

CLASS 6 SOCIAL SCIENCE

Chapter 14 - Economic Activities Around Us

Exam-Preparation Notes

Concepts • Definitions • Examples • Exam Questions • Competency Clues • Quick Revision

1. What Are Economic Activities?

Economic activities are activities related to the production, distribution, exchange and consumption of goods and services. People carry out economic activities to meet their needs and, in many cases, to earn a livelihood.

- A farmer growing crops
- A carpenter making furniture
- A teacher teaching students
- A shopkeeper selling goods
- A driver providing transport services

Remember: Economic activities → Goods & Services → Human Needs → Livelihood

2. Goods and Services

Economic activities involve both goods and services.

- Goods: physical products such as books, clothes, furniture, food and bicycles.
- Services: activities provided to meet people's needs, such as teaching, healthcare, transportation, haircuts and repair services.

Quick difference: Goods are generally tangible products; services are activities provided for others.

3. Production

Production means making goods or providing services to meet people's needs.

- Farmer → produces crops
- Carpenter → produces furniture
- Tailor → makes clothes
- Teacher → provides education
- Doctor → provides healthcare

Flow: Resources → Production → Goods/Services

4. Producers

A producer is a person or organisation that produces goods or provides services.

- Farmer → produces crops
- Potter → makes pots
- Carpenter → makes furniture
- Teacher → provides education
- Doctor → provides healthcare

Exam point: Producers use resources, knowledge and skills to produce goods and services.

5. Consumers

A consumer is a person who uses or purchases goods and services to satisfy needs and wants.

- A student buying a notebook is a consumer.
- A family buying vegetables is a consumer.
- A patient using healthcare is a consumer.

Memory: Producer → Produces | Consumer → Uses

6. Distribution and Exchange

After goods are produced, they need to reach consumers. Activities such as transportation, storage, selling, buying and distribution help move goods towards consumers.

- Farmer → produces vegetables
- Transporter → carries vegetables
- Shopkeeper → sells vegetables
- Consumer → buys vegetables

Key idea: Several people may be involved before a product reaches the consumer.

7. Market

A market is a place or system where buyers and sellers interact to exchange goods and services.

- Local markets
- Weekly markets
- Shops and shopping areas
- Online marketplaces

A market helps producers reach consumers and helps consumers obtain goods and services.

8. Resources Used in Economic Activities

Economic activities require resources.

- Land: used for farming and other activities.
- Water: essential for farming and many activities.
- Raw materials: used to make products.
- Tools and machines: help people perform work.
- Labour: human effort used in production.
- Knowledge and skills: help people perform activities effectively.

Example: Land + Water + Seeds + Tools + Knowledge + Labour → Crops

9. Livelihood

A livelihood refers to the means through which a person or household earns a living and meets its needs.

- Farming
- Teaching
- Running a shop
- Carpentry
- Tailoring
- Transport services
- Other occupations

Remember: Occupation → Income/Livelihood → Meeting Needs

10. Different Economic Activities

Economic activities vary from place to place. Rural and urban areas may have different patterns because of differences in resources, skills, infrastructure, location and opportunities.

- Rural areas: farming, animal husbandry, dairy activities, fishing, handicrafts and small-scale trade.
- Urban areas: offices, factories, shops, transportation, healthcare, education, banking and other services.

Important: These are common examples; rural and urban economies can both contain many different types of work.

11. Interdependence

Interdependence means depending on one another. Economic activities are often interconnected because no individual or community can produce everything it needs by itself.

- A restaurant may depend on farmers for vegetables.
- It may depend on transporters for supplies.

- It may depend on equipment manufacturers and electricity services.

Exam point: Different workers and occupations can depend on one another.

12. Specialisation

Specialisation means focusing on a particular type of work or activity in which a person has knowledge or skills.

- A person skilled in bicycle repair may specialise in bicycle repair.
- Another person may specialise in tailoring.

Benefits: Skills can improve through practice, work can become more efficient, and people can exchange goods and services.

13. Limited Resources and Choices

People have limited resources, such as money, time and materials, while their needs and wants can be many. Therefore, they have to make choices.

- A student has ₹100 and needs a notebook but also wants a toy.
- If the notebook is more important, the student may choose the notebook.

Remember: Limited resources → Choices have to be made.

14. Needs and Wants

Needs are things that are essential for living and well-being. Wants are things people desire but that may not be essential.

- Needs: food, water, shelter, basic healthcare and education.
- Wants: luxury items, certain toys or entertainment products.

Exam tip: When resources are limited, people often give priority to needs over wants.

15. Technology and Economic Activities

Technology has changed the way many economic activities are performed. It can make production faster, reduce physical effort, improve efficiency and help businesses communicate with customers.

