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CLASS-10TH

(BASED ON N C E R T PATTERN)

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ECONOMICS

Globalisation and the Indian Economy

MCQ

Question 1.

Which one of the following organisations lay stress on liberalisation of foreign trade and foreign investment?

- (a) International Monetary Fund
- (b) International Labour Organisation
- (c) World Health Organisation
- (d) World Trade Organisation

Answer: (d) World Trade Organisation

Question 2.

Removing barriers or restrictions set by the government is known as

- (a) Globalisation
- (b) Privatisation
- (c) Nationalism
- (d) Liberalisation

Answer: (d) Liberalisation

Question 3.

Which one of the following refers to investment?

- (a) The money spent on religious ceremonies
- (b) The money spent on social customs
- (c) The money spent to buy assets such as land
- (d) The money spent on household goods

Answer: (c) The money spent to buy assets such as land

Question 4.

Which of the following is a 'barrier' on foreign trade?

- (a) Tax on import
- (b) Quality control
- (c) Sales tax
- (d) Tax on local trade

Answer: (a) Tax on import

Question 5.

Special Economic Zones (SEZs) are being set up to attract

- (a) foreign tourists
- (b) foreign investment
- (c) foreign goods
- (d) foreign policies

Answer: (b) foreign investment

Question 6.

Entry of MNCs in a domestic market may prove harmful for

- (a) all large scale producers

- (b) all domestic producers
- (c) all substandard domestic producers
- (d) all small-scale producers

Answer: (c) all substandard domestic producers

Question 7.

Ford Motors set up its first plant in India at

- (a) Kolkata
- (b) Mumbai
- (c) Chennai
- (d) Delhi

Answer: (c) Chennai

Question 8.

Which of the following industries have been hard hit by foreign competition?

- (a) Dairy products
- (b) Leather industry
- (c) Cloth industry
- (d) Vehicle industry

Answer: (a) Dairy products

Question 9.

In which year did the government decide to remove barriers on foreign trade and investment in India?

- (a) 1993
- (b) 1992

- (c) 1991
- (d) 1990

Answer: (c) 1991

Question 10.

“MNCs keep in mind certain factors before setting up production”. Identify the incorrect option from the choices given below

- (a) Availability of cheap skilled and unskilled labour
- (b) Proximity to markets
- (c) Presence of a large number of local competitors
- (d) Favourable government policies

Answer: (c) Presence of a large number of local competitors

Question 11.

Why do MNCs set up offices and factories in more than one nation ?

- (a) The cost of production is high and the MNCs can earn profit.
- (b) The cost of production is low and the MNCs undergoes a loss.
- (c) The cost of production is low and the MNCS can earn greater profit.
- (d) The MNCs want to make their presence felt globally.

Answer: (c) The cost of production is low and the MNCS can earn greater profit.

Question 12.

The most common route for investments by MNCs in countries around the world is to:

- (a) set up new factories
- (b) buy existing local companies
- (c) form partnerships with local companies
- (d) None of these

Answer: (a) set up new factories

Question 13.

Removing barriers or restrictions set by the government is known as :

- (a) privatisation
- (b) globalisation
- (c) liberalisation
- (d) socialisation

Answer: (c) liberalisation

Question 14.

Entry of MNCs in a domestic market may prove harmful for:

- (a) all large scale producers.
- (b) all domestic producers.
- (c) all substandard domestic producers.
- (d) all small scale producers.

Answer: (d) all small scale producers.

Question 15.

Which one of the following has benefited least because of globalisation in India?

- (a) Agriculture Sector
- (b) Industrial Sector
- (c) Service Sector
- (d) Secondary Sector

Answer: (a) Agriculture Sector

Question 16.

Which one of the following is a major benefit of joint production between a local company and a Multi-National Company?

- (a) MNC can bring latest technology in the production
- (b) MNC can control the increase in the price
- (c) MNC can buy the local company
- (d) MNC can sell the products under their brand name

Answer: (a) MNC can bring latest technology in the production

Question 17.

Which one of the following is not true regarding the World Trade Organisation?

- (a) It allows free trade to all countries without any trade barriers.
- (b) Its aim is to liberalise international trade.
- (c) It establishes rules regarding international trade.
- (d) WTO rules have forced the developing countries to remove trade barriers.

Answer: (a) It allows free trade to all countries without any trade barriers.

Question 18.

Integration of markets means

- (a) operating beyond the domestic markets
- (b) wider choice of goods
- (c) competitive price
- (d) all the above

Answer: (d) all the above

Question 19.

Which of the following contributes to globalisation?

- (a) internal trade
- (b) external trade
- (c) large scale trade
- (d) small scale trade

Answer: (b) external trade

Question 20.

Investment means spending on

- (a) factory building
- (b) machines
- (c) equipments
- (d) all the above

Answer: (d) all the above

Question 21.

Multinational corporations have succeeded in entering global markets through

- (a) WTO
- (b) UNO
- (c) UNESCO
- (d) none of the above

Answer: (a) WTO

Question 22.

FDI (Foreign Direct Investment) attracted by globalisation in India belongs to the

- (a) World Bank

- (b) multinationals
- (c) foreign governments
- (d) none of the above

Answer: (b) multinationals

Question 23.

Which of the following factors has not facilitated globalisation?

- (a) Technology
- (b) Liberlisation of trade
- (c) WTO
- (d) Nationalisation of banks

Answer: (d) Nationalisation of banks

Question 24.

Globalisation so far has been more in favour of:

- (a) developed countries
- (b) developing countries
- (c) poor countries
- (d) none of the above

Answer: (a) developed countries

Question 25.

Cheaper imports, inadequate investment in infrastructure lead to

- (a) slowdown in agricultural sector
- (b) replace the demand for domestic production
- (c) slowdown in industrial sector
- (d) all the above

Answer: (d) all the above

Question 26.

Which sector has not benefited by the policy of globalisation?

- (a) Agricultural sector
- (b) Manufacturing sector
- (c) Service sector
- (d) All the above

Answer: (a) Agricultural sector

Question 27.

Fair globalisation refers to ensuring benefits to:

- (a) labourers
- (b) producers
- (c) consumers
- (d) all the above

Answer: (d) all the above

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