

## **CBSE Test Paper - 01**

### **Chapter - 4 The Making of the Global World**

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1. Which factor played most important role in globalizing the world economy? **(1)**
  - a. Technology
  - b. Government policies
  - c. Abolition of Corn Laws
  - d. Arms and Ammunition
2. Which Conference was held in July 1944 at Bretton Woods? **(1)**
  - a. Earth Conference
  - b. United Nations Monetary and Financial Conference
  - c. United nation Development programme Conference
  - d. United Nations Financial and Monetary Conference
3. Which countries were called Central Powers? **(1)**
  - a. Germany, Japan, Italy
  - b. Germany, Austria-Hungary and Ottoman Turkey
  - c. Britain, France and Russia
  - d. Britain, France and Soviet Union
4. Identify the personality with the help of given information :
  - i. He was the pioneer of mass production in factories.
  - ii. He adapted the assembly line of a Chicago slaughterhouse. **(1)**
  - a. Paul Bernard
  - b. Henry Ford
  - c. Louis Philippe
  - d. John Maynard Keynes
5. The Great Depression began around \_\_\_\_\_ and lasted till the mid \_\_\_\_\_. **(1)**
  - a. 1929,1931

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- b. 1927, 1929
  - c. 1929, 1930
  - d. 1928, 1929

6. During which year did the Great Depression occur? **(1)**
7. What is meant by Rinderpest? **(1)**
8. Name the economist who thought that Indian gold exports during the Great Depression of 1929 promoted global economic recovery. **(1)**
9. Name the countries which were considered as Allied Powers. **(1)**
10. Briefly explain the key lessons which economists and politicians drew out from inter-war economic experiences. **(3)**
11. "The multinational companies (MNCs) choose China as an alternative location for investment?" Explain the statement. **(3)**
12. Explain the role of New International Economic Order (NIEO). **(3)**
13. When was the Bretton Woods Conference convened? State the main aim of the conference. **(3)**
14. From where did Henry Ford draw inspiration, regarding the assembly line method? Describe the assembly line method in the industrial production sector. **(5)**
15. Define the term trade surplus. How was the income received from trade surplus with India used by Britain? **(5)**

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**Answers**

1. a. Technology

**Explanation:** Technology definitely played an important role in globalizing the world economy during this period. Some of the major technological innovations were the railways, steamship and telegraph.

2. b. United Nations Monetary and Financial Conference

**Explanation:** United Nations Monetary and Financial Conference was held in July 1944 at Bretton Woods in New Hampshire, USA.

3. b. Germany, Austria-Hungary and Ottoman Turkey

**Explanation:** The First World War, as you know, was fought between two power blocs. On the one side were the Allies – Britain, France and Russia (later joined by the US); and on the opposite side were the Central Powers – Germany, Austria-Hungary and Ottoman Turkey

4. b. Henry Ford

**Explanation:**

- i. Henry Ford, the founder of the Ford Motors was the pioneer of mass production in factories.
- ii. Henry Ford adapted (modified) the assembly line of a Chicago slaughterhouse (in which slaughtered animals were picked apart by butchers as they came down a conveyor belt) to his new car plant in Detroit.

5. c. 1929, 1930

**Explanation:** The Great Depression began around 1929 and lasted till the mid-1930s. During this period most parts of the world experienced catastrophic declines in production, employment, incomes and trade.

6. The Great Depression occurred during the year 1929-1930s.

7. Rinderpest was a deadly cattle disease. It spread in Africa in 1880s.

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8. The economist that thought Indian gold exports promoted global economic recovery was John Maynard Keynes.
  9. Britain, France and Russia made Allied Powers.
  10. The key lessons which economists and politicians drew out from inter-war economic experiences are:
    - i. An industrial society based on mass production cannot be sustained without mass consumption for which there was a need for stable incomes guaranteed by stable employment. This economic stability had to be ensured by the government.
    - ii. The goal of full employment could only be achieved if governments had power to control flows of goods, capital and labour.
    - iii. The main aim of the post war international economic system was to preserve economic stability and full employment in the industrial world.
  11.
    - i. Since the revolution in 1949, China gradually came in the field of the World economy. It attracted foreign MNC's because of its lowest economic structure.
    - ii. Wages were relatively low in China. Thus, these became attractive destinations for investment by foreign MNCs competing to capture world markets.
    - iii. China had the largest population besides labour. They also formed a large consumer base.
  12. G-77 or the Group of 77 demanded a New International Economic Order (NIEO). By the New International Economic Order (NIEO) they meant a system that would give them:
    - i. Real control on their own natural resources.
    - ii. More development assistance from advanced or western countries.
    - iii. The fairer price for raw material and better access for their manufactured goods in developed countries' markets.
  13. The Bretton Woods Conference was convened in July 1944 at Bretton Woods in New Hampshire, USA.

The main aims of the conference were as follows:

    - i. To preserve economic stability and full employment in the industrial world.

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- ii. To control the influence of the outer world on the flow of capital, goods and labour.
  - iii. The conference established the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank).
14. Henry Ford was car manufacturer. He drew inspiration regarding the assembly line method from a Chicago slaughter house. He adapted this method to his new car plant in Detroit.
- i. The assembly line forced workers to repeat a single task mechanically and continuously – such as fitting a particular part to the car – at a pace dictated by the conveyor belt
  - ii. This was way of increasing the output per worker by speeding up the pace of work as he could not afford to delay the motion or take a break.
  - iii. Standing in front of a conveyor belt no worker could afford to delay the motions, take a break or have even a friendly word with the workmate. As a result, Henry Ford's cars came off the assembly line at a three-minute intervals.
15. Trade surplus: When the value of exports is higher than value of imports, it called as trade surplus.
- i. Britain used this surplus to balance its trade deficits with other countries - that is, with countries from which Britain was importing more than it was selling to.
  - ii. This is how a multi-lateral settlement system works - it allows one country's deficit with another country to be settled by its surplus with a third country.
  - iii. By helping Britain balance its deficits, India played a crucial role in the late nineteenth-century world economy.
  - iv. Britain's trade surplus in India also helped to pay the so-called 'home charges' that included private remittances home by British officials and traders, interest payments on India's external debt, and pension of British officials in India.