



ECONOMIC ACTIVITIES

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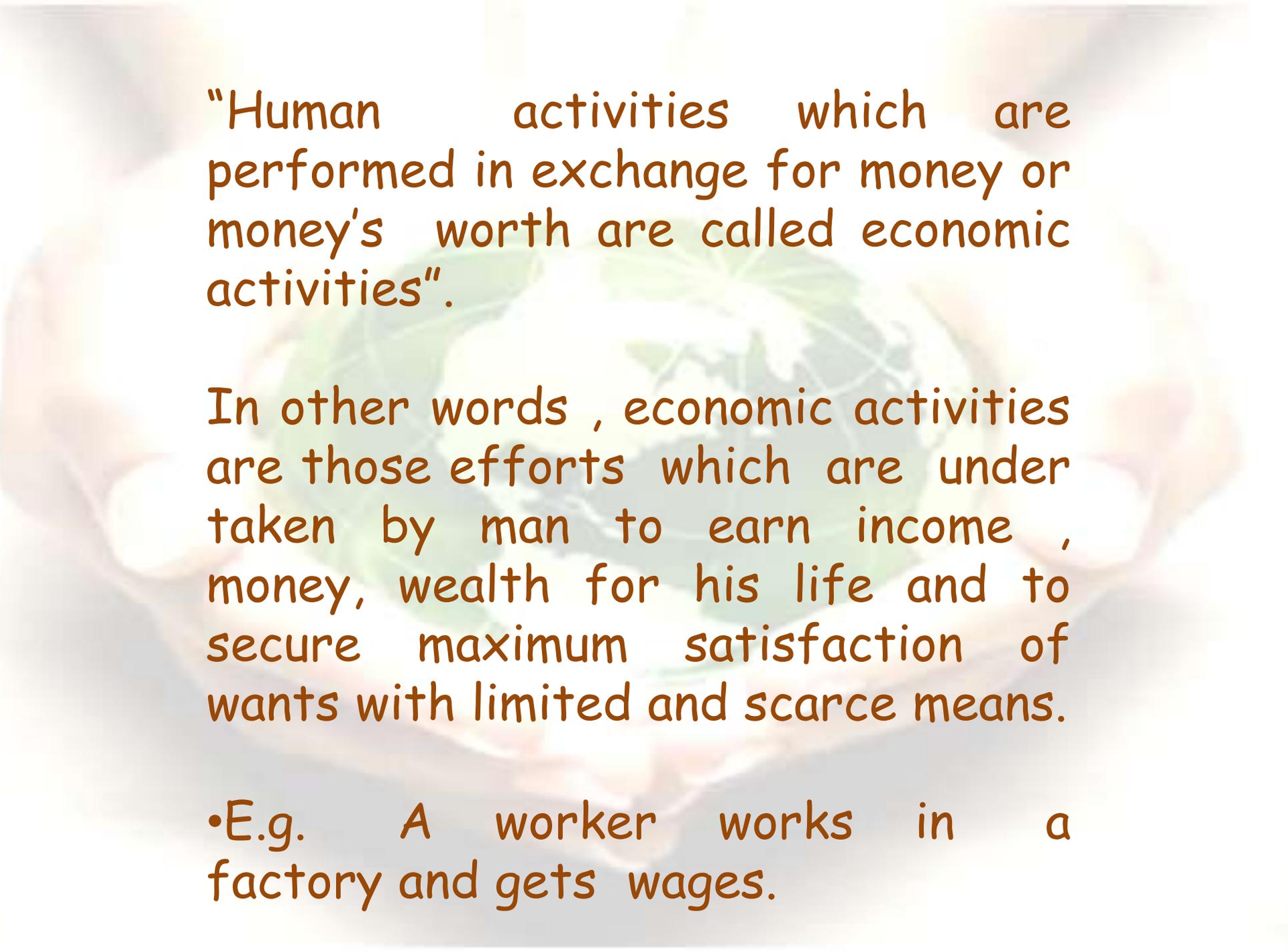
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ECONOMICS ACTIVITIES

Economic activities are related to production , distribution , exchange and consumption of goods and services.

The primary aim of the economic activity is the production of goods and services with a view to make them available to consumer.





“Human activities which are performed in exchange for money or money's worth are called economic activities”.

In other words , economic activities are those efforts which are undertaken by man to earn income , money, wealth for his life and to secure maximum satisfaction of wants with limited and scarce means.

•E.g. A worker works in a factory and gets wages.

NON ECONOMIC ACTIVITIES

Activities which do not have any economic motive and are performed with a feeling of love, sympathy, humanity and patriotism are known as non - economic activities.

e.g. playing, dancing ,giving donation, a housewife cooking food for family , or a boy helping an old man cross the road etc.

