

73. How did silk routes link the world? Explain with three suitable examples.

- Ans.** (a) The most well known silk routes connected China to Europe. West bound Chinese silk cargoes travelled on this route. Chinese pottery also travelled through this route.
- (b) Several silk routes have been identified by the historians, both over land and sea, connecting vast regions of Asia and linking Asia to North Africa. Through this route, Chinese pottery, Indian textiles and spices from south East Asia travelled to Europe and North Africa.
- (c) Trade and cultural exchanges went hand in hand. Early Christian missionaries and later Muslim preachers travelled through this route.

74. How did food habits travel from one place to another in the process of cultural exchange?

- Ans.** (a) In the process of long distance cultural exchanges, food habits are often taken up by others.

- (b) Common food such as potatoes, soya, groundnut, maize, tomatoes, chillies, sweet potatoes, which are a part of Indian food now, were not known to the Indians five hundred years ago. These were brought to Asia, after the discovery of America.
- (c) Noodles and pasta, which are supposed to be of Italian origin, were originally brought by the Arabs to Sicily.

75. Explain with the help of any three suitable examples that the pre-modern world changed with the discovery of new sea routes to America. [CBSE 2016]

Ans. The pre-modern world changed with the discovery of new sea routes to America in the following ways.

- (a) Many of our common foods such as potatoes, soya, groundnuts, maize, tomatoes, chillies, sweet potatoes, were introduced to Europe by America. These crops made a difference between life and death. The poor began to eat better and live longer in England with the introduction of potato.
- (b) Precious metals, particularly silver from mines located in the present day Peru and Mexico also enhanced Europe's wealth and financed its trade with Asia.
- (c) Slave trade started. European traders captured slaves in Africa and took them to America, where they worked on plantations. Europe became the centre of world trade.
- (d) Religious dissenters were persecuted in Europe. Thousands fled Europe for America.
- (e) Diseases like smallpox, germs of which were carried by Europeans to America decimated the whole community who had no immunity to it.

(any three)

76. Describe the three types of movements or flows within international economic exchange.

Ans. The three types of movements or flows within international economic exchange are as follows.

- (a) The first is the flow of trade which referred largely to trade in goods e.g., cloth or wheat.
- (b) The second is the flow of labour – the migration of people in search of employment.
- (c) The third is the movement of capital for short-term or long-term investments over long distances.

77. What were the Corn Laws? Why were the Corn Laws abolished? What were its effects?

[CBSE 2014]

Ans. The laws that allowed the British government to restrict the import of corn were commonly known as the 'Corn Laws'. This was under the pressure of landed groups.

The Corn Laws were abolished because industrialists and urban dwellers were unhappy with high food prices following the implementation of the Laws. Following were the effects of the abolition of the Corn Laws.

- (a) Now the food could be imported into Britain more cheaply than it could be produced within the country.
- (b) British agriculture was unable to compete with imports.
- (c) Vast areas of land were now left uncultivated, and thousands of men and women were thrown out of work. Many flocked to the cities or migrated overseas.
- (d) As the food prices fell, consumption in Britain rose. From the mid-nineteenth century, faster industrial growth in Britain also led to higher incomes, and therefore more food imports.

(any three)

78. What problems were faced in transporting food over long distances till 1870s?

Ans. The following problems were faced during food transportation over long distances till 1870s:

- (a) Animals were shipped and then slaughtered at the destination. They took a lot of space.
- (b) In the long journey, many died, fell ill, lost weight. Meat, thus, became expensive.
- (c) High prices kept the demand and production down.

79. Explain any three benefits of refrigerated ships.

[CBSE 2015]

Ans. Benefits of refrigerated ships.

- (a) Perishable food could be sent over long distances.
- (b) The animals were slaughtered at the starting point for food in America, Australia or New Zealand, then transported to Europe as frozen meat.
- (c) Shipping costs were reduced and meat prices declined in Europe. Earlier large number of people depended on bread and potatoes but now they could afford to add meat, eggs and butter to their diet.

