



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.

How do we participate in the market as producers and consumers?
Explain with three examples.

Answer:

We participate in the market both as producers and consumers.

- As producers of goods and services we could be working in any of the sectors like agriculture, industry or services.
For example, a farmer who sells wheat to a flour mill. The man at the mill grinds the wheat and sells the flour to a biscuit company. The biscuit company uses flour, sugar and oil to make packets of biscuits. It sells the biscuits in the market to the consumer. Biscuits are the final goods, i.e., the goods that reach the consumer and people as consumers buy.
- We as producers in the market could be made to sell the produce to the moneylender at a low rate in return for a timely loan.
For example, in case of small farmers; the failure of crops often makes loan repayment impossible. They have to sell a part of their land to repay the loans.
- As consumers we participate in the market when we purchase

goods and services that we need. As individual consumers we often find ourselves in a weak position. Whenever there is a complaint regarding a good or service that had been bought, the seller tries to shift all the responsibility on to the buyer. For example, a long battle had to be fought with court cases to make cigarette manufacturing companies accept that their product could cause cancer.

Question 2.

How are local companies benefitted by collaborating with multinational companies? Explain with examples.

Answer:

When local companies enter into a joint venture with MNCs:

1. First, the MNCs provide money for additional investments for faster production.
2. Second, MNCs bring with them the latest technology for enhancing and improving the production.
3. Some Indian companies have gained from successful collaborations with foreign companies. Globalization has enabled some companies to emerge as multinationals.
4. Parakh Foods was a small company which has been bought over by a large American Company — Cargill Foods. Parakh foods had built a large marketing network in various parts of India as a well- reputed brand. Parakh Foods had four oil refineries whose control has now shifted to Cargill. Cargill is now the largest manufacturer of edible oil in India making five million pouches daily.

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