

# **Globalisation and the Indian Economy (CH-4) Important Questions Class 10 Social Science (Economics)**

## **Chapter 4**

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### **Very Short Answer Type Questions ( 1 mark each)**

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**Q.1 What is Globalization?**

**Ans.** Globalization is the integration or interconnection between the countries through trade and foreign investment by multinational corporations.

**Q.2 Give one example of Trade Barriers?**

**Ans.** Tax on Export

**Q.3 When did India adopt the new economic policy?**

**Ans.** 1992

**Q.4 Provide one example of Indian MNC's?**

**Ans.** Tata Motors

**Q.5 Why does MNC's Invest in different countries?**

**Ans.** To earn more profits.

**Q.6 Which sector of economy is still lagged behind even after the Globalization?**

**Ans.** Agriculture Sector

**Q.7 When did Ford Motors established in India?**

**Ans.** 1995

**Q.8 What is privatization?**

**Ans.** Privatization means allowing the private sector to set up industries which were earlier reserved for the Public sector.

**Q.9 A company which has ownership or control in more than one country is know as?**

**Ans.** MNC's

**Q. 10 In which category you will put Indian Economy?**

**Ans.** Mixed Economy

### **LONG ANSWER TYPE QUESTIONS (3 OR 5 MARKS EACH)**

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**Q.1 What do you mean by globalization? What are the effects of globalization in India?**

**Ans.** Globalization is the integration or interconnection between the countries through trade and foreign investment.

#### **Positive Impacts:**

- Greater choice and improved quality of goods at competitive price and hence raises standard of living.
- MNC's have increased investment in India.
- Top Indian companies emerged as multinationals.
- Created new opportunities for companies providing services like IT sector.
- Collaboration with foreign companies help a lot to domestic entrepreneurs.

#### **Negative Impacts:**

- Indian economy faced the problem of brain drain.
- Globalization has failed to remove unemployment and poverty.
- Cut in farm subsidies.
- Closure of small industries.

**Q.2 What is WTO? What are the aim of WTO? What are the drawback of WTO?**

**Ans.** WTO is World Trade Organization, It is an organization which is in favor of increasing the world trade through globalization.

#### **The Aim of WTO:**

- To liberalize International trade by allowing free trade for all.
- To promote international trade among the countries of the world in an open uniform and non-discriminatory manner.
- Removal of both the import and export restrictions.

#### **The Drawback of WTO**

- It is dominated by developed countries.
- It is used by developed countries to support globalization in areas that are not directly to trade.

### **Q.3 What is MNC's? How MNC's can spread and get control over productions?**

**Ans.** MNC's are Multinational corporations. It is a company that owns or controls production in more than one nation. MNC's can spread and control by:

- Setting up joint production units with local companies.
- To buy up local companies and expanding its production base.
- Placing orders with small producers.
- By using their Brand.

### **Q.4 What is investment? How is foreign investment different from it?**

**Ans.** The money that is spent to buy assets such as land, building, machines and other equipment is called investment. Investment made by MNC's is called foreign investment. Every investment is made with the hope that the assets will earn profits for these companies.

### **Q.5 Why are the trade barriers imposed on the foreign trade and investment in a country?**

**Ans.** Trade barriers are used by the government:

- To increase, decrease or regulate foreign trade.
- To decide what kinds of goods and how much of each, should come into the country.
- To protect the producers within the country from foreign competition.

### **Q.6 Describe any five advantages to consumers due to globalization and greater competition among producers.**

**Ans.**

- There is a greater choice before consumers along with competitive price.
- Then enjoy improved quality and lower prices for several products.
- They enjoy much higher standards of living that was possible earlier.
- Strengthening of Consumers Right like – Right to Information, Right to choose, Right to Be Heard, Right to Seek Redressal has been given to consumers.
- Legal. rights of consumers have become more effective.

### **Q.7 What are the factors have stimulated the globalization process?**

**Ans.**

- Improvement in Transportation
- Development of Information Technology
- Telecommunication
- Computers
- Internet

### **Q.8 How the liberalization policy was gradually adopted in India?**

**Ans.**

- After Independence, the Indian government put barrier on foreign trade and foreign investment.
- Initially, Indian Industries were just coming up after Independence. so competition from imports wouldn't have allowed these industries to come up.
- In 1991, the government decided that the time has come for Indian producers to compete the producers around the globe.

### **Q.9 What is liberalization? Describe any five effects of liberalization on the Indian Economy,**

**Ans.** Removing barriers or restrictions set by the government is known as liberalization.

- Competition would improve the performance of producers within the country.
- Barriers on foreign trade and foreign investment were removed to large extent. This meant that goods could be imported and exported easily.
- Foreign companies could set up factories and offices to boost up production, It allows making decision freely.
- The competition would improve the performance of producers within the country since they have to improve their quality.

### **Q.10 How information technology is encouraging Globalisation ? Explain**

**Ans.**

- With Improvement in transportation technique now It become easier to send good at distance place at lower cost.
- Sending and receiving information are now become easier.
- There is rapidly increase in trade with the help of information and Technology.