80. Why were Europeans attracted to Africa in the late nineteenth century? Mention any three reasons.

Ans. Europeans were attracted to Africa in the late nineteenth century because of the following reasons.

- (a) Africa had vast resources of land and minerals. Its population was very small and land was abundant.
- (b) Europeans were hoping to establish plantations and mines to produce crops and minerals for export to Europe. They faced a shortage of labour willing to work for wages. But, they used many methods like heavy taxes to recruit and retain labour.
- (c) Industrial revolution had not taken place in Africa and African countries were militarily weak and backward.

81. Why did the European employers find it difficult to recruit labour in Africa? Give two methods they used to recruit and retain labour.

Or

Why was there a shortage of labour willing to work for wages in Africa in the 1890s? How did Europeans try to recruit and retain labour? Explain any two methods.

Ans. European employers found it difficult to recruit labour in Africa because historically, Africa had abundant land and a relatively small population. For centuries, land and livestock sustained African livelihoods and people rarely worked for wages.

Following methods were used by the European employers to recruit and retain labour.

- (a) Heavy taxes were imposed which could be paid only by working for wages on plantations and mines.
- (b) Inheritance laws were changed so that peasants were displaced from land. Only one member of a family was allowed to inherit land, as a result of which the others were pushed into the labour market.
- (c) Mine workers were confined to compounds and not allowed to move freely.
- (d) Cattle disease Rinderpest was introduced to destroy their dependence on livestock for sustenance.

(anytwo)

82. Describe the impact of 'Rinderpest' on people's livelihoods and local economy in Africa in the 1890s. [CBSE 2018]

Or

How did rinderpest help the European colonies to conquer and subdue Africa?

Ans. Rinderpest was a devastating, fast spreading disease of cattle plague. It arrived in Africa in the late 1880s. It was carried by infected cattle imported from British Asia to feed the Italian soldiers invading Eritrea in East Africa.

- (a) Rinderpest or cattle plague had a terrible effect on the lives of the people in Africa, who lost their livelihood. For centuries, land and livestock had sustained African livelihood and people rarely worked for a wage. Rinderpest killed 90 per cent of the African cattle.
- (b) European planters, mine owners and colonial governments monopolised the scarce cattle resources.
- (c) Africans lost their livelihood, planters and mine owners forced them to work for a wage and enabled Europeans to conquer and subdue Africa.

83. Write ~~any~~ three factors responsible for indentured labour migration from India.

Ans. Following were the factors responsible for indentured labour migration from India.

- (a) Decline of the cottage industries, increased land rents and clearing of the land for mines and plantations.
 - (b) The poor were not able to pay their rents and were deeply indebted.
 - (c) Migrants hoped to escape poverty or oppression in their home villages and agreed to take up work abroad.
 - (d) Workers were required in other countries for plantations, mines, road and railway construction projects.
- (any three)

84. Highlight the ways discovered by the indentured labourers for their survival.

Ans. The following ways were discovered by the indentured labourers:

- (a) Many managed to escape into the forests.
- (b) Others sought individual and collective self expression by mixing different cultural forms. e.g. workers from all races and religions transformed Muharram into a riotous carnival Hosay.

- (c) The socio-religious movement Rastafarianism reflected social and cultural links between Indian migrants and Caribbean.
- (d) Chutney music was another creative expression of indenture experience.

85. Who were the Indian entrepreneurs abroad? How did they operate?

Ans. Shikarpuri shroffs, Nattukottai Chettiars, Hyderabadi Sindhis etc. were some of the Indian entrepreneurs who financed export agriculture in Central and Southeast Asia. They had sophisticated system of money transfer and had even developed distinctive form of organisation.

They ventured beyond European colonies, established large retail stores at ports selling local and imported products to tourists.

86. Define the term 'trade surplus'. How was the income received from trade surplus used by British?

Ans. Trade Surplus refers to a situation when the value of exports is higher than the value of imports. Britain used this surplus to balance its trade deficits with other countries and pay off the interest payments, salary and pensions of the British officials in India.

87. What was the importance of the Indian trade for the British?

Or

How did India play a crucial role in the nineteenth century world economy? Explain with examples.