OBJECTIVES

Economic activities are undertaken to produce goods and services so that human wants are satisfied . The human efforts are directed for the welfare of society . All kinds of occupations and professions are undertaken to create wealth and satisfy human needs . Fisher gives two objectives for economic activities , i.e., proper allocation of resources and optimum use of resources.

1. Proper Allocation of Resources :

The economic resources are limited and their requirements are many . It is essential to make a judicious allocation of resources so that maximum needs satisfied. Every person assesses his needs resources . He determines his priorities for applying his resources . Some needs are urgent while others may wait for some time . An effort is made to get maximum satisfaction out of the use of available resources.

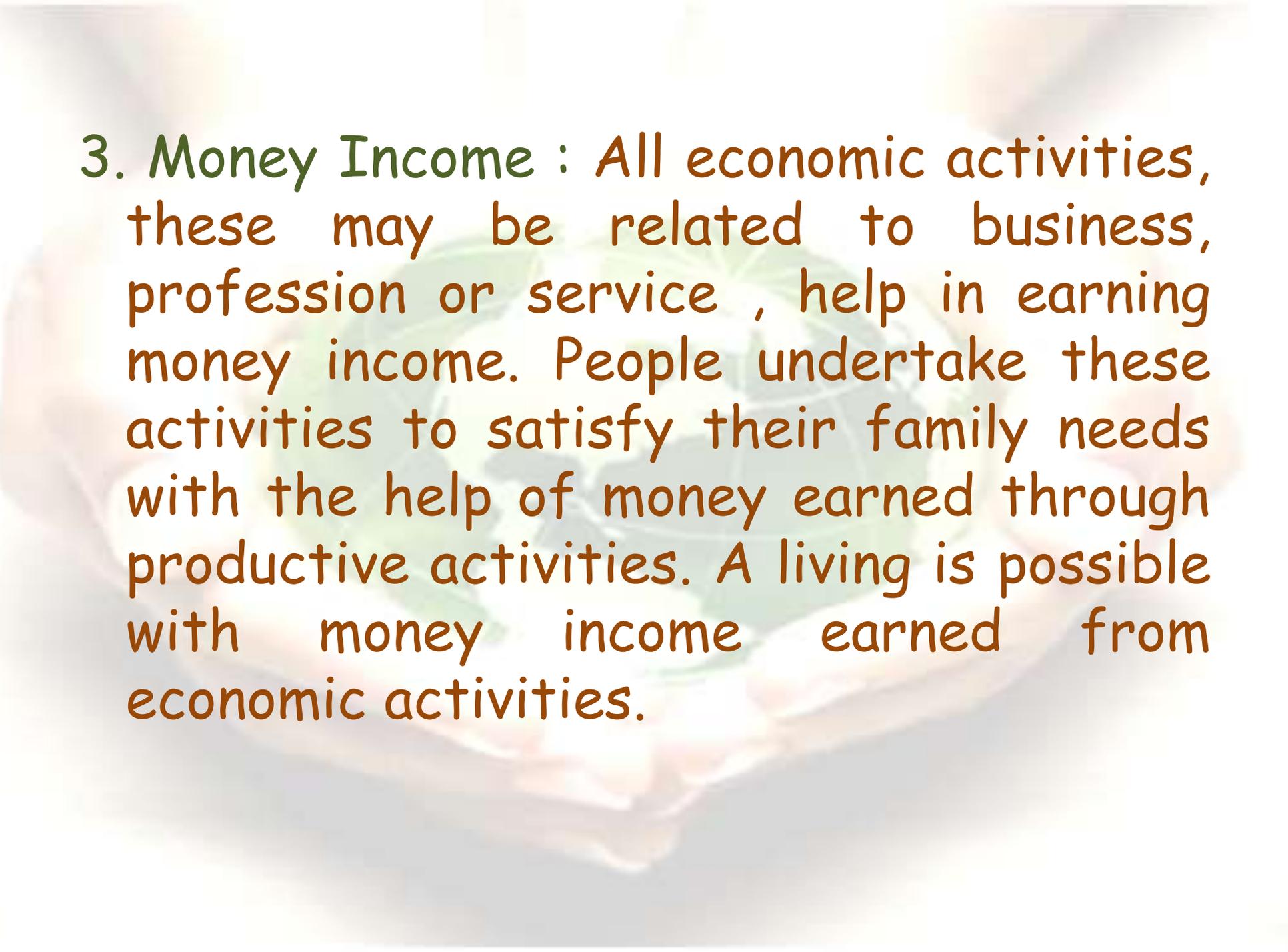
2. Optimum Use of Resources

The other objective of economic activities is the optimum use of resources. The resources should be put their maximum use. Various factors of production like land, labour capital, etc. should be used in producing goods in such a way that no part is idle. The optimum is the level of greatest satisfaction and nothing can go beyond it.

