

Globalisation and the Indian Economy

Question 1.

Foreign trade results in connecting the markets or integration of markets:

- (a) In same countries
- (b) In different countries
- (c) In friendly countries
- (d) None of the above

▼ Answer

Answer: (b) In different countries

Foreign trade results in connecting the markets or integration of markets in different countries.

Question 2.

Foreign investments by MNCs in many countries have:

- (a) been rising
- (b) been decreasing
- (c) remained the same
- (d) none of the above

▼ Answer

Answer: (a) been rising

It has been rising.

Question 3.

A large part of the foreign trade is also controlled by:

- (a) The government
- (b) By MNCs
- (c) The people
- (d) None of the above

▼ Answer

Answer: (b) By MNCs

It is controlled by MNCs

Question 4.

Activities of most MNCs involve:

- (a) goods and raw materials
- (b) substantial goods and trade
- (c) substantial trade in goods and services
- (d) none of the above

▼ Answer

Answer: (c) substantial trade in goods and services

Activities of most MNCs involve substantial trade in goods and services.

Question 5.

MNCs are playing a major role in:

- (a) Production of goods
- (b) Increasing investment

- (c) Providing employment
- (d) The globalisation process

▼ Answer

Answer: (d) The globalisation process
MNCs are playing a major role in the globalisation process.

Question 6.

More regions of the world are in closer contact with each other:

- (a) Than a few years back
- (b) Than a few days back
- (c) Than a few centuries back
- (d) Than a few decades back

▼ Answer

Answer: (d) Than a few decades back

Question 7.

Tele communication facilities have been facilitated by:

- (a) Remote connection devices
- (b) Remote communication devices
- (c) Satellite communication devices
- (d) None of the above

▼ Answer

Answer: (c) Satellite communication devices

It has been facilitated by satellite communication devices.

Question 8.

Information and communication technology has played a major role in spreading out:

- (a) Production of goods across countries
- (b) Production of raw materials across countries
- (c) Production of services across countries
- (d) None of the above

▼ Answer

Answer: (c) Production of services across countries

It has helped production of services across countries.

Question 9.

Tax on imports is an example of:

- (a) Tax barrier
- (b) Export barrier
- (c) Import barrier
- (d) Trade barrier

▼ Answer

Answer: (d) Trade barrier
It is an example of trade barriers.

Question 10.

The Indian government, after independence, had put barriers to:

- (a) MNCs
- (b) Import and export
- (c) Foreign trade and foreign investment
- (d) None of the above

▼ Answer

Answer: (d) None of the above

It has put trade barriers to foreign trade and foreign investment.

Question 11.

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

- (a) Globalisation
- (b) Liberalisation
- (c) Free trade
- (d) All the above

▼ Answer

Answer: (b) Liberalisation

It is known as liberalisation.

Question 12.

The number of countries that are currently members of the WTO are:

- (a) 119
- (b) 129
- (c) 139
- (d) 149

▼ Answer

Answer: (d) 149

Question 13.

WTO rules have forced the developing countries to remove:

- (a) Export
- (b) Import
- (c) Trade
- (d) Trade barriers

▼ Answer

Answer: (d) Trade barriers

WTO has forced developing countries to remove trade barriers.

Question 14.

Among producers and workers the impact of globalisation has:

- (a) Been uniform
- (b) Been mixed
- (c) Not been uniform
- (d) None of the above

▼ Answer

Answer: (c) Not been uniform

It has not been uniform.

Question 15.

Fair globalisation would create opportunities for all, and also ensure that the benefits of globalisation are:

- (a) Shared between the rich
- (b) Shared between the poor
- (c) Shared between the rich and poor
- (d) Shared better

▼ Answer

Answer: (d) Shared better

The benefits of globalisation are shared better.

Question 16.

In India most of the workers are employed in the:

- (a) MNCs
- (b) Organised sector
- (c) Unorganised sector
- (d) None of the above

▼ Answer

Answer: (c) Unorganised sector

Most of the workers are employed in the unorganised sector.

Question 17.

Until the middle of the twentieth century, production was largely organised:

- (a) Outside the countries
- (b) In different countries
- (c) Within countries
- (d) None of the above

▼ Answer

Answer: (c) Within countries

It was organised within countries.

Question 18.

Which of the following was the main channel connecting distant countries was:

- (a) Money
- (b) Credit
- (c) Trade
- (d) None of the above

▼ Answer

Answer: (c) Trade

It was trade.

Question 19.

A company that owns or controls production in more than one nation is called:

- (a) A large company
- (b) MNC

- (c) National Company
- (d) International Company

▼ Answer

Answer: (b) MNC

It is called MNC

Question 20.