[CBSE 2015]

Or

"Indian trade had played a crucial role in the late nineteenth century world economy." Analyse the statement.

[Delhi 2019]

Ans. The following was the importance of Indian trade for the British.

- (a) Trade Surplus: Britain had a trade surplus with India. Britain used this surplus to balance its trade deficit with other countries.
- (b) Home Charges: Britain's trade surplus in India also helped to pay the so called home charges that included private remittance home by British officials and traders, interest payments on India's external debt and pensions of British officials in India.
- (c) Major Supplier of Cotton: India remained a major supplier of raw cotton to Britain. It was required to feed the cotton textile industry in Britain.

88. How did the First World War affect the socio-economic conditions of the world? Mention any three points.

Ans. The First World War affected the socio-economic conditions of the world in the following ways.

- Entire societies were reorganised for war — as men went to battle, women stepped in to undertake jobs that earlier only men were expected to do.
- Industries were restructured to produce war-related goods.
- The war 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. So, Britain borrowed large sums of money from US banks as well as the US public.
- The war transformed the US from being an international debtor to an international creditor.
- Many agricultural economies were also in crisis. Before the war, Eastern Europe was a major supplier of wheat in the world market. The supply was disrupted during the war. After the war, production revived and created a glut in wheat output. Grain prices fell, rural incomes declined and farmers fell deeper into debt. (any three)

89. Explain the impact of the First World War on British economy.

[CBSE 2014]

Or

Describe the economic conditions of Britain after the 'First World War'.

[CBSE 2018 (C)]

Ans. The following was the impact of First World War on Britain's economy.

- After the war, Britain found it difficult to recapture its earlier position of dominance in the Indian market, and to compete with Japan internationally.
- Moreover, to finance war expenditures, Britain had borrowed liberally from the US. This meant that at the end of the war, Britain was burdened with huge external debts.
- The war had led to an economic boom, that is, a huge increase in demand, production and employment. When the war boom ended, production contracted and unemployment increased.
- At the same time, the government reduced bloated war expenditures to bring them into line with peacetime revenues. These developments led to huge job losses. (any three)

90. Explain why the economy of USA was strong in the early 1920s. Would you agree that the roots of the Great Depression lay in this 'boom'? Give reasons for your answer.

Ans. The economy of USA was strong in the early 1920s because of the following reasons.

- Mass production became a characteristic feature of industrial production in the USA. It lowered costs and prices of engineering goods.
- There was a spurt in the purchase of luxury consumer goods like refrigerators, washing machines, radios, gramophone players, etc. on credit repaid in weekly or monthly instalments.
- The demand for the consumer goods was further fuelled by a boom in house construction and home ownership, financed once again by loans. It created the basis of prosperity in the US. It would be correct to say that the roots of Great Depression lay in this boom because in every sector goods began to be overproduced to such an extent that there was a steep fall in the prices and demand. Markets were flooded with unsold goods.

91. How did the withdrawal of US loans during the phase of the Great Depression affect the rest of the world? Explain in three points. [CBSE 2015]

Ans. The withdrawal of US loans affected much of the rest of the world.

- In Europe, a number of major banks failed and led to a collapse of currencies such as British pound-sterling.
- In Latin America, there was a slump in agricultural and raw material prices.
- The world trade was severely affected because of increased import duties by the US.

92. What was the impact of Great Depression on India?

Ans. (a) In the 19th century, India had become an exporter of agricultural goods and importer of manufactured goods. The depression affected Indian trade. India's exports and imports were halved between 1928 and 1934. As the international prices crashed, wheat prices in India fell by 50 per cent.

- Though agricultural prices fell sharply, the government refused to reduce revenue demands. Indebtedness increased.

(c) Because of falling prices, those who had fixed incomes, in urban areas like people who received rents, middle class salaried employees, became better off. Everything cost less. Industrial investments also grew as government extended tariff protection.

93. ‘Two crucial influences shaped post-war reconstruction.’ What were these influences? Explain.

Ans. Two crucial influences shaped post-war reconstruction.

