



# Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

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

(Based on N C E R T pattern)

Date:- 03.01.21.

ECONOMICS

Globalisation and the Indian Economy

Question 1.

Why do MNCs set up their offices and factories in those regions where they get cheap labour and other resources?

Answer:

MNCs set up offices and factories for products in regions where they can get cheap labour and other resources so that—

- the cost of production is low
- the MNCs can earn greater profits.

Question 2.

Explain the role of government to make globalization fair.

Answer:

The government can play a major role in making fair globalization possible:

Fair globalization would create opportunities for all, and also ensure that the benefits of globalization are shared better. Government policies must protect the interests not only of the rich and the powerful, but also of all the people in the country.

1. Government should ensure that labour laws are implemented and workers' rights are protected.

2. Government should support small producers to improve their performance till the time they become strong enough to compete with foreign competition.
3. If necessary, government should use trade and investment barriers.
4. It can negotiate with WTO for fairer rules.
5. It can also align with other developing countries with similar interests to fight against the domination of developed countries in the WTO.

### Question 3.

Explain any three advantages of globalization.

Answer:

Globalization means integrating the economy of the country with the world economy.

1. Under this process, goods and services along with capital, resources and technology can move freely from one nation to another.
2. It has increased the movement of people between countries. People usually move from one country to another in search of better income, better jobs or better education. Earlier the movement of people between countries was less due to various restrictions.
3. Rapid improvement in technology has been one major factor that has stimulated the globalization process. For instance, advancement in transportation technology has made much faster delivery of goods across long distances possible at lower costs. Container services have led to huge reduction in port handling costs. The cost of air transport

has fallen which has enabled much greater volumes of goods being transported by airlines.

4. Developments in information and communication technology (IT in short) has brought a revolution in telecommunications. It has made e-banking, e-commerce, e-learning, e-mail and e-governance a reality.
5. Globalization has resulted in greater competition among producers and has been of advantage to consumers, particularly the well-off section. Rich people now enjoy improved quality and lower prices for several products.

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