

Ch 7 - Life Lines of National Economy

1. State any three merits of roadways.

A The growing importance of road transport is rooted in the following reasons :

- The construction cost of roadways is much lower than that of the railways.
- Its maintenance is also cheap and easy.
- Roads can be built in mountainous areas. The roads can traverse comparatively more dissected and undulating topography.
- Roads can negotiate higher gradients of slopes and as such can mountains such as Himalayas.
- Road transport is economical in the transportation of a few persons and a relatively smaller amount of goods over short distances.
- It provides door-to-door service, which results in a lower cost of loading and high unloading.
- It is used as a feeder to other modes of transport such as they provide a link between railway stations, air, and seaports.
- Road transport connects fields with markets and factories.
- Road transport is useful for the transport of perishable commodities.

2. Where and why is rail transport the most convenient means of transportation ?

A ii) Railways can transport a larger number of goods and passengers over long distances at an economical cost. Hence, railways are the most convenient means of transport in the vast northern plains of India.

- (ii) The flat terrain, dense population, rich agricultural resources and greater industrial activity have favoured the development of railways in this region.
- (iii) The northern plains, therefore, have the densest railway network. Railways have accelerated the development of industry and agriculture in this region by providing quick availability of raw materials and distributing the finished products to the markets.

However, in spite of the fact that railways are the most convenient means of transportation in northern plains, a large number of rivers requiring construction of bridges across their wide beds posed some obstacles.

3. What is the significance of the border roads?

A The significance of Border Roads is as mentioned below:

- The Border Roads are vital roads links along the frontiers of our country.
- These roads are of ~~straget~~ strategic importance.
- These roads have improved accessibility in areas of difficult terrain mainly in the northern and northeastern border areas.
- They have played a major role in the economic development of these areas.
- These roads are constructed and maintained by the Border Roads Organisation, a government of India undertaking which was established in 1960.

4. What is meant by trade? What is the difference between international and local trade?

A The exchange of goods among people, states, and countries is known as trade.

Difference between international and local trade is as given below:

International Trade

1. The exchange of commodities between two or more countries is termed as international trade.
2. It may take place through sea, air or land routes.
3. Export and import are the components of international trade.
4. Advancement of international trade of a country is an index to its economic prosperity. It is, therefore, considered the economic barometer for a country.
5. The international trade leads to the earnings of foreign exchange and benefits for the traders and exporters in the country.

Local Trade :

1. Local trade is carried within cities, towns or villages. Exchanges of items takes place in local markets where items of local needs are catered too.
2. Local trade mainly takes place through roads, railways, or inland waterways.
3. Sale and purchase are the components of local trade.
4. Advancement of local trade is a sign of economic prosperity of the local people.
5. It does not earn foreign exchange but helps in the fulfillment of the needs of the people.

5. Why are the means of transportation and communication called the lifelines of a nation and its economy?

- A
- i) Today, we are living in the age of communications, using the telephone, television, films and the Internet. Even books, magazines and newspapers are important means of communication.
 - ii) Various means of transport and communication have reduced distances, bringing the world closer. Modern life is so complex that one has to depend on others.
 - iii) The same is true of the countries as well. No country today can prosper without the co-operation and assistance of others. This requires the movement of goods and materials between countries.
 - iv) Trade provides us with our necessities and also adds to the amenities and comfort of our life. We may not also notice that they are rightly called the lifelines of our national economy.

6. Write a note on the changing nature of international trade in the last fifteen years.

- A
- i) The nature of international trade in the last fifteen years has changed due to globalization. Earlier bilateral agreements were made to conduct trade between two countries.
 - ii) But through globalization, an effort has been made to integrate national economies with the world economy. Now producers from outside countries can sell their goods and services in other countries.
 - iii) Globalization includes the movement of capital as well as workers from one country to another country. The restrictions on the import of goods have been removed.
 - iv) Under World Trade organization, efforts are being made to have multi-lateral agreements for international trade.

- v) WTO is regulating the international trade of goods as well as services. Thus international trade has undergone a sea change. The export of agriculture and allied products, ores, minerals, gems, jewellery, chemicals and allied products, engineering goods, and petroleum products have increased.
- vi) On the other hand import of petroleum and petroleum products, pearls and precious stones, inorganic chemicals, coal, coke have increased too.
- vii) The exchange of commodities and goods have been superseded by the exchange of information and knowledge. India has emerged as a software giant at the international level. It is earning large foreign exchange through the export of information technology because of its fast-growing Business Process Outsourcing (BPO) sector.