- (a) USA emerged as the dominant political, economic and military power in the world.
- (b) The dominance of the Soviet Union had successfully resisted the Nazis, made huge sacrifices to defeat Nazi Germany and transformed itself into a world power.

- (e) After the Corn Laws were cancelled, food could be imported cheaply than it was produced within the country. Vast areas were left uncultivated. Men and women were thrown out of work. They flocked to the cities or migrated overseas.
- 98. Examine the main features of global agricultural economy that emerged around 1890.** [HOTS]
- Ans. (a) By 1890, a global agricultural economy had taken shape. It was accompanied by complex changes in labour movement, capital flows, ecology and technology.
- (b) Food no longer came from a nearby village or town but from thousands of miles away. Forests were cleared by agricultural labourers of other countries and the land tilled and cultivated by them.
- (c) Railways were built to carry migrant population and ships to carry labour. These were manned by low paid workers of Europe, Asia and the Caribbeans.
- (d) As a result of this, self-sufficiency of good production ended.
- (e) As urban centres expanded, the demand for food increased and there was a rise in food prices. Food could now be imported from other countries.

Explain giving examples, the role played by technological inventions in transforming 19th century world. [CBSE 2016]

Or

Describe the role of 'technology' in transformation of the world in the nineteenth century. [Ajmer 2019]

Or

What was the impact of technology on food availability? Explain with the help of examples. [CBSE 2014]

Following was the role of technology in transforming the 19th century world:

- (a) Technology led to the improvements in transport. Faster railways, lighter wagons and larger ships helped to move food more cheaply and quickly from far away farms to final markets.
- (b) Earlier, animals were shipped live from America to Europe and then slaughtered when they arrived there. Meat was, hence, an expensive luxury beyond the reach of the European poor.

- (c) New technology, namely, refrigerated ships, enabled the transport of perishable foods over long distances. Now, animals were slaughtered for food and then transported to Europe as frozen meat.
- (d) This reduced shipping costs and lowered meat prices in Europe.
- (e) To end the monotony of bread and potatoes many could now add meat to their diet.

100. Why has 19th century indenture Labour System been described as a 'new system of slavery'? Explain. [CBSE 2012, 2014]

Ans. 19th century indenture has been described as a 'new system of slavery' because of the following reasons.

- (a) Poor people were convinced with jobs and good wages and improved standard of living.
- (b) Migrants were provided false information about final destinations, modes of travel, the nature of the work, and living and working conditions. Often migrants were not even told that they were to embark on a long sea voyage.
- (c) On arrival at the plantations, labourers found conditions to be different from what they had imagined. Living and working conditions were harsh and there were few legal rights.
- (d) Workers discovered their own ways of surviving. Many of them escaped into the wilds, though, if caught they faced severe punishment.
- (e) Others developed new forms of individual and collective self expression, blending different cultural forms, old and new.

101. How far is it correct to say that "The First World War was the first modern industrial war"? Explain.

Ans. The First World War was the first modern industrial war because:

- (a) The fighting involved the world's leading industrial nations which now harnessed the vast powers of modern industry to inflict the greatest possible destruction on their enemies.
- (b) It saw the use of machine guns, tanks, aircraft, chemical weapons, etc. on a massive scale.
- (c) These were all products of increasingly modern large scale industry.
- (d) The scale of death and destruction (9 million dead and 20 million injured) was unthinkable before the industrial age, without the use of industrial arms.
- (e) During the war, industries were restructured to produce war-related goods.

102. Describe in brief the economic conditions of the post-First World War period. [CBSE 2013]

- Ans.** (a) Before the First World War, Britain, which was the world's leading economy, faced a prolonged crisis. While Britain was engaged in war, industries had developed in India and Japan. After the war, Britain could not capture her earlier position in India or compete with Japan internationally.
- (b) Britain had borrowed large sums of money from US to finance the war. She became a debtor nation.
- (c) The war had led to an increase in demand, production and employment. When the war ended production contracted and unemployment increased.
- (d) Many agricultural economies were in crisis. Before the war, Eastern Europe was major supplier of wheat. When the supply got disrupted, Australia, Canada and America became the major suppliers. After the war, Eastern Europe revived. There was overproduction of wheat, prices fell and farmers were in debt.
- (e) In the US, recovery was fast. An important feature of US economy was mass production.

