

## Assignment - 4

2 mark

### 1. define education

education is the process of facilitating learning, or the acquisition of knowledge, skills, values, morals, beliefs, and habits.

Education methods include teaching, training, story telling, discussion and directed research.

### 2. define human capital

Human capital is an intangible asset or quality not listed on a company's balance sheet. It can be classified as the economic value of a worker's experience and skills. This includes assets like education, training, intelligence; skills, health, and other things employers value such as loyalty and punctuality.

3. what do you mean physical capital

physical capital refers to assets, such as building, machinery, and vehicles, which are owned and employed by an organisation. physical capital constitutes one of the factors of production other than land and labour. The assets constitute fixed capital means that they are not consumed in the process of production

4. define education cost

Educational cost is a measure of what a student, an institution of learning, or the public has to give up in order to educate an individual or a group of people. cost of education may be incurred by producers [educational institutions] or consumer [students and their parents].

5. define social infrastructure

Social infrastructure is a subset of the infrastructure sector and typically includes assets that accommodate social services. As set out in the table below example of social infrastructure. Assets include schools, universities, hospital, prisons and community housing.

Health - medical facilities, Ancillary infrastructure [offices, car parks, training, facilities]

Education - schools, <sup>[primary and secondary]</sup> tertiary facilities,

Residential student accommodation

Housing - state or council housing, defence force housing

Civic and utilities - community & sport facilities, local government facilities, water and wastewater treatment

Transport - Bus stations, park and rides, Available  
-based roading [excluding demand-risk toll roading

Corrections and Justice - prisons, court houses

5 mark

1. write short note on social infrastructure

The social infrastructure in India includes the education system in India, health care, the management of the education and health services in India that from the basic social infrastructure. The infrastructure development of any country includes both economic infrastructure development that is the development of various sectors like energy, power, telecom, transport, info tech, finance etc. and also infrastructures including education and health issues.

Examples of social infrastructure

Education

Health care

Transportation

Housing

Environment

citizen services

Education

The India government has expressed

a strong commitment towards education towards education for all its citizen.

Education is highly valued in India and considered a great asset among its people.

The currently literacy rate is 65.38%. [males: 75.96% and females: 54.28%].

numerous studies show that illiterate woman have high levels of fertility and mortality, poor nutritional status, low earning potential and little autonomy within the household.

### Education system india

Education in india until 1976 was the responsibility of the state government; It was then made a joint responsibility of both center and state. The center is represented by the education ministry a subsidiary of the ministry of human resource development india.

The education system in india consists of primarily six levels

Nursery class

primary class

secondary level

higher secondary level

graduation

post graduation

### Health in India

Health in India is state government responsibility with the national health policy laying down the necessary health policy in India. The central council of health and welfare formulates the various health care

project and health department reform policies. The administration of health industry in India as well as the technical needs of the health sector are the responsibility of the ministry of health and welfare India.

### Health care in India

The health care services in India are mainly the responsibility of the health ministry and also the private companies in the health industry in India collectively.

### Healthcare institution in India

The ministry of health family welfare India has set up many state run hospitals that provide subsidized medical facility to all. Besides these health ministry run health institutions, many private companies have also set up big hospitals and specialty clinics that provide health care services.

### Transport

From the beginning of history, human sensitivity has revealed an urge for mobility leading to a measure of society's progress. The history of this mobility or transport is the history of civilization. For any country to develop with right momentum modern and efficient transport as a basic infrastructure is a must. It has been seen throughout the history of any nation that a proper extensive and efficient road transport has played a major role. Transporters perform

one of the most important activities, at every stage of advanced civilization

## Housing

The housing industry of India is one of the fastest growing sectors. A large population base, rising income level and rapid urbanization leads to growth in this sector. In the federal structure of the Indian polity, the matters pertaining to the housing and urban development have been assigned by the constitution of India to the state governments. However, the union government is responsible for formulation and implementation of social housing schemes.

## Environment

Environmental degradation is widespread and resource scarcities are growing, helping to further impoverish India's rural population. The growing demand for power, fueled largely by high-ash coal, contributes to air pollution and chronic respiratory diseases in India. Inadequate access to clean water and sanitation adds to the incidence of other communicable illnesses. India's use of energy is expected to grow at least 520% over the next 50 years. Without cleaner technology or more effective environmental policies, emissions of air pollutants may increase by the same amount.

citizen services

aiming of economic development

because the key focus for labour (skilled and unskilled) migrating to urban areas is to tap into some of the assumed economic prosperity that a city is supposed to provide

From a social perspective because there is an expectation that these citizens will have access to better public services, such as housing, health, education.

