

Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Class-10th

(Based on N C E R T pattern)

Date:- 16.07.XX.

Economics

Globalisation and the Indian Economy

Question 1.

In recent years how our markets have been transformed? Explain with examples.

Answer:

The advent of globalisation and the policy of liberalization have opened the market to the world players. It has given rise to wide choice of goods and services to the consumer.

MNCs have played a vital role in the world market. Foreign trade and investment in the country has increased. It has also resulted in exchange of technology between countries. In recent times, technology in the areas of telecommunications, computers and internet has been changing rapidly.

Globalisation has also created new opportunities for companies providing services, particularly those involving in IT. Better job opportunities for people have given rise to migration.

Globalisation has also enabled some large Indian companies to emerge as multinationals For example, Tata Motors, Infosys, Ranbaxy have expanded their operations around the world.

Question 2.

“Foreign trade integrates the markets in different countries.” Support the statement with arguments.

Answer:

Foreign trade integrates the markets of different countries as:

- (a) It provides an opportunity for both producers and consumers to reach beyond the markets of their own country.
- (b) Producers now compete with markets located in other countries.
- (c) There is an expansion of choice of goods beyond the domestic market.
- (d) For example, during the Diwali season, buyers in India have the option of buying either Indian or Chinese decorative lights and bulbs. The Chinese manufacturers get the opportunity to expand their business.

Question 3.

“Technology has stimulated the globalisation process.” Support the statement with examples.

Answer:

Technology has stimulated the process of globalisation in the following ways:

- Transportation technology has witnessed several improvements in past fifty years. This has made much faster delivery of goods across long distances possible at lower costs, such as use of containers have led to huge reduction in port handling costs and increased the speed with which exports can reach markets. Also, the cost of air transport has fallen. Ultimately, it has stimulated the globalisation process.
- Telecommunication has also shown remarkable development. Computers, internet, e-mail, voice-mail, etc. are used intensively to contact one another around the world.
- There has been a remarkable development in information and communication technology. It has enabled to access information instantly and communicate even in the remotest areas. Call centres use this to satisfy their customers abroad or provide outsourcing services from anywhere.

Question 4.

How are Multinational Corporations (MNCs) controlling and spreading their productions across the world? Explain.

Answer:

The ways in which MNCs controlling and spreading their productions across the world are:

- By directly setting up factories and offices for production.
- By setting up production jointly with some of the local companies of other countries.
- By buying up local companies and then expand production
- By placing orders for production with small producers of the countries such as garments, footwear.
- By buying mass produced goods of domestic industries and, then sell it under their own brand name at much higher rates in foreign countries.

Question 5.

How do the large companies manipulate the market? Explain with examples.

Answer:

The large companies manipulate the market in the following ways:

- Sometimes false information is passed on through media and other sources to attract consumers. For example, a company selling powder milk for babies as the most scientific product claiming it to be better than mother's milk which although was a false claim.

- Some food items were consumed in India for many years although it is very harmful for the health of people. But through attractive and convincing advertisements in media, it was able to control the market such as Maggie noodles manufactured by Nestle was found harmful after testing in India in May 2015.
- They may also hide the essential information about the product like expiry date, contents, terms and conditions etc. to keep the consumers in dark.
- Sometimes, the expired products are packed in a new packing and again released in the market.
- It has also been evident that artificial scarcity is created by the producers and the product is hoarded for sale in future at a high price

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