103. One important feature of the US economy in the 1920's was mass production. Explain. [HOTS]

- Ans.** In the US, the post-war recovery was very quick. US economy was boosted by the war. US moved towards mass production in the late 19th century and by 1920s it had become a characteristic feature of US industrial production.

- (a) A well known pioneer of mass production was the car manufacturer, Henry Ford.
- (b) He adopted an assembly line technique of a slaughter house.
- (c) He realized that the Assembly line method would allow a faster and cheaper way of producing vehicles.
- (d) This method forced workers to repeat a single task mechanically and continuously.
- (e) This was a way of increasing output per worker by speeding up the pace of work.
- (f) This doubling of daily wages was considered best cost cutting decision he had ever made.

104. Explain any five measures adopted by America for post-war recovery.

- Ans.** Following were the measures adopted by America in the post war recovery.

- (a) Mass production was adopted in industrial production in the USA. It lowered the costs and prices of engineering goods.
- (b) There was a spurt in the purchase of refrigerators, washing machines, radios, gramophone players, through a system of credit repaid in weekly or monthly instalments.
- (c) It was also fuelled by a boom in house construction and home ownership, financed once again by loans. The housing and consumer boom of the 1920s created the basis of prosperity in the US.
- (d) Large investments in housing and household goods seemed to create a cycle of higher employment and incomes, rising consumption demand, more investment and yet more employment and incomes.

105. What do you know about the Great Depression? Explain the major factors responsible for the Great Depression. [CBSE 2012, 2013]

- Ans.** The Great Depression began around 1929 and lasted till mid 1930s. Most of the countries experienced a decline in incomes, employment, production and trade during this period.

Following were the causes of Great Depression around the world.

- (a) Post-war economy of the world was fragile. Agricultural over production was a problem. This was made worse by falling agricultural prices. As prices slumped, agricultural income declined. Farmers tried to expand production to maintain their overall income.
- (b) Many countries financed loans from the US. Now, US overseas lenders panicked at the sign of financial crisis.
- (c) American capitalists stopped all loans to the European countries, thus, halting all production there.
- (d) US doubled import duties as a precautionary method which was another severe blow to world trade.
- (e) Thousands of banks went bankrupt and were forced to close. Factories closed down leading to unemployment.

106. Analyse the impact of the Great Depression on USA.

Ans. The following was the impact of the great depression on USA. [CBSE 2014]

- US banks slashed domestic lending and called back loans due to the fall in prices.
- Farmers were unable to sell their produce, households were ruined and businesses collapsed.
- Due to the falling income, many households could not repay the loans and they were forced to give up their homes, cars and other consumer durables.
- People had to travel long distances in search of jobs.
- US banking system also collapsed. Thousands of banks went bankrupt and were forced to close.

107. Explain any five consequences of the Great Depression of 1929 on Indian economy?

[CBSE 2016][HOTS]

Ans. The following were the effects of the Great Depression on the Indian economy.

- The depression in economy immediately affected Indian Trade, as India's exports and imports nearly halved between 1928-1934.
- Agriculture prices fell sharply and the colonial government refused to reduce revenues.
- Peasants producing for the world markets were worst hit.
- Raw jute was produced, processed in the industries to make gunny bags. Its exports collapsed and prices fell by 60%. Peasants of Bengal fell into debt traps.
- Peasants used up their savings, mortgaged lands and sold their precious jewellery to meet their expenses.

108. What were the major economic effects of the Second World War?

Ans. The major economic effects of the Second World War were:

- The Second World War caused immense amount of damage and devastation. Vast parts of Europe and Asia were destroyed. USA emerged as a leading economic and political power.
- USSR emerged as a super power. She was the leader of the communist bloc and posed a threat to capitalist countries.

