

Short Answer Questions

Q. 1. Show how the Silk Routes are a good example of pre-modern trade between different countries of the world?

Ans. Historians have identified several silk routes, over land and by sea, knitting together vast regions of Asia, and linking it with Europe and Northern Africa.

Chinese pottery also travelled the same route, as did textiles and spices from India and South East Asia.

In return, precious metals like gold and silver flowed from Europe to Asia.

Q. 2. What was the most powerful weapon that the Spanish used to conquer America?

Ans. The most powerful weapon was the germs such as those of smallpox.

Because of their long isolation, America's original inhabitants had no immunity against these diseases that came from the Europe.

Smallpox in particular, proved to be a deadly killer disease.

Q. 3. How did food travel from one country to another? Give some examples.

Ans. Food offers many examples of cultural exchange.

(i) Take spaghetti and noodles. It is believed that noodles travelled west from China to become spaghetti or perhaps, Arab traders took pasta to fifth-century Sicily.

(ii) Many of our common foods such as potatoes, soya, groundnuts, maize, tomatoes, chillies, sweet potatoes, etc., were not known to our ancestors but these foods were introduced in Asia and Europe after Christopher Columbus discovered America.

(iii) Sometimes, the new crops could make the difference between life and death. Europe's poor began to eat better and live longer with the introduction of the humble potato.

Q. 4. Why did thousands of people flee from Europe to America?

Ans. (i) Until the 19th century, poverty and hunger was common in Europe.

(ii) Cities were crowded and deadly diseases were widespread.

(iii) Religious conflicts were common and dissenters were persecuted.

Q. 5. How did healthy trade practices lead to colonialism?

Ans. (i) In many parts of the world, the expansion of trade and a closer relationship with the world economy also meant a loss of freedom and livelihood.

(ii) European powers in Africa divided this country amongst themselves with 'paper partition', i.e., borders of these countries run straight as drawn by a ruler. This division was made without the permission of these African countries.

(iii) Britain and France made vast additions to their colonies in the late 19th century. Belgium and Germany became new colonial powers and US also became a colonial power by taking over the colonies earlier held by Spain.

Q. 6. How did Europeans handle the problem of shortage of labour in Africa?

Ans. (i) Heavy taxes were imposed on Africans, which could be paid only by working for wages on plantations and mines.

(ii) Inheritance laws were changed so that peasants were displaced from their lands. Only one member of a family was allowed to inherit land, as a result of which the others were pushed into the labour market.

Q. 7. How did agricultural economies go into a crisis, post war?

Ans. (i) Before the war, eastern Europe was a major supplier of wheat in the world market.

(ii) When this supply was disrupted during the war, wheat production in Canada, America and Australia increased.

(iii) But once the war was over, production in eastern Europe was revived and there was overproduction of wheat.

Grain prices fell, rural incomes declined and farmers fell deeper into debt.

Q. 8. Which factors were responsible for the economic depression of 1929?

Ans. (i) Agricultural overproduction: Agricultural overproduction led to the falling of agricultural prices. As prices fell, agricultural income declined, farmers tried to expand their production and sell more in the market to earn. This worsened the situation as prices further fell, leading to farm produce rotting in the market with lack of buyers.

(ii) **Withdrawal of US loans:** Many countries financed their investments through loans from US. But US overseas lenders panicked at the first sign of trouble. US overseas loans had gone upto \$ 1 billion but it reduced to one quarter of that amount and countries depending on US loans now faced an acute crisis.

Q. 9. How did the Bretton Woods system collapse giving birth to Globalisation?

Ans. (i) Despite years of stable and rapid growth, not all was well in the post-war world.

(ii) From the 1960s, the rising cost of US overseas involvement weakened its financial and its competitive strength.

(iii) The US dollar now no longer commanded confidence as the world's principal currency. It could not maintain its value in relation to gold.

This ultimately led to the collapse of fixed exchange rates and the introduction of a system of floating exchange rates.

Q. 10. What agricultural changes took place in India?

Ans. (i) In west Punjab, in India, the British Indian government built a network of irrigation canals to transform semi-desert wastes into fertile agricultural lands that could grow wheat and cotton for export.

(ii) These were ‘Canal Colonies’, where areas were irrigated by the new canals and were settled by peasants from other parts of Punjab.

Q. 11. How potatoes became the food for poor?

Ans. (i) Sometimes the new crops could make the difference between life and death.

(ii) Europe’s poor began to eat better and live longer with the introduction of humble potato.

(iii) Ireland’s poorest peasants became so dependent on potatoes that when disease destroyed the potato crop in mid-1840’s, hundreds of thousands died of starvation.

Q. 12. State how America’s trade enhanced after its discovery.

Ans. (i) Before its discovery, America had been cut off from regular contact with the rest of the world for millions of years.

(ii) But from 16th century, its vast lands and abundant crops and minerals began to transform trade and lives everywhere.

(iii) Many expeditions were set off in search of EL Dorado, the fabled city of gold.

Q. 13. Why did people start migrating to the other continents from Europe?

Ans. (i) The demand for labour in places where labour was in short supply—as in America and Australia—led to more migration.

(ii) Nearly 50 million people emigrated from Europe to America and Australia in the 19th century.

(iii) All over the world, some 150 million are estimated to have left their homes, crossed oceans and vast distances over land in search of a better future.

