

Long Answer Questions

Q. 1. Describe any four benefits of globalisation to the Indian economy.
[CBSE (F) 2017]

Ans. Globalisation has benefitted Indian economy:

(i) Local companies supplying raw materials, etc. to these industries have prospered. Several of the top Indian companies have been able to benefit from the increased competition.

(ii) Investment in newer technology and production methods has raised their production standards. Some industries have gained from successful collaborations with foreign companies. It has enabled some large Indian companies to emerge as multinationals.

(iii) It has also created new opportunities for companies providing services, particularly those involving IT and many new jobs have been created in industries.

(iv) Host of services such as data entry, accounting, administrative tasks, and engineering are now being done cheaply in countries such as India and are exported to the developed countries.

Q. 2. Which factors have stimulated the globalisation process?

Ans. The following factors have stimulated the globalisation process.

(i) Improvement in transportation: In the last fifty years, there have been a lot of improvements in transportation technology. This has made faster delivery of goods across long distances possible, at lower costs.

(ii) Development in information and communication technology: Technology in the areas of telecommunication and computers has been advancing rapidly.

(iii) Telecommunication: Telecommunication facilities like telephone, telegraph, mobiles, fax are used to connect people in the world. This has been made possible due to satellite communication devices.

(iv) Computers: They have now entered almost in every field of activity. In the amazing world of internet, we can obtain and share information on almost anything.

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

Q. 3. How was the liberalisation policy gradually adopted in India?

Ans. After Independence, the Indian government had put barriers on foreign trade and foreign investment.

Initially, Indian industries were just coming up after Independence, so competition from imports wouldn't have allowed these industries to come up.

In 1999, the government decided that the time had come for Indian producers to compete with the producers around the globe.

It was felt that competition would improve the performance of domestic producers since they would improve the quality of their products.

Thus, barriers on foreign trade and foreign investment were removed to a large extent.

Now, goods could be imported and exported easily and foreign companies could also set up factories and offices here.

Q. 4. How do MNCs manage the production in other countries?

Ans. (i) MNCs not only sell their finished products globally, but also produce the goods and services globally.

(ii) As a result, production is organised in increasingly complex ways.

(iii) The production process is divided into small parts and spread out across the globe.

(iv) For example, China provides the advantage of being a cheap manufacturing location. Mexico and Eastern Europe are useful for their closeness to the markets in the US and Europe.

(v) India has highly skilled engineers, who can understand the technical aspects of production. It also has educated English-speaking youth, who can provide customer care services. And all this probably can mean 50-60 per cent cost savings for the MNCs.

Q. 5. Describe the problems created by globalisation for small producers and workers.

[CBSE (F) 2017]

Ans. Problems created by globalizations for Small Producers and Workers

(i) Tough competition with the Big Companies.

(ii) Several small units are being shut down.

(iii) Unemployment of Workers.

(iv) In security of Job.

(v) Small producers and exporters try hard to cut their cost due to competition.

(vi) Workers are hired on temporary basis.

(vii) Workers have to put in long working hours and work night shifts.

(viii) Wages are low and forced to work overtime.

(ix) Workers are denied their fair share of benefits brought about by globalisation.

Q. 6. How did Ford Motors, an MNC, set its foot in India?

Ans. (i) Ford Motors, an American company, is one of the world's largest automobile manufacturers with production spread over twenty-six countries of the world.

(ii) It came to India in 1995 and spent ` 1,700 crore to set up a large plant near Chennai.

(iii) This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks.

(iv) By the year 2014, Ford Motors was selling 77,000 cars in the Indian markets, while another 77,000 cars were exported from India to South Africa, Mexico and Brazil.

(v) The company wanted to develop Ford India as a component supplying base for its other plants across the globe.

Q. 7. What is globalisation? What is the role of MNCs in the globalisation process?

Ans. Globalisation is the process of rapid integration or interconnection between countries.

(i) MNCs are playing a major role in the globalisation process.

(ii) More and more goods and services, investments and technology are moving between countries.

(iii) Most regions of the world are in closer contact with each other than a few decades back.

Q. 8. What are the various ways in which countries can be linked?

Ans. Besides the movement of goods, services, investments and technology, there is one more way in which the countries can be linked.

(i) This is through the movement of people between countries.

(ii) People usually move from one country to another in search of better income, better jobs or better education.

(iii) In the past few decades, however, there has not been much increase in the movement of people between countries due to various restrictions.

Q. 9. How did rapid improvement in technology stimulate the globalisation process?

OR

Describe the contribution of technology in promoting the process of globalisation.

[CBSE Delhi 2017]

Ans. (i) For the past fifty years, several improvements in transportation technology have been made. It has helped in the faster delivery of goods across long distances at lower costs.

(ii) Even more remarkable have been the developments in information and communication technology. Technology in the areas of telecommunications, computers, internet has been changing rapidly.

(iii) Telecommunication facilities like telegraph, telephone including mobile phones or fax, etc., are used to contact one another around the world to access information instantly and to communicate from remote areas.

(iv) There is an amazing world of internet, where we can obtain and share information on almost anything we want to know. Internet also allows us to send instant electronic mail and talk across the world at negligible costs.

Q. 10. In what ways has competition affected workers, Indian exporters and foreign MNCs in the garment industry?

Ans. (i) Large MNCs in the garment industry in Europe and America get their products from Indian exporters.

(ii) These large MNCs with worldwide network look for the cheapest goods in order to maximise their profits.

(iii) To get these large orders, Indian garment exporters try hard to cut their own costs.

