

CBSE Test Paper 02
Ch-21 India International Trade

1. Name the first five major items of India's import list of 1994-2005.
2. Which is the principle import commodity of India?
3. Which goods were being imported in 1950-60?
4. Which port is situated at downstream? Which goods does it handle?
5. Mention the measures adopted by the Govt. of India to double its share in the international trade.
6. Most of India's foreign trade is carried through sea routes. Explain the statement giving three reasons.
7. Explain the causes behind increase in foreign trade in India.
8. Describe the changes in composition of India's imports.
9. India's international trade has undergone a sea-change in recent years. Discuss.
10. Label and locate the following ports on the map of India.
 - i. Mumbai, ii. Marmagao, iii. Mangalore, iv. Tuticorin, v. Chennai, vi. Kolkata



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Answer

1. The first five major items of India's import list of 1994-2005 are Engineering goods, Gems and jewellery, chemical and related products, textiles and petroleum products.
2. Crude petroleum and petroleum products are principle import commodities of India.
3. The major item of import at that time was foodgrain, capital goods, machineries and equipments.
4.
 - i. Haldia port is located at 105 km downstream from Kolkata.
 - ii. It handles bulk cargo like iron ore, coal, petroleum, petroleum products and fertilisers, jute, jute products, cotton and cotton yarn.
5. Following measures are adopted by the government of India to double its share in the international trade:
 - i. Liberalisation of imports.
 - ii. Reduction in import duties.
 - iii. De-licensing and change from process to product patents.
 - iv. reduction in import tariffs
 - v. deregulation of markets
 - vi. reduction of taxes
 - vii. greater foreign investment.
6. Most of India's foreign trade is carried through sea routes because:
 - i. **Long Coastline:** India has a long coastline of 7511 km. It provides India to connect with other countries easily by sea route.
 - ii. **Open to Sea from Three Sides:** India's peninsular plate is opened to sea from three sides. This strategic situation in Indian ocean provides a great advantage for India's International trade.
 - iii. **Cheapest Means of Transport:** Water transport is a cheap means of transport as it provides a smooth surface and zero turbulence.
7. There are numerous reasons for this sharp increase in foreign trade:
 - i. **Maximum Use of Natural Resources:** Foreign trade helps each country to specialize in the production of those goods, which best suits its environment. It,

thus leads to maximum use of its natural resources.

- ii. Availability of Goods: It enables a country to obtain goods by importing which it cannot produce due to higher costs at home.
 - iii. Specialization: Foreign trade leads to specialize in the production of goods. Specialization leads to lowering the costs and improving the quality of goods. The countries therefore, benefit from international trade.
 - iv. Economics of Large Scale: The expansion of foreign trade leads to production of goods on large scale. The economics of large scale production (both external and internal) are thus availed of by the trading countries of the world.
8. **A composition of India's import:** During the 1950s and 1960s, the major item of import was foodgrain, capital goods, machinery, and equipment. The balance of payment was adverse as imports were more than export in spite of all the efforts of import substitution. After the 1970s, foodgrain import was discontinued due to the success of the Green revolution but the energy crisis of 1973 pushed the prices of petroleum, and import budget was also pushed up. Foodgrain import was replaced by fertilizers and petroleum. Machine and equipment, special steel, edible oil, and chemicals largely make the import basket. During 2009-2017 there is a steep rise in the import of petroleum products. It is used not only as a fuel but also as an industrial raw material. Non-electrical machinery, transport equipment, manufacturers of metals and machine tools were the main items of capital goods. Import of food and allied products declined with a fall in imports of edible oils. Other major items of India's import include pearls and semi-precious stones, gold and silver, metalliferous ores and metal scrap, non-ferrous metals, electronic goods, etc.
9. India has trade relations with all the major trading blocks and all geographical regions of the world. Exports : Exports during 2017-18 are at US 302.84 Billion dollar registering a growth of 9.78 per cent in dollar terms vis-à-vis 2016-17. During March 2018, major commodity groups of export showing positive growth over the corresponding month of last year are engineering goods(2.6%), organic and inorganic chemicals (32%), drugs and pharmaceutical (8%), rice (21%) and handlooms products etc. (14%). Non-petroleum and Non Gems & Jewellery exports in March 2018 were valued at US 22.42 Billion dollar as against US 21.44 Billion dollar in March 2017, an increase of 4.60%. Non-petroleum and Non Gems and Jewellery exports during April-March 2017-18 were valued at US 222.45 Billion dollar as compared to US 200.89

Billion dollar for the corresponding period in 2016-17, an increase of 10.73%. Imports: Imports during March 2018 were valued at US 42.80 Billion dollar (Rs 278296.95 crore) which was 7.15 per cent higher in Dollar terms and 5.75 per cent higher in Rupee terms over the level of imports valued at US 39.95 Billion dollar (Rs. 263155.49 crore) in March 2017. Major commodity groups of import showing high growth in March 2018 over the corresponding month of last year are: petroleum and crude products (14%), electronic goods (3%), Machinery, electrical and non electrical (33%), coal, coke etc. (45%) and pearls, Precious and Semi Precious stones (1%). India also has emerged as a software giant at the international level. It is earning large foreign exchange through the export of information technology.

10.



- i. Mumbai port: It is a natural harbour and the biggest port of the country. The port is situated closer to the general routes from the countries of Middle East, Mediterranean countries, North Africa, North America and Europe where the major share of country's overseas trade is carried out.
- ii. Marmagao port: It is a premier hub of maritime trade in Goa. With its location at the mouth of the Zuari River, the Marmagao port is a crucial component in the flourishing export industry of the state.
- iii. New Mangalore Port: It is located in the state of Karnataka and caters to the needs of the export of iron-ore and iron-concentrates. It also handles fertilisers,

petroleum products, edible oils, coffee, tea, wood pulp, yarn, granite stone, molasses, etc.

- iv. Tuticorin Port: It was also developed to relieve the pressure of Chennai port. It deals with a variety of cargo including coal, salt, food grains, edible oils, sugar, chemicals and petroleum products.
- v. Chennai port: It is the third largest container port of India, behind the Nhava Sheva and Mundra port. The port is the largest one in the Bay of Bengal. It is the third oldest port among the 13 major ports of India.
- vi. Kolkata Port: It is located on the Hugli river, 128 km inland from the Bay of Bengal. Its hinterland covers U.P., Bihar, Jharkhand, West Bengal, Sikkim and the northeastern states. Apart from this, it also extends ports facilities to our neighbouring land-locked countries such as Nepal and Bhutan.