In terms of environmental impact

because people moving into cities consume more energy and emit more carbon

2. distinguish between human capital and physical capital

Basis for comparison	physical capital	human capital
meaning	physical capital implies the non-human assets of the company, such as plant and machinery, tools, equipment, office supplies etc. that help in the process of production	Human capital refers to stock of knowledge, talent, skills and abilities brought in by the employees to the organization
Nature	Tangible	Intangible
Formation	Economic and technical process	Social process and conscious decision of the possessors

Tradability	It can be traded in the market	only the services of human capital can be sold.
separability	It is separable from its owner	It is not separable from its owner
Financial statement	shown in financial statement	Not shown in financial statement
Restriction on mobility	occurs due to trade barriers	occurs out of nationality and culture.
Nature of depreciation	constant use, results in depreciation	ageing leads to depreciation but it can be minimized.
benefits	It creates only private benefit	It creates both private and social benefits
mutual Relationship	physical capital is created by human capital	human capital is not created by physical capital
management	generic and impersonal	personalized, creative and customized
Ease of measurement	Easy and straight forward to identify and calculate	A bit more complex; due to indirect and often assumed factors like



networks and goodwill.

3. list out various components of human capital

Skills, qualifications, and Education  
work Experience

Social and communication skills

Habits and personality Traits

Individual Fame and Brand Image

Human capital was a term developed in the 1950s and 1960s by two economists Jacob Mincer and Gary Becker, who are considered members of a Chicago school of economics. The concept, however, goes as far back as Adam Smith, who argued that capital does not just consist of machines and real estate, but also of the acquired and useful abilities of all the inhabitants or members of the society. This notion of human abilities and education as constituting a store of capital which can be invested to produce value was originally applied to analysis of nations as a whole but gradually became a key part of the understanding of how businesses succeed in an age where innovation and intellectual property are as important as factories and land for creating value in business.

1. Skills, qualifications, and Education

The productivity of workers is closely tied to their skills, education and qualifications: just as factories invest capital

in manufacturing that increases productivity. So workers or companies invest in education and training that increase productivity. This is especially the case in businesses that specialize in services, technology, or intangible products where value is created by innovation and creativity rather than working with physical materials. For example the key creator of value in a medical practice is the doctors' training and skills. Just as law degrees create value in a legal partnership.

### II. WORK EXPERIENCE

The more experienced employees are, the more they create value.

According to the Harvard Business Review it may take employees anywhere from three months to a year to become productive. Every time a business loses an employee to a competitor, layoffs, or retirement, it needs to invest in recruiting and training new staff, something that is just as much an expense as replacing machinery in a manufacturing plant. Thus, work experience can be seen as a form of capital that generates revenue.

### III. SOCIAL AND COMMUNICATION SKILLS

No matter how much employees know or how much they have developed expertise in a corporate culture and practices, that knowledge is of little use

if they cannot communicate effectively or work well with other employees. Their social and communication skills of employees are even more important in areas of business which involve dealing with customers or clients, as good customer service can affect how customers respond to a brand.

#### iv. Habits and personality traits

For individual employees, habits and personality traits can be a source of value. The worker who is disciplined, punctual, meets deadlines, has a positive outlook, and is a team player generates more value than one who may have the same technical skills but lacks these personal traits and habits.

#### v. Individual Fame and Brand Image

Brand image is what makes a business immediately recognizable to potential customers. Often famous individuals, such as Steve Jobs of Apple, can become iconic figures who generate revenue for a brand. Companies that make sporting goods, fashion companies, and retail businesses often rely on personal branding and celebrity spokespeople to attract customers.

While many companies have access to similar technology, having the best employees and most recognizable brands can increase productivity and profits. Especially now that services rather than

Intangible products form an increasing percentage of GDP. Human capital is increasingly important for individual workers and businesses.

write various important of education  
The first thing that strikes in our minds when we think about education is gaining knowledge. Education is a tool which provides people with knowledge, skill, technique, information, enables them to know their rights and duties toward their family, society as well as the nation. It expands vision and outlook to see the world. It develops the capabilities to fight against injustice, violence, corruption and many other bad elements in the society.

Education gives us knowledge of the world around us. It develops in us a perspective of looking at life. It is the most important element in the evolution of the nation. Without education, one will not explore new ideas. It means one will not be able to develop the world because without ideas there is no creativity and without creativity, there is no development of the nation.

Importance of Education in our society

Education is an important aspect that plays a huge role in the modern, industrialized world. People need a good

Education to be able to survive in this competitive world. modern society is based on people who have high living standards and knowledge which allows them to implement better solutions to their problems.