MNCs set up offices and factories for production in regions where they can get:

- (a) Raw materials and good food
- (b) Cheap labour and other resources
- (c) Educated labour and other resources
- (d) None of the above

▼ Answer

Answer: (b) Cheap labour and other resources

MNCs are set in those areas where cheap labour and other resources are available.

Question 21.

The MNCs not only sell their finished products globally, but the goods:

- (a) Are sold throughout the world
- (b) Are sold in the same country
- (c) And services are produced globally
- (d) None of the above

▼ Answer

Answer: (c) And services are produced globally

Both goods and services are produced globally.

Question 22.

China provides the advantage of being a:

- (a) Good area for raw materials
- (b) Good area for MNCs
- (c) Cheap manufacturing location
- (d) All the above

▼ Answer

Answer: (c) Cheap manufacturing location

China provides the advantage of being a cheap manufacturing location.

Question 23.

Mexico and Eastern Europe have the advantage of:

- (a) Raw materials
- (b) Good location
- (c) Closeness to the markets in US and Russia
- (d) Closeness to the markets in the US and Europe

▼ Answer

Answer: (d) Closeness to the markets in the US and Europe

Mexico and Eastern Europe have the advantage of closeness to the markets in US and Europe.

Question 24.

MNCs set up production where it is:

- (a) Close to the markets
- (b) Where there is skilled and unskilled labour available at low costs
- (c) Where the availability of other factors of production is assured
- (d) All the above factors

▼ Answer

Answer: (d) All the above factors

All the above factors are beneficial of MNCs

Question 25.

Investment made by MNCs is called:

- (a) International investment
- (b) National investment
- (c) Foreign investment
- (d) None of the above

▼ Answer

Answer: (c) Foreign investment

Since investment is made by a foreign country it is called foreign investment.

Question 26.

Cargill Foods, a large American MNC, has brought over smaller Indian companies such as:

- (a) Milk food
- (b) Surekh foods
- (c) Parakh foods
- (d) None of the above

▼ Answer

Answer: (c) Parakh foods

It has collaborated with Parakh Foods.

Question 27.

The largest producer of edible oil in India is:

- (a) Parakh food
- (b) Dhara
- (c) Sundrop
- (d) Cargill

▼ Answer

Answer: (d) Cargill

It is Cargill. It has a capacity to make 5 million pouches daily.

Question 28.

Which of the following are the world's largest automobile manufacturer:

- (a) Toyota
- (b) Ford Motors
- (c) General Motor
- (d) Maruti

▼ Answer

Answer: (b) Ford Motors

It is Ford Motors.

Question 29.

In India Ford Motor's has collaborated with:

- (a) Tata Motors
- (b) Maruti
- (c) General Motors
- (d) Mahindra and Mahindra

▼ Answer

Answer: (d) Mahindra and Mahindra

It has collaborated with Mahindra and Mahindra.

Question 30.

Foreign Trade creates an opportunity for the producers to:

- (a) Reach beyond their expectations
- (b) Go beyond the domestic markets
- (c) Go beyond the foreign markets
- (d) None of the above

▼ Answer

Answer: (b) Go beyond the domestic markets

Foreign trade creates an opportunity for the producers to go beyond the domestic market.

Write true (T) or false (F)

