



CLASS IX
ECONOMICS
UNIT III - POVERTY

SOLUTIONS

EXERCISE

Q1. What are the threats faced by poor people?

Ans:- The poor people faced many threats such as climate change, rising food prices, and cost of access to safe water, threats to health, and the loss of traditional social protection based on the family and community.

Q2. How are the poor people trapped in a cycle of poverty?

Ans:- Poor people do not have adequate income required for children's education and health care making them unable to generate further income. Besides they become indebted with borrowings from money lenders. Thus the poor people are trapped in a cycle of poverty.

Q3. Explain the concept of the poverty line?

Ans:- Poverty line is the estimated minimum level of income needed to secure the necessities of life. It is the imaginary line used by any country to determine its poverty.

In accordance with NSSO survey, the poverty lines fixed by the Planning Commission are:

- i. Regarding consumption – 2400 calories in rural areas and 2100 calories in urban areas.
And
- ii. Regarding income – Maximum limit of annual family income of five members is Rs. 24800.

Q4. How are the estimates of poverty derived in India?

Ans:- Poverty estimates in India are derived from the household consumer expenditure data collected by National Sample Survey Organisation every fifth year. The Planning Commission identified the expenditure group from the NSSO consumer expenditure data whose expenditure on food fulfilled the minimum calorie norms.



Q5. “The cut-off point of rural poverty has risen from Rs 49.09 in 1973-74 to Rs 356.35 in 2004-05’ Explain?

Ans:- While the food requirement of 2400 calories per capita per day for rural India remaining the same, the cost price of food items which assures that the basic minimum consumption need of 2400 calories per capita per day is steadily increasing from year to year on account of inflation or rising food prices. Thus the cut-off point of monthly per capita expenditure on food which was Rs 49.09 in 1973-74 increased to Rs 356.35 for rural India and from Rs 56.64 to Rs 538.60 for urban India in 2004-05.

Q6. Where do you see most of the poor in India?

Ans:- Most of the poor in India are seen in Uttar Pradesh, Bihar and Madhya Pradesh for rural India and Maharashtra, Uttar Pradesh and Tamil Nadu for urban India.

Q7. Which state has the highest proportion of our poor population?

Ans:- Uttar Pradesh has the highest proportion of our poor population.

Q8. Looking at table 6, highlight the difference in the change in rural and urban poverty in Manipur?

Ans:- Rural poverty ratio in Manipur declined from 52.67% in 1973-74 to 22.3% in 2004-05. During the same period, urban poverty ratio also declined from 36.92% to 3.3%. The decline was faster in urban areas. While it was a smooth change of gradually falling in urban areas, the change was uneven in rural areas, e.g. from 39.35% in 1987-88 to 45.01% in 1993-94 and to 40.04% in 1999-2000.

Q9. How is global poverty ratio changing?

Ans:- Globally, the poverty ratio has declined from 29% in 1990 to 18% in 2004. In absolute terms, it has declined from 1.25 billion to 965 million.

Q10. What is millennium development goal in terms of poverty ratio?

Ans:- Halving poverty by 2015 is one of the millennium development goals in terms of poverty ratio.



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Q11. Why does a villager borrow from a village money lender, rather than a public sector bank?

Ans:- Access to credit and finance is also restricted for the poor. A poor person will find it difficult to borrow from the bank because bank demands many documents and certain formalities. So he is compelled to continue his dependence on the village money lender.

Q12. What is the main cause of our poverty?

Ans:- Poverty is mainly due to our continued dependence on agriculture.

Q13. Suggest some measures for raising agricultural output?

Ans:- Some measures for raising agricultural output are: more widespread use of modern technology, use of High Yielding Variety seeds, application of fertilizers, insecticides, pesticides, weedicides, proper infrastructure for irrigation and introduction of multiple cropping.

Q14. In which districts of Manipur has National Rural Employment Guarantee Act been implemented?

Ans:- The National Rural Employment Guarantee Act has been implemented in all the districts of Manipur at present.

Q15. How does PDS differ from TPDS?

Ans:- The Public Distribution System (PDS) aimed towards supplying highly subsidized food grains, kerosene and sugar at the same prices for all card holders.

