

Name: _____ Date: _____

The Story of Village Palampur

Q1. Differentiate between Fixed and Working Capital.

Ans.

Q2. "Scientific reports indicate that the modern farming methods have over used the natural resource base." Justify the statement.

Ans.

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Q1. Differentiate between Fixed and Working Capital.

Ans. Difference between Fixed and Working Capital

Fixed Capital	Working Capital
1. Tools and machines range from very simple tools such as a farmers plough to sophisticated machines such as generators, turbines, computers etc. are fixed capital.	1. Raw materials and money in hand are called Working Capital e.g. clay, yarn etc.
2. Tools, machines and buildings can be used in production over many years.	2. It is used up in production.

Q2. "Scientific reports indicate that the modern farming methods have over used the natural resource base." Justify the statement.

Ans. i. In many areas, Green Revolution is associated with the loss of soil fertility due to increased use of chemical fertilizers.

ii. Also, continuous use of groundwater for tubewell irrigation has reduced the water-table below the ground.

iii. Environmental resources like soil fertility and groundwater are built up over many years.

iv. Once destroyed it is very difficult to restore them.

v. We must take care of the environment to ensure future development of agriculture.