### Features of Education

Education empowers everyone. Some of the areas where education helps are

#### I. Removing poverty

Education helps in removing poverty as if a person is educated, he can get a good job and fulfill all the basic needs & requirement of his family.

#### II. safety and security against crime

If a person is well - educated, he will not be fooled by anyone easily. An educated person is less prone to involve in domestic violence & other social evils. They enjoy health relationships in life. This means people are less susceptible to being cheated or becoming a victim of violence.

#### III. prevention of wars and terrorism

To lead a safe & secure life, one needs to understand the value of education in our daily life. one needs to taken an active part in various educational activities. These types of productive activities provide knowledge to live a better life.

#### IV. Commerce and Trade

A good education doesn't simply mean going to school or college & getting a degree. Trade & commerce of the country will also be flourished easily if its citizens are well-educated. Education helps to become self-dependent and build great confidence among them to accomplish difficult tasks. On getting an education, their standard of life gets improved.

#### V. Law and Order

Education enables the process of the nation's fast development. If you have a good education, you can serve your country well. It develops a good political ideology.

#### VI. Women Empowerment

Education also helps in empowering women. Certain old customs like not remarrying widows, sati pratha, child marriage, dowry system, etc. can be demolished with the power of education. Women, if educated, can raise voice against the injustice done to her. This will bring a lot of development in society as well as in the nation. In short, Right to Freedom of Speech & expression can be used in the right way if all women will become educated.

#### VII. Upliftment of economically weaker sections of society

Education is the most important ingredient to change the world. Due to lack of education, many illiterate people suffer the hardships of discrimination, untouchability & injustice prevailing in the society but with the advancement of good education, if all the people will be educated; this ultimately leads to the upliftment of economically weaker sections of society.

### viii. Communications

The relation between education & communication is apparent. Good education helps to communicate better with other people. It also improves our communication skills such as speech, body language etc. A person who is educated feels confident within him to confront or give a speech in front of a large public or can hold a meeting or seminar.

writing emails, letters, typing messages, reading magazines & newspaper or even using a smartphone can never be possible without getting a basic education.

10 mark

1. List out various benefit of education
1. Creating more employment opportunities

Finding a job is not easy, especially in times of economic turmoil. You often need to compete with hundreds of other

candidates for a vacant position. In addition, the lower the education level, the greater the number of people applying for the same low-paying entry-level post. However, with the right qualifications and educational background, you will increase your chances of landing a fulfilling job. Would you like to find a way to stand out from a pool of applicants. Learn, educate yourself, graduate and get as many qualifications, skills, knowledge, and experience as possible.

## II. Securing a higher income

people with higher education and varied experience are more likely to get high-paying, expert jobs. Study hard, dedicate your time and effort to acquire knowledge and reach a high level of competence if you would like to lead a comfortable lifestyle. Your credentials are what will motivate a potential employer to choose you instead of another candidate. Studying hard throughout your school and studies shows you are not afraid of hard work and are able to fulfill your goals. Employers see this as a huge advantage as they all prefer a responsible and knowledgeable workforce. Once you graduate, you can start searching for jobs that will give you the opportunity to practice what you have learned and, at the same time, secure sufficient pay for your needs.



### III. Developing problem solving skills

one of the benefit of education is that the educational system teaches us how to obtain and develop critical and logical thinking and make independent decisions. when children become adults, they are faced with a lot of challenging issues - pay off your student loans, get a job, buy a car and a house, provide for your family, etc. However, if one has spent year educating themselves they should be able to make sound decision on these various quandarries. Not only are people able to form their own opinions, but they are also good at finding solid and reliable arguments and evidence to back up and confirm their decisions.

### IV. Improving the Economy

people with good academic and educational backgrounds tend to get well-paid jobs. The higher their education and accomplishments, the better employment options they get. people who grew up poor but educated themselves have high chances to transform their lives, thus contributing to a decrease in society's poverty rates.

Education helps countries grow economically since it is about getting knowledge and being able to apply it wisely to our lives and, at the same time, improving other people's lives.

### V. providing a prosperous and Happy life

Education has always secured respect from society. In order to ensure a comfortable lifestyle, people should educate themselves and obtain a well-paid job to be successful.

and satisfied. It helps gain a better reputation and increases the chances of climbing the career ladder more easily and faster. In turn, it provides financial resources for stable lives - people can afford to buy their own house or apartment and thus secure their children's happiness and success. Furthermore, being able to own home provides stability and increases self-confidence. It leads to creating positive environment for families and communities. "Children of homeowners are 116% more likely to graduate from college than children of renters of the same age, race, and income. They are also 25% more likely to graduate from high school and have higher math and reading scores, with fewer behavioral problems," according to research at the University of Tennessee.