(c) Economists and politicians learnt an important lesson that an industrial society cannot sustain without mass production and mass consumption. To ensure this, a stable income and full employment is required.

(d) International Monetary Fund and World Bank were set up to ensure economic stability.

(e) The developing countries organized themselves as G-77 to demand a new international economic order (NIEO). By NIEO they demanded control over their natural resources, fair price for their goods and raw materials and development assistance.

(f) Growth of trade and incomes for the western industrial nations and Japan.

(g) Developing countries invested vast amounts of capital, importing industrial plant and equipment to catch up with the advanced countries.

109. What key lessons did politicians and economists learn from the interwar economic experiences?

[HOTS]

Or

Economists and politicians draw two key lessons from inter-war economic experiences. Explain.

[CBSE 2012, 2015]

Ans. The economists and politicians learnt two important lessons from the interwar economic experiences.

First

(a) An industrial society based on mass production cannot be sustained without mass consumption.

(b) There was a need for higher and stable income which depended on full employment of the people.

(c) Since, market alone could not guarantee full employment, government has to intervene and take steps to reduce the fluctuation in market forces.

Second

(d) The second lesson is that the global economy is inter-related.

(e) The goal of full employment can be achieved if government has control over flow of goods, capital and labour.

- 110.** Describe the factors that led to the end of Bretton Woods system and the beginning of globalisation.
[CBSE 2012]

Ans. The factors which led to the end of Bretton Woods system and the beginning of globalization are as follows.

- In the 1970s, international financial system changed in many ways. Earlier developing countries took loans and development assistance from international institutions. Now, they had to borrow from western commercial banks. It sometimes led to debt crisis and poverty in Africa and Latin America.
- The industrial world faced unemployment between 1970 and 1990. In the 1970s Multi National Corporations began to shift operations to low wage Asian countries.
- After the revolution of 1949, China remained aloof from the world economy. But the new economic policies in China, downfall of Soviet Union and end of communism in Eastern Europe, brought many countries in the fold of world economy.
- Wages are low in countries like China, MNCS trying to capture the world market, have invested in these countries.
- The relocation of industries to low wage countries stimulated trade and capital flow. Countries like India, China and Brazil have witnessed rapid industrialisation.

- 11. What is meant by the Bretton Woods Agreement? Explain.**

[CBSE 2015]

- The Bretton Woods Agreement was signed between the world powers in 1944 at a conference held at Bretton Woods in New Hampshire, USA.
- This agreement established IMF and World Bank to preserve the economic stability and to ensure full employment in the industrial world.
- IMF was established to deal with external surpluses and deficits of member countries.
- IBRD or World Bank was set-up to finance post-war reconstruction.
- Under this new economic system, most of the currencies of the world were linked to US dollar.

- 112. Describe the circumstances responsible for the formation of G-77.** [CBSE 2014]

Or

Why did most of the developing countries organise themselves as the Group of 77 (G-77)?

- Ans.** (a) Most of the developing countries could not benefit from the fast economic growth which the western countries had experienced between 1950s and 1960s.
- (b) Many of the less developed regions of the world, were the colonies of Western countries. As newly independent countries, they had to develop economically, end poverty and start on a road to recovery.
- (c) In 1950s Bretton Woods institutions began to shift their attention to developing countries, but they were dominated by former colonial powers.
- (d) Even after many years of decolonisation, the colonial powers controlled vital resources in their former colonies.

Therefore, the developing countries organised, themselves as a group—the group of 77 (G-77) to demand a new international economic order (NIEO). By NIEO, they meant better control over the country's resources, fair prices for raw materials and better access for their manufactured goods in developed countries markets.

Case Based Questions

- 113. Read the passage below and answer the following questions:**

All three flows were closely interwoven and affected peoples' lives more deeply now than ever before. The interconnections could sometimes be broken—for example, labour migration was often more restricted than goods or capital flows. Yet it helps us understand the nineteenth-century world economy better if we look at the three flows together.

- (a) Which of the following factors interacted in a complex way to transform societies and reshape external relations?
- Political factor
 - Social and cultural factors
 - Technological factor
 - All of the above