The Targeted Public Distribution System provides food grains to Below Poverty Line (BPL) families at highly subsidized rates on the basis of ration cards.

Q16. How can the ignorance of beneficiaries of poverty alleviation programmes be reduced?

Ans:- The ignorance of beneficiaries of poverty alleviation programmes can greatly be reduced by the enactment of the Right to Information (RTI) Act. N.G.O.s operating at grass root can make a huge difference by organising the beneficiaries to get what is meant for them.

Q17. What is the maximum annual income level for BPL families?

Ans:- The maximum annual income level for BPL families is Rs 24800 for a family of five.



EXTRA QUESTIONS AND ANSWERS

Q1. What is the most important dimension of poverty?

Ans:- Inadequate command over commodities is the most important dimension of poverty.

Q2. Why is there an urgent need for taking up the issue of poverty alleviation?

Ans:- The reason why the issue of poverty alleviation has acquired a sense of urgency is the growing awareness of the poor of the relative deprivation - the feeling of being left behind which can destabilize any country.

Q3. How many people die every day worldwide of hunger or hunger related causes, according to the United Nations?

Ans:- According to the United Nations, about 25,000 people die every day of hunger and hunger related causes.

Q4. What are the major challenges faced by the policymakers while making effective anti-poverty policies?

Ans:- The policy makers are confronted by increasingly complex challenges arising from globalization, climate change and changes in energy prices.

Q5. What is the percentage of population living below the poverty line in India?

Ans:- The Planning Commission has estimated that 27.5% of the India population was living below the poverty line in 2004-05.

Q6. Who are the 'very poor'?

Ans:- The 'very poor' are those who are below 75% of the poverty line. They constitute a large proportion of the poor.

Q7. What do you mean by poverty gap and squared poverty gap?

Ans:- Poverty gap and squared poverty gap are two measures of intensity of poverty. It is important because a situation where most of the poor are a little below the poverty line is radically different from a situation where most of the poor are substantially below the poverty line.



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Q8. What is the international poverty line?

Ans:- The international poverty line is 1US dollar per person per day. Those who cannot spend 30 US dollars per month per capita on food are poor.

Q9. Explain the concept of Purchasing Power Parity (PPP)?

Ans:- The Purchasing Power Parity is a rate of exchange that accounts for price differences across countries allowing international comparisons of real output and income. At the PPP US dollar rate, PPP US dollar 1 has the same purchasing power in the domestic economy as 1 dollar in the United States.

Q10. State the relationship between inequality and poverty. Which dimension of inequality largely determines poverty?

Ans:- Inequality is considered the handmaiden of poverty. Inequality in distribution of resources largely determines whether one is poor or not.

Q11. State the reason why a village money lender charges high rates of interest?

Ans:- A village money lender usually charges high interest rates because the risk of default i.e. the failure to repay has been high.

Q12. Explain the reason why the rich become richer and the poor poorer?

Ans:- The rich can afford to give the best education to their children and with this advantage the children of the rich can rise even higher in the social hierarchy. On the other hand, the poor who cannot afford even two square meals a day cannot hope to give the best type of education to their children. In this highly competitive world they fall even further behind. In this way, they rich become richer while the poor become poorer.

Q13. State the main objective of PMGSY?

Ans:- The primary objective of PMGSY is to provide all weather connectivity to all the eligible unconnected habitations in the rural areas.



Q14. State the objectives of JNURM?

Ans:- The objectives of Jawaharlal Nehru Urban Renewal Mission include planned development of identified cities including semi-urban areas, outgrowths and urban corridors and improved provision to the urban poor.

Q15. State the primary objective of MGNREGA.

Ans:- The primary objective of Mahatma Gandhi National Rural Employment Guarantee Act is to provide 100 days of guaranteed unskilled wage employment to each poor rural household opting for it.

Q16. Name the scheme of poverty alleviation with special reference to school going children?

Ans:- The **Mid-Day-Meal Scheme** is a measure to mitigate the hardship of poverty when the children attend school. It is a Food for Education programme. Food is being served to children while attending school.

Q17. What were the poverty ratios of India and Manipur in 2004-05?

Ans:- The poverty ratios of India and Manipur were 27.5% and 17.3% respectively in 2004-05.

