SHIKSHA CLASSES

Sub. : Economics   **Answer Paper**   **Total Marks :** 20

Std. : X (CBSE)   **Globalization and the Indian Economy**

SECTION "A"

Q. 1 : **Liberalisation does not include**   1

Ans. : c) Introducing quota system

Q.2 : **Production of services across countries has been facilitated by -**   1

Ans. : d) Information and communication technology

OR

The world trade organization was formed in.

Ans. : a) 1995

Q.3 : **Foreign Trade.**   1

Ans. : d) Decreases earnings.

Q.4 : **MNCs do not increase.**   1

Ans. : d) None of the above.

Q.5 : **Investment made by MNCs is called.**   1

Ans. : c) Foreign Investment.

OR

Globalisation was stimulated by.

Ans. : b) Transportation.

SECTION "B"

Q.6 : **How MNCs can spread their production?**   3

Ans. : **MNCs can spread their production by:-**

    1. Setting up joint production units with local companies.

    2. To Buy up local companies and expanding its production base.

    3. Placing orders with small producers.

OR

Write four functions of WTO.

Ans. : **Four functions of WTO are:**

(i) Administering trade agreements between nations. (ii) Forum for trade negotiations. (iii) Handling trade disputes. (iv) Maintaining national trade policy.

Q.7 : What is the impact of WTO on Indian economy? 3

Ans. : **The impact of WTO on Indian economy is:**

i) An opportunity to India for trading with other member countries.

ii) Availability of foreign technology to India at a reduced cost.

iii) Many laws of WTO are unfavorable to the developing countries like India.

iv) Certain clauses of WTO agreement on agriculture put restrictions on the provision of subsidized food grains in India.

OR

: What is trade barrier? How governments can use trade barriers?

Ans. : Any kind of restrictions imposed on trade is called a trade barrier.

Governments can use trade barriers to increase or decrease (regulate) foreign trade and to decide what kinds of goods and how much of each, should come into the country.

SECTION "C"

Q. 8 : Read the following passage and answer the following questions. 4

In general, MNCs set up production where it----------
---------------------- that these assets will earn profits.

1) Where does MNC set up production? 2

Ans. : MNC set up production where it is close to the markets and skilled and unskilled labour available at low cost and other factores are available there.

2) What is mean by investment? 2

Ans. : The money that is spent to buy assets such as land, building, machines and other equipment is called investment.

SECTION "D"

Q.9 : What is WTO? What are the aims of WTO? What are the drawbacks of WTO? 5

Ans. : WTO is World trade organization. It is an organization which is in favour of increasing the world trade through globalization.

The aims of WTO are:

i) To liberalise international trade by allowing free trade for all.

ii) To promote international trade among the countries of the world in an open uniform and nondiscriminatory manner.

iii) Removal of both the import and export restrictions.

The drawbacks of WTO are:

1) WTO is dominated by the developed country

2) WTO is used by developed countries to support globalization in areas that are not directly related to trade.

3) Though WTO is supposed to allow free trade for all, in practice, it is seen that the developed countries have unfairly retained trade barriers.

OR

: **What do you mean by Globalization? What are the effects of globalization in India?**

Ans. : Globalization is the integration or interconnection between the countries through trade and foreign investments by multinational corporations (MNCs).

Positive impacts:-

1) Greater choice and improved quality of goods at competitive price and hence raises standard of living.

2) MNCs have increased investments in India.

3) Top Indian companies emerged as multinationals.

4) Created new opportunities for companies providing services like IT sector.

5) Collaborations with foreign companies help a lot to domestic entrepreneurs.

Negative impacts:-

1) Indian Economy faced the problem of brain drain.

2) Globalization has failed to mark its impact on unemployment and poverty.

3) Cut in farm subsidies.

4) Closure of small industries.

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