- Technology can enable online buying and selling.
- A craftsperson can reach customers outside the local area through digital platforms.
- People are still needed to operate, maintain and improve technology.

Important: Technology changes the way work is performed, while human knowledge, skills and decision-making remain important.

16. Economic Activities Are Connected

Economic activities rarely happen in isolation. A product may pass through several stages before reaching a consumer.

- Farmer → grows wheat
- Mill → processes wheat into flour
- Baker → makes bread
- Transporter → transports bread
- Shopkeeper → sells bread
- Consumer → buys and uses bread

Concept illustrated: Economic interdependence.

17. Importance of Different Occupations

Different occupations contribute to society in different ways.

- Farmer → produces food
- Teacher → provides education
- Doctor → provides healthcare
- Carpenter → makes furniture
- Tailor → makes or repairs clothes

- Driver → provides transportation
- Shopkeeper → helps distribute goods
- Artisan → creates useful or decorative products

Key idea: No single occupation can meet all the needs of society.

18. Economic Activities and Community

Economic activities help communities by providing goods and services, creating livelihoods, connecting producers and consumers, encouraging exchange and making use of local skills and resources.

- Goods and services meet daily needs.
- Livelihoods support families.
- Markets connect buyers and sellers.
- Different occupations support one another.

Overall idea: Economic life involves cooperation and interdependence.

19. Important Terms

Term	Meaning
Economic Activity	Activity related to production, distribution, exchange or consumption of goods and services.
Goods	Physical products that meet people's needs.
Services	Activities provided to meet people's needs.
Producer	Person or organisation that produces goods or provides services.
Consumer	Person who purchases or uses goods and services.
Production	Making goods or providing services.
Market	Place or system where buyers and sellers interact.
Resource	Something used in producing goods or services.
Livelihood	Means through which a person earns a living.
Specialisation	Focusing on a particular type of work.
Interdependence	Mutual dependence among people or activities.
Distribution	Process of moving goods towards consumers.
Exchange	Buying, selling or otherwise transferring goods and services.

20. Important Exam Questions

Q. What are economic activities?

Ans. Economic activities are activities related to the production, distribution, exchange and consumption of goods and services. They help meet people's needs and may provide livelihoods.

Q. Differentiate between goods and services.

Ans. Goods are physical products such as books, clothes and furniture. Services are activities provided to meet people's needs, such as teaching, healthcare and transportation.

Q. Who is a producer?

Ans. A producer is a person or organisation that produces goods or provides services.

Q. Who is a consumer?

Ans. A consumer is a person who purchases or uses goods and services to satisfy needs and wants.

Q. What is a livelihood?

Ans. A livelihood is the means through which a person or household earns a living and meets its needs.

Q. Why are economic activities interdependent?

Ans. Economic activities are interdependent because different people produce different goods and provide different services. They depend on one another to meet their needs.

Q. What is specialisation?

Ans. Specialisation means focusing on a particular type of work or activity in which a person has knowledge or skills.

Q. Why do people have to make choices?

Ans. People have limited resources such as money, time and materials, while their needs and wants can be numerous. Therefore, they have to make choices about how to use available resources.

21. Competency-Based Clues

Situation	Concept
Making a product	Production
Providing teaching or healthcare	Service
Buying a product	Consumption
Person making goods	Producer
Person using goods	Consumer
Buying and selling	Exchange
Place connecting buyers and sellers	Market
Land, water, tools and raw materials	Resources
Earning a living	Livelihood
Different people doing different jobs	Specialisation
People depending on one another	Interdependence
Moving goods to consumers	Distribution
Online buying and selling	Technology / digital marketplace
Choosing between a need and a want	Limited resources and choice

22. Quick Revision Flow Chart

RESOURCES

↓

Production

↓

Goods & Services

↓

Distribution & Exchange

↓

Consumers

↓

Needs & Wants Satisfied

↓

INTERDEPENDENCE

23. Last-Minute Revision - 15 Points

- Economic activities involve production, distribution, exchange and consumption.
- Economic activities help meet people's needs.
- Goods are physical products.
- Services are activities provided to meet needs.
- Producers make goods or provide services.
- Consumers use or purchase goods and services.
- Production requires resources.
- Markets connect buyers and sellers.
- Livelihood means a means of earning a living.
- People specialise in different types of work.
- Different economic activities are interconnected.
- People depend on one another for goods and services.
- Resources such as money and time are limited.
- Technology is changing the way many economic activities are performed.
- Economic life depends on cooperation and interdependence among people.

Super-Quick Memory Line: Resources → Production → Goods/Services → Distribution → Exchange → Consumption → Needs Met → Interdependence