

Hots (Higher Order Thinking Skills)

Q. 1. What is liberalisation? Describe any four effects of liberalisation on the Indian economy. [CBSE (AI) 2017]

Ans. Liberalisation means:

Removing barriers or restrictions set by the government is known as liberalisation:

Impacts of Liberalisation:

- (i)** Competition would improve the performance of producers within the country.
- (ii)** Barriers on foreign trade and foreign investment were removed to a large extent. This meant that goods could be imported and exported easily.
- (iii)** Foreign companies could set up factories and offices to boost up production.
- (iv)** It allows to make decisions freely.
- (v)** The competition would improve the performance of producers within the country since they have to improve their quality.

Q. 2. In what ways do MNCs control production of local companies?

Ans. (i) Large MNCs in developed countries place orders for production with small producers.

(ii) Garments, footwear, sports items are examples of industries where production is carried out by a large number of small producers around the world.

(iii) The products are supplied to the MNCs, which then sell these products under their own brand names to the customers.

(iv) These larger MNCs have tremendous power to determine price, quality, delivery and labour conditions for these distant producers.

Q. 3. “Only fair globalisation can give, new shape to the world economy.” Explain.

OR

How can globalisation be made more fair?

OR

Evaluate the measures to make globalisation more fair. [CBSE (F) 2017]

Ans. (i) Fair globalisation would create opportunities for all, and also ensure that the benefits of globalisation are shared better.

(ii) The government can play a major role in making this possible. It needs to frame policies for all.

(iii) Government can ensure that labour laws are properly implemented and the workers get their rights. Benefits of globalisation are shared better.

(iv) It can support small producers to improve their performance till the time they become strong enough to compete.

(v) It can negotiate at the WTO for fairer rules. Massive companies and representation related to trade and investment at WTO can be encouraged.

(vi) It can also align with other developing countries with similar interests to fight against the domination of developed countries in the WTO.

(vii) If necessary, the government use trade and investment barriers.

Q. 4. What is WTO? Why it has been formed?

Ans. The World Trade Organisation (WTO) is the only International Organisation that deals with the global rules of trade between nations. Its main role is to help producers of goods and services, exporters and importers protect and manage their businesses better. It was established in 1995 and its headquarters are in Geneva, Switzerland. At its heart are the WTO agreements, negotiated and signed by the bulk of the World's trading nations and ratified in their parliaments. Its purpose is to monitor WTO Trade agreements, facilitate trade negotiations, mediate trade disputes, monitor international trade policies and provide assistance to developing economies.

Q. 5. Mention any two factors that have enabled globalisation in India. How are Indians struggling for fair Globalisation? [CBSE (Comptt.) 2017]

Ans. Two factors that have enabled globalization are:

(i) Improved transport, making global travel easier. For example, there has been a rapid growth in air-travel, enabling greater movement of people and goods across the globe.

(ii) Improved technology which makes it easier to communicate and share information around the world. E.g. internet.

Struggle of Indians for fair globalization:

(i) Indian worker are struggling for their rights.

(ii) Workers are pressurizing the government to ensure that labour laws are properly implemented.

(iii) Smaller producers are struggling to compete with the MNCs.

(iv) Indians are pressurizing the government to negotiate at the WTO for the 'fairer rules'.

(v) Workers are struggling against lack of security of jobs.

(vi) Workers are fighting for more congenial working hours.

Q. 6. Why have MNCs increased their investment in India?

Ans. (i) MNCs have increased their investment in India over the past few years, which means investing in India has been beneficial for them.

(ii) MNCs have been interested in industries such as cellphones, automobiles, electronics, soft drinks, fast food or services such as banking in urban areas, as these products have a large number of well-off buyers.

(iii) Since these MNCs are earning profits by selling their products and services, they are increasing their investment in India.

Q. 7. Explain with an example as to how information technology is connected with globalisation.

Ans. (i) Information and communication technology has played a major role in spreading out production of services across countries.

(ii) For example, a news magazine published for London readers to be designed and printed in Delhi.

(iii) The text of the magazine is sent through internet to the Delhi office.

(iv) The designers in the Delhi office get orders on how to design the magazine from the office in London using telecommunication facilities.

(v) The designing is done on a computer. After printing, the magazines are sent by air to London.

(vi) Even the payment for designing and printing from a bank in London to a bank in Delhi is made instantly through e-banking.