CHARACTERISTICS

1. **Wealth Producing Activities:** The economic activities are undertaken to produce wealth . The wealth is produced by productive activities. The production may be for the consumption of family members or for the others . A farmer may grow vegetables for selling in the market will fetch income for the farmer.

2. **Satisfying Human Wants:** The main aim of economic activities is to satisfy human needs. The needs to be satisfied may be present or future . When a person undertakes a job to earn money and buy necessities for his family then it will be satisfying present needs . And when a person saves money out of his current earnings for satisfying his needs after the retirement then it will be a plan for the future.

A pair of hands is shown holding a small green plant with soil. The background is a soft, out-of-focus image of the same hands and plant, creating a sense of continuity and care. The text is overlaid on this image.

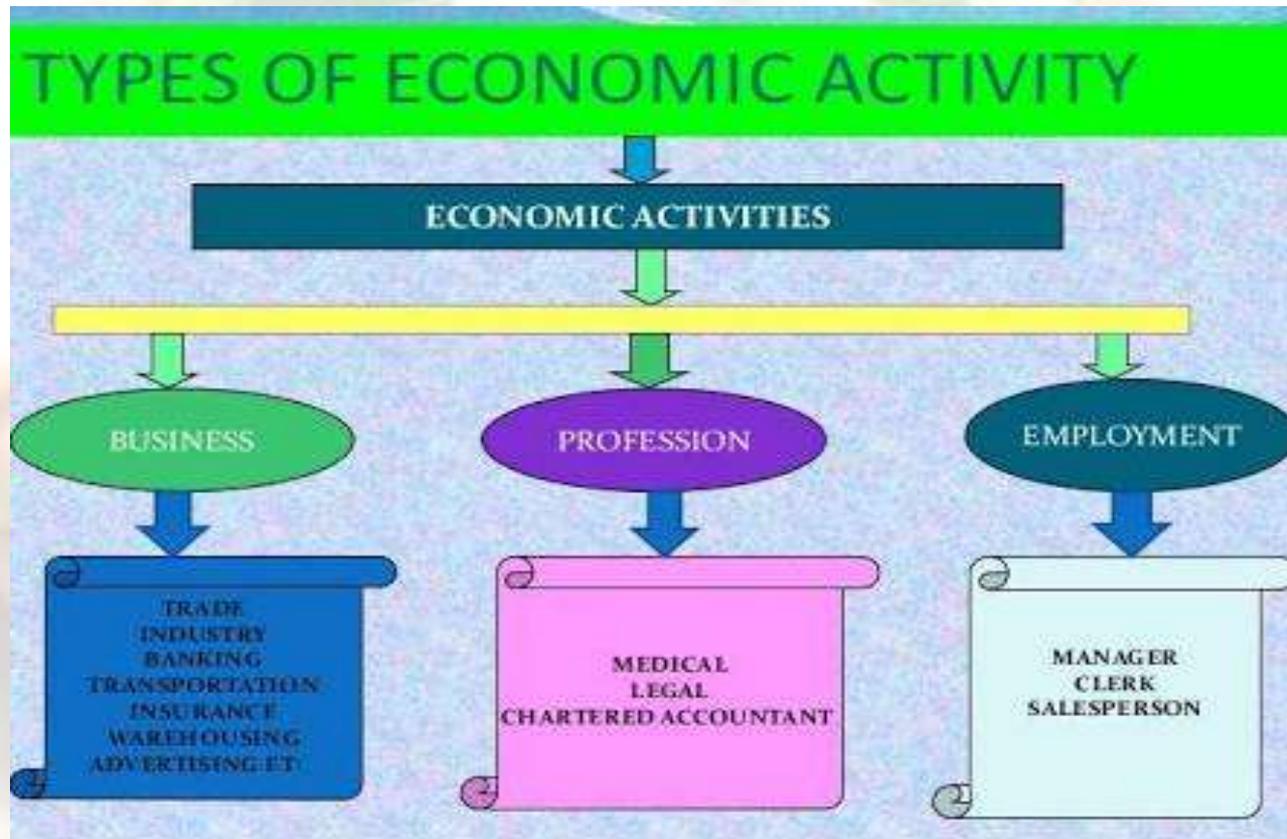
3. **Money Income** : All economic activities, these may be related to business, profession or service , help in earning money income. People undertake these activities to satisfy their family needs with the help of money earned through productive activities. A living is possible with money income earned from economic activities.