#### VI. Giving Back to the Community

Educated people understand how valuable it is to live in a stable and secure community. They are more prone to taking part in projects that help improve not only their neighborhood but society, as well. In addition, when people are able to afford their own home, they are more likely to take part not only in improving their homes but in solving local problems, as well. After all, it is quite important to get involved and give a hand to the less fortunate ones in order to build a better place for all of us to live in.

## VII. creating modern society

Education is of key essence for modern society. one needs to learn about culture, history and other important aspects so that they would be able to contribute to modern society. Education molds people into leaders not only with knowledge about [college] subjects, but it also shows them how to lead with emotions and true values. Educated people can easily differentiate between right and wrong, thus education helps reduce the crime rate. Bad events are happening around the world - only competent leaders can help guide us down a good and right path.

## VIII. Bridging the Borders

Digital education helps connect with people and organizations around the world. Borders are no longer there. Being able to communicate and share opinions with people from other countries and cultures, widens horizons and helps us understand and appreciate each other.

## IX. creating equal opportunities

The importance of education in society has always been great as it is irrespective of caste, race, gender, religion. Educated people are treated as equals on the basis of their knowledge and competence. In addition to this, educated people are open-minded and are able to listen and accept other people's views

regardless of the fact of how different they are. Education offers a possibility to live independently and thus be free. It is our shelter against financial storms and wrong decisions.

### X. Introducing Empowerment

Education is the key to turn a weakness into a strength. It offers different tools and ways to understand problems that lay ahead of us and helps resolve them. More importantly, education provides us with considerable mental agility to make the right decision and spring into action when needed. Many types of research show that educated women can more easily stand up against gender bias and marital violence as they have improved their decision-making capabilities.

Whether it is about respect, a higher position in society and a professional environment, financial security, family stability, education provides all of these and much more. Home stability provided by owning your own home helps children who grew up in their own houses or apartments become more successful. They are more likely to graduate high school (25%) and finish college (16%).

Education is the most powerful weapon which you can use to change the world," as Nelson Mandela said. It helps people become better citizens, get a better

- paid job, shows the difference between good and bad. Education shows us the importance of hard work and, at the same time, helps us grow and develop. Thus, we are able to shape a better society to live in by knowing and respecting rights, laws, and regulations. Learning languages through educational processes helps interact with different people in order to exchange ideas, knowledge, good practices. It teaches us to live in harmony.

2. why social and private cost required for Education development

Social costs of education

a) Direct or monetary costs

Scholarships, free ships to students  
construction of school, college and university buildings

construction of all other infrastructure for education - games and sports, library, laboratories, NCC, NSS, etc.

Free meals, mid-day meals schemes etc.

payment of salaries, pensions and other incomes to teaching and non-teaching staff

cost of upgradation of syllabi, and training teachers

cost of examinations and paper corrections

Education conferences and workshops

publication of books, stationary, etc.  
cost of research

b) Indirect social cost or opportunity cost

The funds diverted to education in government budget, could have been used more productively in other sectors  
subsidies on education

The land, building and equipment could have been used for other types of production.

The trained teachers and staff could have been employed in other sectors.

The students could have been employed

Then they would have been an asset to the economy, by adding to NY and output.

But now they are a liability, as money is being spent on them, with out immediate returns.

Higher taxes to collect funds to pay for education - such as education cess, library cess, etc.

private cost of Education

a) direct or monetary cost

Tuition and examination fees,

Hostel and boarding expenses,

Books, equipment and stationery  
clothes, uniforms, shoes etc.

Transport,  
other expenses

b) Indirect or opportunity costs

Employment foregone,

Income foregone,

on job training and experience  
which cannot be learned through  
books.

Age factor

Burden and not support to  
family

Educated: under employment.

Education and development

Education promotes development

development promotes education

Education promote development

Basic literacy and numeracy are  
indispensable for coping and survival in  
the modern world

generates skills of all sorts  
needed in the economy

Improved parental, esp. mothers'  
education, builds "human capital" of children  
e.g. via nutrition, health, child-care  
spill-over or "externalities".

may improve quality and scope of  
entrepreneurship on farms and in other  
economic activities.

But education on its own will not "produce" development

public policy mess-ups, institutional stupidities and political dysfunction all can overwhelm good education and produce stagnation and contraction.

development promote education

development [sustainable growth plus equity] generates the resources that can improve and support education.

growth leads to increased tax revenues for public education expenditures

higher family income permit increased family financing of education

Educational systems and development

Educational supply and demand the relationship between employment opportunities and educational demands

Education certification continuously up-grading of job entry requirements for jobs previously filled with less-educated workers.

