

Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Class-10th

(Based on N C E R T pattern)

Date:- 15.07.XX.

Economics

Globalisation and the Indian Economy

Question 14.

What is trade? Explain the importance of international trade.

Answer:

The exchange of goods among people, states and countries is referred to as trade.

The international trade is important because:

- It helps in exchange of surplus goods with those of deficit countries through foreign trade.
- It helps in improving the quality of domestic goods.
- It contributes to the economic growth of the country by raising income level of the people and increasing foreign exchange reserves.
- It enables a country to import advanced technology of other countries to improve its own production.

Question 15.

Describe the impact of globalisation on Indian economy with examples.

Answer:

The impact of globalisation on Indian economy is as follows:

- It has created competition among producers, both local and foreign, which is advantageous to the consumers, particularly the well off. Now, there is a greater choice of goods before the consumers.
- It has enabled many Indian companies to become multi-national companies such as Tata Motors, Infosys and Ranbaxy.
- It has created new employment opportunities for companies providing services specially information technology. A lot of services such as data entry, accounting, administrative tasks are done cheaply in India and exported to other countries.
- New jobs are created in industries such as electronics, cell phones, automobiles and fast food.
- It had a negative impact on small manufacturers. Due to competition, some industries has been hit hard such as batteries, capacitors, plastic toys, vegetable oil etc. A number of units have shut down and a lot of workers, have become jobless.

Question 16.

Describe any five factors that promote the Multinational Corporations (MNCs) to set up their production units in a particular place.

Answer:

The factors that MNCs take into consideration to set up their production units in a particular place are:

- where it is close to the markets.
- where the skilled and unskilled labour at low costs is available.
- where the favourable government policies looking after their interest are , present.

- where the other factors of production such as raw materials, water, electricity and transport are available.
- where there are standard safety measures for assured production.

Question 17.

Describe the major problems created by the globalisation for a large number of small producers and workers.

Answer:

The major problems created by the globalisation for a large number of small producers and workers are:

- The small producers or workers either have to compete or perish.
- Small scale industries like batteries, capacitors, plastic toys etc. have been hit hard due to global products and have suffered great losses in their businesses.
- Several small factory units are forced to shut down.
- Millions of workers have gone jobless and jobs are no longer secure.
- It has increased income inequalities among various countries.
- Unorganised sector has expanded. {any five)

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