4. Developmental Activities : Economic activities not only satisfy human wants but also become a basis for economic development of the society. When old needs are satisfied then new needs crop up. The economic resources are employed to produce new products and this process helps in generating employment avenues and ultimately the money income . The social development is linked to the economic activities undertaken there.

PARTS OF ECONOMIC ACTIVITIES

1. **Market activities** : These types of activities involve remuneration to any one who performs i.e., activity performed for pay or profit. These include production of goods or services including government service.
2. **Non- market activities** : These activities are the production for self-consumption. These can be consumption and processing of primary product and own account production of fixed assets.

TYPES / CLASSIFICATION OF ECONOMIC ACTIVITIES



1. Business

Business is an economic activity concerned with production and distribution of goods and services with the aim to earn profit. It includes all those activities which are directly or indirectly concerned with production, purchase and sale of goods and services. So the production, marketing, advertising, warehousing, insurance, banking, etc. are all business activities.

2. Profession

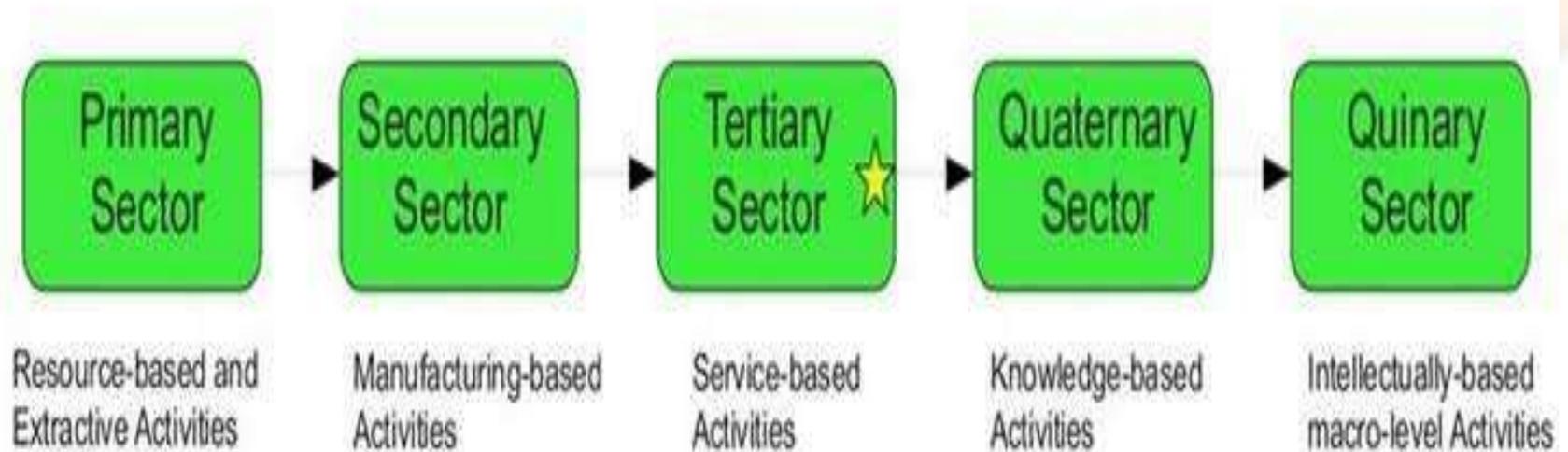
Profession is an occupation carried on by professional people like Doctors, Lawyers, Engineers, etc. They provide specialized services in return for fees. To become a professional, a man requires specialized knowledge and professional qualification. For e.g. Doctor needs specialized knowledge in medicine, a lawyer needs a degree in law, etc.

3. Employment

Employment is a type of occupation under which one person provides his services, physical or mental to someone else in return for which he gets salary or wage. The person who is employed is called employee or worker.

SECTORS OF ECONOMIC ACTIVITIES

Sectors of the Economy



Primary Sector

The primary sector of economy is the sector of economy making direct use of natural resources. This includes agriculture, forestry, fishing and mining. The primary sector is usually most important in less-developed countries and typically less important in industrial country.



Secondary Sector

An economic activity in which people use raw material to produce or manufacture new products of greater value.

e.g. manufacturing steel into car , or textile into clothing.



Tertiary Sector

The tertiary sectors of the economy is the service industry . This sectors provides services to the general population and to businesses. Activities associated with the sectors include retail, wholesales, distribution, transportation ,entertainment, restaurants, healthcare, law.



Quaternary Sector

The quaternary sector of economy is the way to describe the knowledge based part of the economy which typically includes services such as information technology , information generation and sharing , media and research and development.



Quinary Sector

Quinary sector is the branch of a country's economy where high level decisions are made by top level executives in the government, industry, business, education, media, non profit organisation. It is a top economic sector.

