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1. What do you understand by globalisation? Explain in your own words.

Globalisation is the process of greater interconnection and interdependence among countries through increased movement of goods, services, ideas, technology, and people across borders.

2. What were the reasons for putting barriers to foreign trade and foreign investment by the Indian government? Why did it wish to remove these barriers?

Barriers were built to protect domestic industries from foreign competition and encourage self-reliance. Later, to encourage growth, efficiency, and participation in the global market, India removed many barriers to attract investment, improve technology, and provide consumers with more choices.

3. How would flexibility in labour laws help companies?

Flexibility allows companies to hire and fire workers more easily, adjust work hours, and reduce production costs, which helps them respond quickly to market changes and remain competitive.

4. What are the various ways in which MNCs set up, control or produce in other countries?

MNCs may:

- Set up factories directly
- Buy existing local companies
- Form partnerships with local firms
- Outsource production
- Use contract manufacturing

5. Why do developed countries want developing countries to liberalise their trade and investment? What do you think should the developing countries demand in return?

Developed countries want new markets and investment opportunities.

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Developing countries should demand fair trade, technology transfer, removal of export barriers in developed countries, and protection for small producers.

6. “The impact of globalisation has not been uniform.” Explain this statement.

Globalisation has benefited some people, companies, and regions more than others. Urban, skilled workers and big companies gain the most, while small farmers, informal workers, and less developed regions may face losses or increased competition.

7. How has liberalisation of trade and investment policies helped the globalisation process?

By reducing tariffs and restrictions, liberalisation has made it easier for goods, services, and investments to flow across borders, increasing economic integration worldwide.

8. How does foreign trade lead to integration of markets across countries? Explain with an example other than those given here.

Imports and exports bring products from different countries together in one market.

Example: Indian software companies export services worldwide, while importing hardware from China, integrating markets.

9. Globalisation will continue in the future. Can you imagine what the world would be like twenty years from now? Give reasons for your answer.

Globalisation may result in more interconnected economies, instant information sharing, global brands everywhere, more cultural exchange, and digital services. There could be even less distinction between “domestic” and “foreign” products because technology and trade will be more advanced.

10. Supposing you find two people arguing: One is saying globalisation has hurt our country’s development. The other is telling, globalisation is helping India develop. How would you respond to these arguments?

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Both views have merit. Globalisation has created new opportunities, increased choices, and economic growth, but it has also increased inequality and hurt some workers and small industries. We need policies to ensure fairer distribution of benefits.

11. Fill in the blanks.

Indian buyers have a greater choice of goods than they did two decades back. This is closely associated with the process of **globalisation**. Markets in India are selling goods produced in many other countries. This means there is increasing **integration** with other countries. Moreover, the rising number of brands that we see in the markets might be produced by MNCs in India. MNCs are investing in India because **of its huge market and availability of cheap skilled labour**. While consumers have more choices in the market, the effect of rising **competition** and **globalisation** has meant greater **competition** among the producers.

12. Match the following.

- | | |
|---|--------------------------------------|
| (i) MNCs buy at cheap rates from small | (b) Garments, footwear, sports items |
| (ii) Quotas and taxes on imports are used to | (e) Trade barriers |
| (iii) Indian companies who have invested abroad | (d) Tata Motors, Infosys, Ranbaxy |
| (iv) IT has helped in spreading production of services | (c) Call centres |
| (v) Several MNCs have invested in setting up factories in India | (a) Automobiles |

13. Choose the most appropriate option.

- (i) The past two decades of globalisation has seen rapid movements in
(b) **goods, services and investments between countries.**

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(ii) The most common route for investments by MNCs in countries around the world is to

(b) **buy existing local companies.**

(iii) Globalisation has led to improvement in living conditions

(b) **of people in the developed countries**

(While there are benefits for developing countries, the improvements are not uniform. Most benefits go first/most to the developed nations and the more privileged segments in developing countries.)



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