

# 6

## CHAPTER



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## TERTIARY AND QUATERNARY ACTIVITIES

### Important points

- Three types of activities included in service sector are: **a) Tertiary activities. b) Quaternary activities. c) Quinary activities**
- Tertiary activities are classified into four types: Trade and commerce, Transport, Communication, Services
- **Departmental stores** delegate the responsibility and authority to departmental heads for purchasing of commodities and for overseeing the sale in different sections of the stores.
- **Chain stores** are able to purchase merchandise most economically, often going so far as to direct the goods to be manufactured to their specification. They employ highly skilled specialists in many executive tasks. They have the ability to experiment in one store and apply the results to many.
- **Transport distance** is measured by Km distance, Time distance, Cost distance.
- **Isochrone lines** are drawn on a map to join places equal in terms of the time taken to reach them.
- In selecting the **mode of transport**, time and cost distance, is the determining factor.
- **A node** or vertex, is the meeting point of two or more routes, a point of origin, a point of destination or any sizeable town along a route is called a node.
- Every road that joins two nodes is called **a link** or edge. A developed network has many links, which means that places are well-connected.
- As transport systems develop, different places are linked together to form a **network**. Networks are made up of nodes and links.
- When medical treatment is combined with international tourism activity, it lends itself to what is commonly known as **medical tourism**.
- Tourism has become the world's single largest tertiary activity
- A segment of the service sector that is knowledge oriented can be divided into quaternary and quinary activities.
- 'Home shoring' is as an alternative to outsourcing.

### Tertiary activities:

Q.1 What are TERTIARY ACTIVITIES?

Ans. Tertiary activities include both production and exchange of services.

- i. The production involves the 'provision' of services that are 'consumed'. The output is indirectly measured in terms of wages and salaries.
- ii. Exchange, involves trade, transport and communication facilities that are used to overcome distance.
- iii. Tertiary activities, therefore, involve the commercial output of services rather than the production of tangible goods.
- iv. They are not directly involved in the processing of physical raw materials.
- v. Tertiary activities are performed by skilled labour, professionally trained experts and consultants.

Q.2 Give differences between tertiary activities and secondary activities.

Ans. The main difference between them is:

That the expertise provided by services relies more heavily on specialised skills, experience and knowledge of the workers rather than on the production techniques, machinery and factory processes.

## **TRADE AND COMMERCE**

### **Rural and Urban marketing centres**

Q.3 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 and quasi-urban centres whereas urban centres offer more specialized urban services.
- iii. Personal and professional services are not developed 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.
- v. Rural marketing centres have mandis (wholesale markets) and also retailing areas but urban marketing centres have many specialised markets, e.g. markets for labour, housing, semi or finished products.

Q.4 What are periodic markets?

Ans. Periodic markets in rural areas are found where there are no regular markets and local periodic markets are organised at different temporal intervals. These may be weekly, biweekly markets from where people from the surrounding areas meet their temporally accumulated demand. These markets are held on specified dates and move from one place to another. The shopkeepers thus, remain busy on all the days while a large area is served by them.

Q.5 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.

### **Factors affecting the transport services**

Q.6 Explain the factors which affect the transport services.

Ans. Transport services depend on

- i. **Demand** for transport is influenced by the size of population. The larger the population size, the greater is the demand for transport.
- ii. **Routes** depend on: Location of cities, towns, villages, Pattern of trade between them, Nature of the landscape between them, Type of climate, Funds available for overcoming obstacles along the length of the route.

### COMMUNICATION SERVICES

Q.7 What are communication services? Explain the factors on which communication services depends.

- Ans. Activities related to transmission of words and messages, ideas and facts are termed as communication services. It depends on:
- Communication services depend on transport network. Where the transport network is efficient, communications are easily spread.
  - Certain developments, such as mobile telephony and satellites, have made communications independent of transport.
  - 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.8 How telecommunication has revolutionised communications in the world?

- Ans.
- The use of telecommunications is linked to the development of modern technology.
  - It has revolutionised communications because of the speed with which messages are sent. The time reduced is from weeks to minutes.
  - Mobile telephony have made communications direct and instantaneous at any time and from anywhere.
  - The telegraph, morse code and telex have almost become things of the past.
  - Radio and television also help to relay news, pictures, and telephone calls to vast audiences around the world and hence they are termed as mass media. They are vital for advertising and entertainment.
  - Newspapers are able to cover events in all corners of the world.
  - Satellite communication relays information of the earth and from space.
  - The internet has truly revolutionised the global communication system.

### SERVICES

Q.9 Describe different types of services.

- Ans. Services occur at many different levels.
- Some are provided to industry, some to people; and some to both industry and people, e.g. the transport systems.
  - 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.
  - 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.
  - 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.
  - Professional services are primarily health care, engineering, law and management.
  - Recreational and entertainment services such as Multiplexes and restaurants.

Q.10 Which are unorganised 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.11 Name the single largest tertiary activity in the world and state its significance.

Ans. Tourism is travel undertaken for purposes of recreation rather than business. It has become the world's single largest tertiary activity.

- 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.12 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.

Q.13 India has emerged as the leading country of medical tourism in the world. Justify the statement.

Ans.

- i. About 55,000 patients from U.S.A. visited India in 2005 for treatment.
- ii. World class hospitals located in metropolitan cities cater to patients all over the world.
- iii. Medical tourism brings abundant benefits to developing countries like India.
- iv. Beyond medical tourism, is the trend of outsourcing of medical tests and data interpretation.
- v. Hospitals in India have been performing certain medical services – ranging from reading radiology images, to interpreting MRI and ultrasound tests.

## QUATERNARY ACTIVITIES

Q.14 What are quaternary activities? What are its important features?

Ans. The **quaternary activities** refer to service sector that is knowledge oriented.

1. Quaternary activities involve the collection, production and dissemination of information or even the production of information.
2. Quaternary activities centre around research, development.
3. It is an advanced form of services involving specialised knowledge and technical skills.
4. Information based services of mutual fund managers, tax consultants, software developers and statisticians belong to quaternary activities.
5. Personnel working in office buildings, schools and university classrooms, hospitals and doctors' offices, accounting all belong to this category of services.
6. Quaternary activities can also be outsourced. They are not tied to resources, affected by the environment, or necessarily localised by market.

### QUINARY ACTIVITIES

Q.15 What are quinary activities?

Ans. Quinary activities are -

- i. Quinary activities refer to the activities performed by the highest level of decision makers or policy makers.
- 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.16 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. Outsourcing countries are facing resistance from job-seeking youths in their respective countries.

Q.17 Write short note on KPO (knowledge processing outsourcing).

Ans.

- i. The KPO industry involves more high skilled workers.
- ii. The KPO is information driven Knowledge Outsourcing.
- iii. KPO enables companies to create additional business opportunities.
- 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.18 What is digital divide?

Ans.

- i. Opportunities emerging from the Information and Communication Technology based development is unevenly distributed across the globe.
- ii. While developed countries in general have surged forward, the developing countries have lagged behind in providing ICT access and benefits to its citizens this is known as the digital divide.
- iii. Similarly digital divides exist within countries. For example, in a large country like India or Russia, certain areas like metropolitan centres possess better connectivity and access to the digital world versus peripheral rural areas.