

## Globalisation and the Indian Economy

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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.

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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.

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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

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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.

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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.

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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

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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.

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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.

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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.

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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.

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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.

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Write true (T) or false (F)

1. Trade was the main channel connecting distant countries.

▼ Answer

Answer: True

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

▼ Answer

Answer: False

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

▼ Answer

Answer: True

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

▼ Answer

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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[Match the following](#)

1.

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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

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2. Investment made by ..... is

▼ [Answer](#)

Answer: MNCs

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

▼ [Answer](#)

Answer: local

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

▼ [Answer](#)

Answer: budget

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5. Production in widely dispersed locations is getting .....

▼ [Answer](#)

Answer: inter linked

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

▼ [Answer](#)

Answer: Foreign

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

▼ [Answer](#)

Answer: good

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

▼ [Answer](#)

Answer: integration

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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

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

▼ [Answer](#)

Answer: globalisation

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

▼ [Answer](#)

Answer: services

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12. Tax on imports is an example of ..... barrier.

▼ [Answer](#)

Answer: trade

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

▼ [Answer](#)

Answer: foreign

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14. The aim of ..... is to liberalise international trade.

▼ [Answer](#)

Answer: WTO

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

▼ [Answer](#)

Answer: 149

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