?**

**Ans.** Farming is the main activity in Palampur, whereas several other activities such as small scale manufacturing, dairy, transport, etc. are carried out on a limited scale.

**2. What is fixed capital?**

**Ans.** Tools and machines range from very simple tools such as a farmer's plough to sophisticated machines such as generators, turbines, computers etc. They can be used in production over many years and are called fixed capital.

**3. What is called 'Working Capital'?**

**Ans.** Production requires a variety of raw materials and some money during production to make payments and buy other necessary items. These are included in the 'Working Capital'.

**4. What does 'Human Capital' means?**

**Ans.** We need knowledge and enterprise to be able to put together land, labour and physical capital and product an output either to use yourself or to sell in the market. This is called 'Human Capital'.

**5. What does 'multiple cropping' mean?**

**Ans.** To grow more than one crop on a piece of land during the year is known as multiple cropping.

**6. What is the benefit of multiple cropping?**

**Ans.** It is the most common way of increasing production on a given piece of land.

**7. What does 'yield' mean?**

**Ans.** Yield is measured as crop produced on a given piece of land during a single season.

**8. Name the non-farm activities of Palampur?**

**Ans.** Dairy farming, small scale manufacturing, trade, shopkeeping and providing transport services.

**9. What kind of manufacturing units are set up in Palampur?**

**Ans.** Manufacturing in Palampur involves very simple production methods and are done on a small scale. They are carried out mostly at home or in the fields with the help of family labour.

**THREE MARKS QUESTIONS**

**1. What are the harmful effects of chemical fertilizers?**

**Ans.** Chemical fertilizers provide minerals which dissolve in water and are immediately available to plants. But they may escape from the soil and pollute the groundwater, rivers and lakes. Chemical fertilizers can also kill bacteria and other micro-organisms in the soil. It means sometimes, after their use, the soil will be less fertile than ever before. So, continuous use of chemical fertilisation has led to the degradation of the soil's health.

**2. Differentiate between physical and human capital.**

**Ans.** Difference between physical and human capital are given below :

	Physical		Human
1.	Tangible can be sold in the market.	1.	
2.	Can be separated from the owner.	2.	Inseparable can't be sold anywhere but only services can be sold.
3.	Mobile between countries if trade restrictions followed.	3.	Hardly mobile restricted by nationality.
4.	Can be built only through imports and creates only private benefits.	4.	It depends on person's choice whether he/she wants to raise the earnings or not. It creates both private and social benefits.

**FIVE MARKS QUESTIONS**

**1. What are the merits of the Green Revolution?**

**Ans. Merits of the Green Revolution :**

Green Revolution introduced a number of modern farming methods in India.

- a. Higher yield due to the use of HYV seeds.
- b. Machines like harvesters, tractors and threshers have made ploughing and harvesting faster and easier.
- c. Higher yield enabled farmers to sell the surplus food in the market and earn more.
- d. Pesticides and insecticides are able to protect the crops from pests and insects.
- e. A good irrigation system is able to enhance crop production.

**2. What were the limitations of Green Revolution?**

**OR**

**What are the ill-effects of Green Revolution?**

- Ans.**
- a. Loss of soil fertility due to increased use of chemical fertilisers.
  - b. Continuous use of groundwater for tubewell irrigation has reduced the water table below the ground.
  - c. The chemical fertilisers, easily soluble in water, can dissolve in the groundwater and pollute it.
  - d. They can kill bacteria and other micro-organisms helpful for the soil.
  - e. Excessive use of fertilisers can also make the soil alkaline and unfit for cultivation.