



# Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10<sup>th</sup>

(Based on N C E R T pattern)

Date:- 17.01.21.

ECONOMICS

Globalisation and the Indian Economy

Question 1.

Give the meaning of WTO? What is the major aim of WTO? Mention any two shortcomings of WTO?

Answer:

WTO (World Trade Organization). WTO believes that there should not be any barriers between trade of different countries. Trade between countries should be free.

Aims of WTO:

- To liberalize international trade.
- To establish rules regarding international trade.
- Two shortcomings of WTO:
  1. Though WTO is supposed to allow free trade for all, in practice, it is seen that the developed countries have unfairly retained trade barriers and continued to provide protection to their producers. For example, farmers in the US receive huge sums of money from the government and as a result can sell the farm products at abnormally low prices in other countries, adversely affecting farmers in those countries.

2. On the other hand WTO rules have forced the developing countries to remove trade barriers.

Question 2.

What is globalization? Explain with three examples how top Indian companies have benefitted from globalization.

Answer:

Globalization is the process of rapid integration or interconnection among countries. It is the integration between countries through foreign trade and foreign investments by multinational corporations. It means the coming together of various economies of the world to form a global economy.

1. The top Indian companies have benefitted from the increased competition and globalization.
2. They have invested in new technology and production methods and raised their production standards.
3. Some have gained from successful collaborations with foreign companies.
4. Moreover, globalization has enabled some large Indian companies to emerge as multinationals themselves. For example, Tata Motors, Infosys, Ranbaxy, Asian Paints, Sundaram Fasteners etc.

**Mr Anant kumar**