1. Trade was the main channel connecting distant countries.

▼ Answer

Answer: True

2. A large MNC, designs its products in research centres in China, and then has the components manufactured in US.

▼ Answer

Answer: False

3. China provides the advantage of being a cheap manufacturing location.

▼ Answer

Answer: True

4. India has highly unskilled engineers who can not understand the technical aspects of production.

▼ Answer

Answer: False

5. The advantage of spreading out production across the borders by the multinationals can be truly immense.

▼ Answer

Answer: True

6. MNCs do not bring with them the latest technology for production.

▼ Answer

Answer: False

7. Many of the top MNCs have wealth exceeding the entire budgets of the developing country governments.

▼ Answer

Answer: True

8. Large MNCs in developed countries place orders for production with small producers.

▼ Answer

Answer: True

9. Ford Motors came to India in 1995 and spent Rs. 2000 crore to set up a plant near Mumbai.

▼ Answer

Answer: False

10. For a long time foreign trade has been the main channel connecting countries.

▼ Answer

Answer: True

11. Foreign trade creates an opportunity for the producers to reach beyond the domestic markets.

▼ Answer

Answer: True

12. With the closing of trade, goods travel from one market to another.

▼ Answer

Answer: False

13. Foreign trade results in connecting the markets or integration of markets in different countries.

▼ Answer

Answer: True

14. In the past two or three decades, more and more MNCs have been working for locations around the world.

▼ Answer

Answer: True

15. Activities of most MNCs involve substantial trade in goods and services.

▼ Answer

Answer: True

1. Globalisation is the process of rapid integration or inter connecting between countries.

▼ Answer

Answer: True

2. Most regions of the world are in closer contact with each other than a few centuries back.

▼ Answer

Answer: False

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

▼ Answer

Answer: True

4. Rapid improvement in technology has been major factor that has stimulated the globalisation process.

▼ Answer

Answer: True

5. Tele communication facilities have been facilitated by remote communication devices.

▼ Answer

Answer: False

6. Tax on imports is an example of export barrier.

▼ Answer

Answer: False

7. All developed countries, during the early stages of development, have given protection to domestic producers through a variety of means.

▼ Answer

Answer: True

8. Removing barriers or restrictions set by the government is what is known as liberalisation.

▼ Answer

Answer: True

9. With liberalisation of trade, businesses are not allowed to make decisions freely about what they wish to import or export.

▼ Answer

Answer: False

10. All countries in the world should liberalise their policies.

▼ Answer

Answer: True

11. World Trade Organisations aim is to liberalise international trade.

▼ Answer

Answer: True

12. 149 countries of the world are currently members of the WTO (2006).

▼ Answer

Answer: False

13. Among producers and workers, the impact of globalisation has been uniform.

▼ Answer

Answer: False

14. Globalisation has enabled some large Indian companies to emerge as multinationals themselves!

▼ Answer

Answer: True

15. Globalisation has also created new opportunities for companies providing services.

▼ Answer

Answer: True

Match the following

1.

Column-I	Column-II	Column-III
1. A MNC owns or controls production	(a) foreign	(A) one nation
2. In the MNC goods and services	(b) in policy were	(B) globally
3. Investment by MNC is called	(c) international	(C) trade
4. Around 1991 far reaching changes	(d) are produced	(D) made in India
5. The aim of WTO is to liberalise	(e) in more than	(E) investment

▼ Answer

Answer:

Column-I	Column-II	Column-III
1. A MNC owns or controls production	(e) in more than	(A) one nation
2. In the MNC goods and services	(d) are produced	(B) globally
3. Investment by MNC is called	(a) foreign	(E) investment
4. Around 1991 far reaching changes	(b) in policy were	(D) made in India
5. The aim of WTO is to liberalise	(c) international	(C) trade

2.

Column-A	Column-B
1. Trade barrier	(a) Parakh foods
2. Liberalisation	(b) Mahindra and Mahindra
3. Cargill Food	(c) rapid interconnection between countries
4. Ford Motor's	(d) removing barriers set by the government
5. Globalisation	(e) tax on imports

▼ Answer

Answer:

Column-A	Column-B
1. Trade barrier	(e) tax on imports
2. Liberalisation	(d) removing barriers set by the government
3. Cargill Food	(a) Parakh foods
4. Ford Motor's	(b) Mahindra and Mahindra
5. Globalisation	(c) rapid interconnection between countries

Fill in the blanks

1. MNCs can provide for additional investment.

▼ Answer

Answer: money

2. Investment made by is

▼ Answer

Answer: MNCs

3. The most common route for MNC investment is to buy up companies and then expand production.

▼ Answer

Answer: local

4. Many of the top MNCs have wealth exceeding the entire of the developing countries.

▼ Answer

Answer: budget

5. Production in widely dispersed locations is getting

▼ Answer

Answer: inter linked

6. trade creates an opportunity for the producers to reach beyond the domestic markets.

▼ Answer

Answer: Foreign

7. With the opening of trade, travel from one market to another.

▼ Answer

Answer: good

8. Foreign trade results in connecting the markets or of markets in different countries.

▼ Answer

Answer: integration

9. Besides the movement of goods, services, investment etc. There is one more way in which countries can be connected. There is by movement of

▼ Answer

Answer: people

10. Rapid improvement in technology has been one major factor that has accelerated the process.

▼ Answer

Answer: globalisation

11. Information and communication technology has played a major role in spreading out production of

▼ Answer

Answer: services

12. Tax on imports is an example of barrier.

▼ Answer

Answer: trade

13. Barrier on foreign trade and investment were removed to a large extent.

▼ Answer

Answer: foreign

14. The aim of is to liberalise international trade.

▼ Answer

Answer: WTO

15. countries of the world are currently members of the WTO.

▼ Answer

Answer: 149
