

B.Tech V Semester
ME Department
Sub: SEEE

- Que-1 what is Social Mobility-? Explain its types and characteristics-?
Que-2 what is the social importance of work and occupations.
Que-3 Distinguish between GNP, GDP, NI, PI and DI-?
Que-4 Describe the function of RBI-?
Que-5 write short notes on following FDI-?

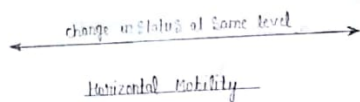
Ans-1 Social mobility is the movement of individual, families, households, or other categories of people within or between social strata in a society. it is a change in social status relative to other social location within a given society.

⇒ Types of Social Mobility :- there are two types of Social Mobility :-
(i) Vertical Mobility
(ii) Horizontal Mobility

(i) vertical - mobility :- it refers to the movement of people from one stratum to another or from one status to another. it brings changes in class, occupation and power. it involves movement from lower to higher or higher to lower. there are two types of vertical mobility. one is upward and other is downward mobility.

When an individual moves from lower status to higher status. it is called upward mobility. for example if the son of the poor joins a bank as an officer. it is said to be upward social mobility but if he loses the job due to any reason or inefficiency, he is downwardly mobile from his previous job. so downward mobility takes place.

(i) Horizontal Mobility:- It refers to the movement of the people from one Special Social group to another situated on the same level. It means that the rank of these two groups are not different. It indicates change in position without the change in status. For example, if a teacher leaves one school and joins another school or a bank officer leaves one branch to work in another or change of residence are the horizontal mobility.



Ans-2 * Social importance of work and occupations:- work and occupation have assumed almost social importance today. They have not only social importance but also economic, psychological and human significance.

(i) They satisfy the material needs of man:- work and occupation are a fundamental necessity in life. Society depends upon the production of food, machine and articles of daily use, news, string. The very existence of man depends upon the production of necessities of life. work and occupation are the means of producing them.

(ii) They satisfy man's social and psychological needs also:- work is not the same thing as physical effort or the expenditure of energy. what is and what is not work is socially defined. It is not a quality inherent in or of certain level of production. Society could not survive. However there are also the leisure classes. The non-working people in reality, even the leisure classes, do some kind of work. Those who are able to live without work normally do work. because work gave them valued status.

(ii) People work not just for money:- It is wrong to assume that man always works or is in some occupation for the other, just for money. It is true that in a substance economy money or its equivalent economic reward is of paramount importance - life in fact, depend on it. In this case, the money is a key motivating factor.

Ans-3 Some of the important concepts that measures national income are:-

- (i) Gross domestic production (GDP)
- (ii) Gross National production (GNP)
- (iii) National income (NI)
- (iv) Personal income (PI)
- (v) Disposable income (DI)

(i) Gross domestic production (GDP):- the most important concept of national income is gross domestic production. Gross domestic production is the money value of all final goods and service produced within the domestic territory of a country during a year.

$$GDP_{MP} = C + I + G + (X - M)$$

Here GDP_{MP} = Gross domestic production at market price.

C = Consumer goods and services consumption.

I = Gross private domestic investment.

G = Goods and service produce and purchased.

(X - M) = Export - import (Net exports)

(ii) Gross National Production (GNP):- Gross National product at market price is the money value of all final goods and services produced in the domestic territory of a country during a year plus net factor from abroad income.

$$GNP_{MP} = GDP_{MP} + NFA$$

$$= C + I + G + (X - M) + NFA$$

NFA = Net factor income from abroad

(iii) Net National Product or National Income (NI) :- It is the market value (NNP)_{MP} of all final goods and service after allowing for depreciation. It is also known as national income at market price (NMP). Depreciation is the part of total productive asset which is used to replace the capital worn out.

$$\text{NNP} = \text{GNP} - \text{depreciation}$$

$$= C + I + G + (X - M) - \text{depreciation}$$

(iv) Personal Income (PI) :- It is that which is actually received by the individuals or household during a year. Thus personal income is the sum of the incomes received by the individuals from all sources. Personal income is the income of individuals before direct taxes.

$$\text{PI} = \text{National Income} - \text{Corporate income taxes} - \text{Undistributed Corporate Profits} - \text{Social Security Corporation} + \text{Transfer Payments}$$

Ans-4 (i) Bank of Issue :- It is the primary and important function of a central bank. Central bank is given the right of issue of currency notes (except one rupee notes which are issued by the ministry of finance). This function gets such an importance that central bank has come to be known as 'Bank of Issue'.

(ii) Banker, agent and advisor to the Government :- The central bank makes and receives payment on behalf of the government. It helps the government with short term loans and advance in time of difficulty.

(iii) Custodian of the Cash Reserves of Commercial Banks :- All commercial banks keep part of their cash balances as deposits with the central bank. The central bank act as the custodian of these reserves. Central bank is also called as 'Banker's Bank'.

(iv) Bank of Central Clearance :- Cash balance of all the commercial banks are kept by the central banks. It is easier for members bank to adjust their claims against each other in the books of the central bank. The system of clearing agreements facilitates transfer of funds safely, quickly and at low cost.

(v) Controller of money supply and credit :- Controlling of money supply and credit is the most important function of the central bank. Central bank can control inflationary and deflationary situations in the economy through various credit control measures.

Ans-5 The full form of FDI is foreign direct investment made. It means 'cross border investment made by a resident in one economy in an enterprise in another economy, with the objective of establishing a lasting interest in the economy.'

FDI is described as "investment into the business of a country by a company in another country". Mostly the investment is into production by either buying a company in the target country or by expanding operations of an existing business in that country.

Advantages of FDI :- (a) Improve forex position of the country.
(b) employment generation and increase in production.
(c) Help in capital formation by bringing fresh.
(d) Helps in increasing exports.
(e) increases tax revenues.