Distribution of Education Lorenz curves for the distribution of education

Education, inequality, and poverty. Note that formal education system can worsen income distribution.

3. given account of public expenditure on education increase over last 30 years [since 1991]



The government commitment to increase the share of public spending on education to 6 percent of GDP has been expressed in the National common minimum programme. This is a very important commitment, especially given the huge shortfalls in good quality education to the population, and has clear implications for future growth as well. It could be argued that, given the current levels of public spending on education (at 3.2 percent of GDP) and the international average of such spending (at 5 percent of GDP), this is a very high figure to aim at, with unnecessary ambition at the current juncture given the known fiscal constraints and low prevailing tax-GDP ratios. However, it can be argued that given the inadequate state of education in the country, it may even be necessary to aim at a higher proportion than 6 percent. In any case, there are several reasons this is both a necessary and desirable goal for the medium term.

Quite apart from its social and economic effects, education must be seen as a basic human right, which is recognised in the universal declaration on human rights but which has still not been made available to all citizens of India. In fact, the government of India has still failed to meet the commitment made in the constitution at the time of constituting the Republic more than five decades ago of providing universal primary education to all our children.

Not only is an unacceptable large proportion of our population still illiterate, but the gaps in provision of education are huge at all levels. There is major excess demand for quality public education, ranging from pre-school and elementary schooling to higher education, technical training and professional courses.

It is well known and now widely accepted that investment in education is critically important for the future economic growth and social cohesiveness of society. Many of the potential payoffs to society from various types of public investment in education are not immediately apparent but are nevertheless very important. [For example, the much-hyped software boom itself reflects at least partly the earlier public investment in IITs.] Further, there are huge advantages to society in having the general level of education in society improve, not only because the quality of the workforce improves, but because various other aspects such as health, nutrition and sanitation are positively affected, and also because education citizens can be more effective participants in a democratic civil society.

It is obvious in theory and evident in practice that this is one area in which relying on private provision will lead to very substantial under-provision and socially suboptimal outcomes, because the social returns to education far outweigh the private

returning. Relying on private profitability to determine investment in this area, even in higher education, is socially inefficient and does not ensure future knowledge needs, which must necessarily be determined not just according to current market considerations but through some sort of plan-based assessment of the likely future requirements of society. In any case, profit-based provision of education typically excludes a major part of the population and does not ensure either merit or adequate representation by gender, class or social group, making it undemocratic in content. This is not to deny the usefulness of private investment, but simply to state that this cannot replace public expenditure in this area.

While public spending on education typically tends to increase with per capita GDP, this is not the inevitable pattern and can be influenced by public policy attitudes. In fact several developing countries that have made very substantial public investment in education, have subsequently reaped the benefits in terms of faster and more broad-based growth. Thus, in some countries of East Asia, public spending on education had increased to as much as 8-10 percent of GDP during the 1980s and first half of the 1990s, allowing these countries not only to improve the quality of their workforce dramatically, but also subsequently to take advantage of this to promote economic activities that involve moving up the international value chain.

Although education is a concurrent subject in the constitution, at present the bulk of public education spending is undertaken by the state governments. Within this, most is an revenue expenditure of which the largest single item is salary payments. Indicates the level of total public spending on education by Centre and states in 2004-05. This is dominated by spending of the education departments at centre and state level, but also includes expenditure on education made by 30 other government department

Government Expenditure on Education 2004-05

	Revenue expenditure	capital expenditure	Total expenditure
Centre [RS. crore]	19,141	Neg.	19,141
Centre [Percent of GDP]	0.62	Neg	0.62
States [RS. crore]	79,913	866	80,796
States [Percent of GDP]	2.57	0.03	2.6
Total [RS. crore]	99,055	866	99,937
Total [Percent of GDP]	3.19	0.03	3.22

The very low extent of capital spending is worth noting, especially given the very large infrastructure gaps in the country. There are still large numbers of villages and urban settlements without government schools in the approachable vicinity, as noted below. There is also substantial overcrowding in existing schools. Around 18 per cent of rural primary schools still do not have any building, and another 20 per cent function out of only one room, which would clearly affect both the quality and effectiveness of teaching in such schools. The inadequacy of other basic infrastructure [separate toilets for girls and boys, clean drinking water supply, electrical fittings and fans etc.] not to mention advanced teaching aids including computers, is also well-established not only for many primary schools but also for a substantial proportion of secondary schools and institutions of higher learning. Clearly, in the initial phases of increased public spending on education, there is therefore a strong case for increased capital expenditure particularly to meet these very obvious requirements.