



Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10th

(Based on N C E R T pattern)

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ECONOMICS

Globalisation and the Indian Economy

Question 1

What is the meaning of SEZ? Mention any three features of SEZ.

Answer:

SEZ or Special Economic Zones are industrial zones set up by the Central and State Governments with world class facilities in electricity, water, roads, transport, storage, recreational and educational facilities. Three features of SEZ:

1. The companies who set up production units in the SEZs do not have to pay taxes for an initial period of five years.
2. Government has also allowed flexibility in the labour laws to attract foreign investment. This is done to reduce the cost of labour for the company.
3. These are being set up to attract foreign companies to invest in India.

Question 2.

“Advancement of international trade of a country is an index of its economic prosperity.” Justify the statement with five arguments.

Answer:

“Advancement of international trade of a country is an index to its economic prosperity”.

1. As no country is self-sufficient in all resources, it cannot survive without international trade.
2. If the balance of international trade is favourable, a country will be able to earn more foreign exchange.
3. International trade encourages a country to develop secondary and tertiary sectors for exporting goods which can fetch more foreign exchange.
4. A country's economic prosperity can be gauged by the health of its international trade.
5. A country can earn large amounts of foreign exchange through international trade.

Question 3.

Explain the role of multinational corporations in the globalization process.

Answer:

Globalization is the process of rapid integration or inter-connection among countries. MNCs have contributed greatly in the process of globalisation.

1. MNC's have set up production centres in various countries and are supplying produced goods, services and technology to various countries.
2. The countries of the world have come closer. It has also increased the movement of people between countries.

3. The MNCs provide money for additional investments, for faster production. Also, MNCs bring with them the latest technology for enhancing and improving the production.

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