(iv) Earlier, a factory used to employ workers on permanent basis. Now they employ workers only on a temporary basis, so that they do not have to pay workers for the whole year.

(v) Workers also have to put in very long working hours. They have to work in night shifts on a regular basis during the peak season.

(vi) Wages are low and workers are forced to work overtime to make both ends meet.

(vii) While this competition among the garment exporters has allowed the MNCs to make large profits, workers are denied their fair share of benefits brought about by globalisation.

Q. 11. “The impact of globalization has not been uniform.” Demonstrate with the help of illustrations.

[CBSE Sample Paper 2016]

Ans. Since its introduction, globalisation of the Indian economy has come a long way. While globalisation has benefited well-off consumers and also producers with skill,

education and wealth, many small producers and workers have suffered as a result of the rising competition.

Now people have wide range of products with improved quality and lower prices. They are enjoying much higher standards of living than earlier.

Removal of trade barriers and liberalization policies of the governments to facilitate globalization have hit the local producers and manufacturers hard.

Illustration: MNCs have increased their investments in India over the past 20 years, which means investing in India has been beneficial for them. MNCs have been interested in industries such as cell phones, automobiles, electronics, soft drinks, fast food or services such as banking in urban areas. These products have a large number of well-off buyers. In these industries and services, new jobs have been created. Also, local companies supplying raw materials, etc. to these industries have prospered.

Globalisation and the pressure of competition have substantially changed the lives of workers. Faced with growing competition, most employers these days prefer to employ workers 'flexibly'. This means that workers' jobs are no longer secure.

Illustration: Batteries, capacitors, plastics, toys, tyres, dairy products, and vegetable oil are some examples of industries where the small manufacturers have been hit hard due to competition.

Several of the units have shut down rendering many workers jobless. The small industries in India employ the largest number of workers (20 million) in the country, next only to agriculture.

Q. 12. What is globalisation? Describe the role of Multinational Corporations (MNCs) in promoting globalisation process. [CBSE (Delhi) 2016]

OR

Analyse the importance of multinational companies in the globalisation process. [CBSE (Comptt.) 2017]

Ans. Globalisation is the process of rapid integration or interconnection between countries.

MNCs play an important role in the globalisation process.

They compete with the local producers directly even after being miles apart, thus integrating the markets.

Their working leads to exchange of investments and products which leads to interconnection between diverse countries.

MNCs control production in more than one country.

They collaborate with smaller industries helping them to be more profitable.

Being economically affluent they are able to make investments in various countries.

They are also technically advanced promoting globalization.

They offer higher income, better jobs and better education.

More goods are available globally at a cheaper rate and a good quality.

They provide greater opportunity of choices.

The role of MNCs in the process of globalisation can further be understood through the following five examples:

(i) MNCs have led to the availability of products from all over the world in any country. For example, in India, corporations like Ford and Hyundai have led to a greater availability of cars from other countries.

(ii) MNCs from developing countries are also increasing their presence in developed countries. For example, Tata Tea purchased Tetley, a tea brand in Britain a few years ago.

(iii) They have led to a greater movement of labour across the world. For example, Indian software engineers working in TCS go to U.S. for work.

(iv) MNCs have increased the inflow of education and foreign capital across different countries. For example, when a corporation like General Electric invests in India, it brings in capital from abroad.

(v) They have led to more transfer of education and technology across the countries. For example, Samsung brings in more advanced technology for manufacturing electronics into countries like India.

Q. 13. Describe the impact of globalisation on Indian economy with examples. [CBSE (AI) 2016, CBSE (Comptt.) 2017]

OR

Analyse any five positive effects of globalisation on the Indian economy. [CBSE (AI) 2017]

OR

Describe the impact of Globalisation on Indian economy. [CBSE (Comptt.) 2017]

Ans. Positive effects of Globalisation:

(i) Globalisation has brought greater competition among producers – both local and foreign producers have been of advantage to consumers particularly the well-off sections in the urban areas.

- (ii) There is greater choice before consumers. They enjoy improved quality at lower prices.
- (iii) People today, enjoy much higher standards of living.
- (iv) Local companies supplying raw material have prospered.
- (v) The top Indian companies have been able to benefit from increased competition.
- (vi) Some Indian companies have gained from successful collaboration with foreign companies.
- (vii) MNCs have increased their investments in India over the past 20 years, especially in cell phones, automobiles, electronics, soft drinks etc.
- (viii) Many Indian companies have emerged as Multi Nationals themselves. Example- Tata Motors, Infosys, Ranbaxy, Asian Paints etc.
- (ix) Globalisation has created opportunities for new jobs.
- (x) Wide variety of good are now available to the consumers.
- (xi) Improved quality of products.
- (xii) Lower prices of commodities.
- (xiii) Higher standard of living for people.
- (xiv) Globalization may not help in achieving sustainable development. It may lead to widening of income inequalities among various countries. It may lead to greater dependence of under developed countries on advanced countries.

Q. 14. Describe the major problems created by the globalization for a large number of small producers and workers. [CBSE (F) 2016]

Ans. Globalization for small producers and workers

- (i) It may lead to widening of income inequalities among various countries
- (ii) Workers jobs are no longer secure.
- (iii) Expansion of unorganized sector.
- (iv) Small manufacturers have been hit hard due to severe competition.
- (v) Several units have been shut down rendering many workers jobless.
- (vi) Lives of workers are on the whims of employers.
- (vii) Workers are denied their fair share of benefits.