CHAPTER TERTIARY AND QUATERNARY ACTIVITIES

Tertiary activities:
Q.1 What are TERTIARY ACTIVITIES?
Ans. Commercial output and exchange of services are called tertiary activities. Tertiary activities include both production and exchange. All Services which require special skills of theoretical knowledge and practical training and are provided in exchange of payments is included in tertiary sector.

Q.2 Give differences between tertiary activities and secondary activities.
Ans. The main differences between them are:
   i. Services rely more heavily on specialised skills, experience and knowledge of the workers whereas secondary activities rely on the production techniques, machinery and factory processes.
   ii. Tertiary activities involve the commercial output of services whereas secondary activities involve the production of tangible goods.
   iii. Tertiary activities are not directly involved in the processing of physical raw materials.

Q.3 Name three types of activities included in service sector.
Ans. The 3 types of activities are:
   a) Tertiary activities. b) Quaternary activities. c) Quinary activities.

1. TERTIARY ACTIVITIES
Q.4 Name the four types of tertiary activities.
Ans. Tertiary activities are related to service sector. They are classified into four types:
   i. Trade and commerce
   ii. Transport
   iii. Communication
   iv. Services

TRADE AND COMMERCE
Q.5 What are trading centres? Name two types of trading centres.
Ans. A place where trading of goods and services takes place is known as trading centre. It can be at local level or international level, urban or rural areas. Trading centres may be divided into rural and urban marketing centres.

Rural and Urban marketing centres
Q.6 Distinguish between rural marketing centres and urban marketing centres.
Ans. Both of the marketing centres differ from each other:
   i. Rural marketing centres provide facility to nearby settlements whereas urban marketing centres provide facility to wide services to large areas.
   ii. Rural centres are mostly rudimentary type whereas urban centres offer specialised services.
   iii. Personal and professional services are undeveloped in rural centres whereas they are highly developed in urban centres.
   iv. Rural marketing centres acts as a local collecting and distributing centres whereas urban marketing centres provide services beyond cities at national or international levels.
Q.7 Distinguish between wholesale and retail trading services.
Ans.  
**Retail trading services:**
   i. This is the business activity concerned with the sale of goods directly to the consumers.
   ii. Retail trading is done through fixed **Stores**- large shops.
   iii. It is also done through **Non-stores**- Street peddling, door-to-door, mail-order, telephone, automatic vending machines and internet.

**Wholesale trading services:**
   i. This is the business activity concerned with the bulk selling of goods through merchants and supply-houses.
   ii. Wholesalers acts as intermediaries between retail stores and manufacturers.
   iii. Wholesalers also give credit to retail stores.

**TRANSPORT SERVICES**
Q.8 Explain the significance of transport and communication services.
Ans. A Transport and communication service has helped in the development of modern economies.
   i. Transport service is used to physically carry persons, manufactured goods, and property from one location to another.
   ii. It is an organised industry which satisfies man’s basic need of mobility.
   iii. Speedy and efficient transport systems assist in the production, distribution and consumption of goods.
   iv. At every stage, the value of the material is significantly enhanced by transportation.

**Factors affecting the transport services**
Q.9 State three ways of measuring transport distance.
Ans. Transport distance is measured by:
   i. **Km distance**: it is the actual distance of route length.
   ii. **Time distance**: it is the time taken to travel on a particular route.
   iii. **Cost distance**: it is the expense of travelling on a route.

Q.10 Explain the factors which affect the transport services.
Ans. Transport services depend on
   i. In selecting the **mode of transport**, time and cost distance, is the determining factor.
   ii. **Demand** for transport is influenced by the size of population. The larger the population size, the greater is the demand for transport.
   iii. **Routes** depend on:
      a. Location of cities, towns, villages, industrial centres and raw materials,
      b. Pattern of trade between them,
      c. Nature of the landscape between them,
      d. Type of climate,
      e. Funds available for overcoming obstacles along the length of the route.

Q.11 Why the means of transport are also referred to as lines of communication.
Ans. Means of transport helps in the transmission of words and massages, ideas and facts. The written massages are carried out by roads, rail, and air therefore all forms of transport are referred as lines of communication.
COMMUNICATION SERVICES

Q.10 What are communication services? Explain the factors on which communication services depends.
Ans. Activities related to transmission of words and massages, ideas and facts are termed as communication services. It depends on:
   i. Communication services depend on transport network. Where the transport network is efficient, communications are easily spread.
   ii. Certain developments, such as mobile telephony and satellites, have made communications independent of transport.
   iii. Due to the cheapness of the transport systems very large volumes of mail continue to be handled by post offices all over the world.

Q.11 Name different types of communication services.
Ans. Communication services are:
   i. Means of transportation: include road, rail and air services.
   ii. Telecommunication: include telephone and mobile
   iii. Audio visual: include mass media such as films, radio, T.V., Newspaper and Magazines.

SERVICES

Q.12 Describe different types of services.
Ans. Services occur at many different levels.
   i. Some are provided to industry, some to people; and some to both industry and people, e.g. the transport systems.
   ii. Low-order services, such as grocery shops and laundries, are more common and widespread than high-order services or more specialised ones like those of accountants, consultants and physicians.
   iii. Services provided to individual consumers. For example the gardener, the launderers and the barber do primarily physical labour. Teacher, lawyers, physicians, musicians and others perform mental labour.
   iv. Regulated or formal services such as Making and maintaining highways and bridges, maintaining fire fighting departments and supplying education and customer-care, transport, telecommunication, energy and water supply.
   v. Professional services are primarily health care, engineering, law and management.
   vi. Recreational and entertainment services.

