



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 has information and communication technology stimulated globalisation process? Explain with examples.

Answer:

Information and communication technology has helped globalisation in the following ways:

1. Rapid improvement in technology has contributed greatly towards globalisation. Advanced technology in transport systems has helped in the delivery of goods faster across long distances at lower costs.
2. Development in information and communication technology has also helped a great deal. Telecommunication facilities — telegraph, telephone, mobile phones, fax are used to contact one another quickly around the world, access information instantly and communicate from remote areas. This is possible due to satellite communication devices. Teleconferences help in saving frequent long trips across the globe.
3. Information technology has also played an important role in spreading out production of services across countries. Orders are placed through internet, designing is done on computers,

even payment of money from one bank to another can be done through e-banking through internet. Internet also allows us to send instant electronic mail (e-mail) and talk (voice-mail) across the world at negligible cost.

Question 2.

Why had Indian government put barriers to foreign trade and foreign investment after independence? Explain.

Or

Why had the Indian government put barriers to foreign trade and foreign investments after independence? Analyse the reasons.

Answer:

1. The Indian government after independence had put barriers to foreign trade and investment. This was done to protect the producers within the country from foreign competition. Industries were just coming up in the 1950s and 1960s and competition from imports at that stage would not have allowed these industries to develop and grow. Imports of only essential items such as machinery, fertilisers, petroleum etc. was allowed.
2. Another reason was to protect the Indian economy from foreign infiltration in industries affecting the economic growth of the country as planned. India wanted to move faster to catch up with the main industries in the world market and therefore had to keep an extra watch on its progress in international trade and give incentives to the more rapidly growing industries through fiscal tariff and other means.

Question 3.

How are MNCs able to cope with large demands from all over the world and control prices?

Answer:

1. Large MNCs in developed countries place orders for production with small producers.
2. The MNCs sell these under their own brand names to the customers.
3. As they control the market with the huge demand, they are able to control prices.

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