

Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Class-10th

(Based on N C E R T pattern)

Date:- 22.07.XX.

Economics

Globalisation and the Indian Economy

Question 1.

How has improvement in technology stimulated the globalisation process? Explain.

Answer:

The improvement in technology has stimulated the globalisation process as:

- There has been many improvements in transport technology in the recent years that have enabled faster delivery of goods across the world.
- Development of information technology in the areas of telecommunication like internet has revolutionised the world.
- Use of telegraph, mobiles, fax have enabled faster and easier access to information anywhere at any point of time.
- All these developments have further decreased the cost of their operations favouring the consumers around the world.
- It has opened up horizons for further advancement, research and development of existing means.

Question 2.

How has globalisation benefited India? Explain with five examples.

Answer:

The impact of globalisation on India are:

- It has enabled some large Indian companies to emerge as MNCs such as Tata Motors, Infosys.
- It has also created new opportunities for companies providing services like information technology.
- Greater competition among producers has been of special advantage particularly to the well-off sections of consumers in the urban areas. They have greater choice and enjoy improved quality and lower prices for various products. Thus, they are enjoying a higher standard of living.
- In these industries and services, new jobs have been created and also the companies supplying raw materials to these industries have prospered.
- Several of the top Indian companies have been able to benefit from the increased competition. They have invested in new technology and production methods and raised the standard of their products. Some of them have gained from successful collaboration with foreign companies.

Question 3.

How is the Government of India trying to attract more foreign investment? Explain with examples.

Answer:

The government of India is trying to attract more foreign investment in the following ways:

- Government has adopted the policy of liberalisation and lifted the trade barriers to allow foreign investment.
- In recent years, industrial zones called Special Economic Zones are being set up. These areas have world class facilities such as electricity, water, transport, education and recreational.

- The companies setting up production units in Special Economic Zones are exempted from various taxes and duties.
- The government also allowed flexibility in labour laws. The workers in the organised sector are protected by the government laws. The companies in Special Economic Zones instead could ignore many of the laws and engage workers flexibly for shorter periods, when there is a pressure of work.

Question 4.

How are MNCs spreading their production across countries? Explain with an example.

Answer:

Multinational Corporations (MNCs) are spreading their production in different ways. Some of them are:

- By buying local companies and, then expanding production. For example, Cargill Foods, a very large American MNC, purchased small Indian company, Parakh foods. Cargill Foods is, now, the largest producer of edible oil in India with a capacity making 5 million pouches daily.
- By placing orders for production with small producers. Garments, footwear, sports items are examples where production is carried out by small producers for large MNCs around the world.
- By producing jointly with some of the local companies. It benefits the local company in two ways.
 1. A MNC can provide money for additional investments.
 2. A MNC can bring latest technology for production.

For example, Ford Motors set up a large plant near Chennai, in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks.

Question 5.

What would happen if Government of India puts heavy tax on import of Chinese toys? Explain any three points.

Answer:

If Government of India puts heavy tax on import of Chinese toys, then

(a) the Chinese toys will become expensive and may be people will not buy them and, thus, the Chinese toys will lose their market in India.

(b) people in India, will buy local made goods (toys) and the local industries will get a boost and their sale will also go up.

(c) as there would be greater demand of Indian goods, the Indian, manufacturers, then, will earn more profits and workers will get more employment.

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