Q.13 What are informal or non-formal services?
Ans. Some personal services, made available to the people to facilitate their work in daily life, are unorganized or unregulated such as domestic services of housekeepers, cooks, and gardeners. The workers employed in these services are migrants from rural areas and are unskilled. One such example in India is Mumbai’s dabbawala (Tiffin) service provided to about 1, 75, 000 customers all over the city.
**Tourism**

Q.14 Name the single largest tertiary activity in the world. Give facts in support of your answer.

Ans. Tourism is travel undertaken for purposes of recreation rather than business. It has become the world’s single largest tertiary activity. The facts are:

i. It provides jobs to about 250 million people.

ii. It has provided total revenue 40 per cent of the total GDP.

iii. Many local persons are employed to provide services like accommodation, meals, transport, entertainment and special shops serving the tourists.

iv. Tourism promotes the growth of infrastructure industries, retail trading, and craft industries.

v. In some regions tourism provide source of income all year round.

Q.15 Explain the factors which affects the development of tourism in the world.

Ans. Tourism activities depend on:

i. With the improvement in the standard of living the demand for holidays has increased.

ii. With increased leisure time many more people go on holidays for leisure.

iii. New tourist destination has been opened up recently.

iv. Improvement in road transport facilities has made travel easier by car.

v. More significant in recent years has been the expansion in air transport. For example, air travel allows one to travel anywhere in the world in a few hours of flying time from their homes.

vi. The advent of package holidays has reduced the costs of travel.

Q.16 Mention some of the important tourist attractions in the world.

Ans. Tourists attract to places which have following features:

i. **Climate**: Most people from colder regions get attracted to warm, sunny weather for beach holidays. This is one of the main reasons for the importance of tourism in Southern Europe and the Mediterranean lands because it offers higher temperatures and long hours of sunshine.

ii. **Landscape**: Many people like to spend their holidays in mountains, lakes, spectacular sea coasts and landscapes not completely altered by man.

iii. **History and Art**: People visit ancient or picturesque towns and archaeological sites, and enjoy exploring castles, palaces and churches.

iv. **Culture and Economy**: These attract tourists with a liking for experiencing ethnic and local customs.

**2. QUATERNARY ACTIVITIES**

Q.17 What are quaternary activities? What are its important features?

Ans. The **quaternary activities** refer to **intellectual occupations** which are advance and specialised such as thinking, research and developing new ideas.
Q.18  State any four important features of quaternary activities.
Ans.  Its features are:
    1. These services are advance and specialised economic activities.
    2. These services concern mainly with information processing, research and development.
    3. These services offer high income.
    4. These services are mainly concentrated in developed countries and growing fast.
    5. It involves specialized knowledge, technical skills, and administrative competence.
    6. It belongs to service sector that is knowledge oriented.
    7. Important occupations belonging to quaternary activities are: mutual fund managers, tax consultants, software developers, statisticians.
    8. Like some of the tertiary functions, quaternary activities can also be outsourced. They are not tied to resources, affected by the environment, or necessarily localised by market.

3. QUINARY ACTIVITIES

Q.19  What are quinary activities?
Ans.  Quinary activities refer to the activities performed by the highest level of decision makers or policy makers.

Q.22  State any four important features of quinary activities.
Ans.  Its features are:
    i. It includes special and highly paid skills.
    ii. Services of senior business executives, government officials, research scientists, financial and legal consultants, etc. are included in it.
    iii. Quinary activities are services that focus on the creation, re-arrangement and interpretation of new and existing ideas, data and technologies.

Q.20  What is outsourcing? What are its effects on the economy of a country?
Ans.  Outsourcing is giving work to an outside agency to improve efficiency and reduce costs. Outsourcing involves transferring work to overseas locations. **Their effects on the economy of a country** are:
    i. Outsourcing has resulted in the opening up of a large number of call centres in India, China, Israel, Philippines and Costa Rica.
    ii. It has created new jobs in these countries.
    iii. Outsourcing is coming to those countries where cheap and skilled workers are available.
    iv. With the work available though outsourcing, the migration in these countries may come down.
    v. Outsourcing countries are facing resistance from job-seeking youths in their respective countries.
    vi. There are two types of outsourcing KPO (Knowledge processing outsourcing) and BPO (Business process outsourcing).
Q.21 Give three differences between KPO and BPO.
Ans. KPO and BPO are the part of quaternary activities. They differ under following points:
   i. The KPO industry involves more high skilled workers.
   ii. It is information driven Knowledge Outsourcing whereas BPO is outsourcing of Business activities such as customer care.
   iii. KPO enables companies to create additional business opportunities whereas BPO enables companies to reduce cost and increase efficiency.
   iv. Examples of KPOs include research and development (R and D) activities, e-learning, business research, intellectual property (IP) research, legal profession and the banking sector.

Q.22 What is digital divide?
Ans. There are wide differences between countries and within country in the accessibility of Information and Communication Technology (ICT). This gap in accessibility of ICT is called digital divide.

Q.23 Describe the four importance of service sector in modern economics
Ans. The importance of service sector is:
   1. It is now largest value-added sector of the economy.
   2. It is the important source of foreign exchange as it exports services to other countries.
   3. In general, the countries with developed service sector have an advantage of attracting foreign investment.
   4. In old times services were seen as a tool to help manufacturing but now it is an independent sector of the economy.
   5. The service sector has gained importance and some service centres has been opened in global cities.