Q. 14. Which factors helped in the development of global agricultural economy?

OR

What complex changes took place in the global agricultural economy by 1890?

Ans. (i) By 1890, a global agricultural economy had taken shape, accompanied by complex changes in labour movement patterns, capital flows, ecologies and technology.

(ii) Food no longer came from a nearby village or town, but from thousands of miles away.

(iii) It was not grown by a peasant tilling his own land, but by an agricultural worker, perhaps recently arrived, who was now working on a large farm that only a generation ago had most likely been a forest.

Q. 15. What were Canal Colonies? Why were they built?

Ans. Canal Colonies were the areas irrigated by the new canals.

(i) In India, British built a network of irrigation canals to transform semi-desert wastes into fertile agricultural lands for export.

(ii) Here people from other parts of Punjab were called and settled to grow wheat and cotton for export.

Q. 16. Why were Europeans attracted to Africa?

Ans. (i) In the late 19th century, Europeans were attracted to Africa due to its vast resources of land and minerals.

(ii) Europeans came to Africa hoping to establish plantations and mines to produce crops and minerals for export to Europe.

(iii) They could get cheap labour also to work on lesser wages in the mines and plantation farms.

Q. 17. What were the main destinations of Indian indentured labourers?

Ans. (i) The main destinations of Indian indentured migrants were the Caribbean islands mainly Trinidad, Guyana, Surinam, Mauritius and Fiji.

(ii) Closer home, Tamil migrants went to Ceylon and Malaya.

(iii) Indentured workers were also recruited for tea plantations in Assam.

Q. 18. What was the role of Indian bankers in managing their funds?

Ans. (i) Bankers like Shikaripuri Shroffs and Nuttukottai Chettiars were amongst the many groups of bankers and traders who financed export agriculture in Central and South east Asia.

(ii) They used either their own funds or those borrowed from European banks.

(iii) They had a sophisticated system to transfer money over large distances, and even developed indigenous forms of corporate organisation.

Q. 19. Why did the US become international creditor from international debtor?

Ans. (i) World War I led to the snapping of economic links between some of the world's largest economic powers which were now fighting each other to pay for them.

(ii) Britain borrowed large sums of money from US banks as well as from US public.

(iii) Thus the war transformed the US from being an international debtor to an international creditor.

So, the US and its citizens owned more overseas assets than foreign governments and citizens owned in US.

Q. 20. Why was there anxiety and uncertainty about work after World War I?

Ans. (i) The war had led to an economic boom, to a large increase in demand, production and employment. When the war boom ended, production contracted and unemployment increased.

(ii) At the same time, the government reduced bloated war expenditures to bring them into line with peacetime revenues.

(iii) These developments led to huge job losses—in 1921, one in every five British workers was out of work.

Indeed anxiety and uncertainty about work became an enduring part of the post war scenario.

Q. 21. Why was there a spurt in the purchase of electronic goods in the US?

Ans. (i) Mass production, lowered costs and prices of engineered goods. Due to higher wages, more workers could now afford to purchase durable consumer goods such as cars.

(ii) Along with boom in car production, there was a spurt in the purchase of refrigerators, washing machines, radios, gramophone players, although the system of hire purchase i.e., credit repaid in weekly or monthly instalments.

(iii) The demand for these goods was also fuelled by a boom in house construction and home ownership, financed once again by loans.

Q. 22. How did withdrawal of US loans affect different countries of the world?

Ans. (i) Europe: It led to the failure of some major banks and the collapse of currencies such as British pound sterling.

(ii) Latin America: Here it intensified the slump in agriculture and raw material prices.

(iii) US: US attempted to protect its economy in the depression by doubling import duties, also dealt with another severe blow to world trade.

Q. 23. In what ways were jute producers of Bengal affected by the economic crisis?

Ans. (i) Jute producers grew raw jute that was processed in factories for export in the form of gunny bags.

(ii) But as gunny bag export collapsed, the prices of raw jute crashed by more than 60 per cent.

(iii) Peasants who borrowed in the hope of better times or to increase output in the hope of higher incomes, faced ever lower prices and fell deep into debts.

Q. 24. Why did the Bretton Woods Institution begin to shift its attention more towards developing countries?

Ans. (i) The IMF and the World Bank were designed to meet the financial needs of the industrial countries.

(ii) They were not equipped to cope with the challenge of poverty and lack of development in the former colonies.

(iii) But as Europe and Japan rapidly rebuilt their economies, they grew less dependent on the IMF and the World Bank.

Thus from the late 1950s, the Bretton Woods Institution began to shift its attention more towards developing countries.

Q. 25. What is the difference between Fixed Exchange rates and Floating Exchange rates?

Ans. When exchange rates are fixed and governments intervene to prevent movements in them, it is called fixed exchange rates. While, when rates fluctuate depending on demand and supply of currencies in foreign exchange markets in principle without interference by governments, it is called floating or flexible exchange rates.

Q. 26. What two crucial influences shaped post war reconstruction?

Ans. (i) US's emergence as the dominant political economic or military powers in the western world.

(ii) Dominance of the Soviet Union. It had made large sacrifices to defeat Nazi Germany, and transformed itself from a backward agricultural country into a world power, when the capitalist world was trapped in the Great Depression.

Q. 27. What was the aim of post war international economic system?

Ans. (i) Complete employment in the industrial world.

(ii) To preserve economic stability.