

Answer the following

8. How are MNCs spreading their production across the globe?

Ans. There are varieties of ways in which the MNCs are spreading their production across the globe such as

- Setting up partnerships with the local companies.
- Closely competing with the local companies or buying them.
- As a result, production in this widely dispersed location is getting interlinked.

9. What is the role of MNCs in the globalization process?

- MNCs are playing a major role in the globalization process more and more goods and services are involved.
- More investments and technology are moving between countries.
- Most regions of the world are in a closer contact with each other than a few decades back.

10. What is the impact of globalization on the consumers of India?

- Globalisation and greater competition among producers- both local and foreign producers has been of advantage to consumers, particularly the well off sections in urban areas.
- There is a great choice, improved quality and lower price for several products.
- People today enjoy much higher standard of living than was possible earlier.

11. Mention some Indian companies which have become MNCs in the globalization?

- Several of the top Indian companies have been able to increase their competition.
- Invested in newer technology and production methods and raise their production standards.
- MNCs- Tata motors, Infosys, Ranbaxy, Asian paints, Sundaram fasteners.

12. How companies providing services were benefited by globalization?

- Globalization has also created new opportunities for companies providing services- particularly those involving IT.
- There are India companies which are producing magazines for the London companies and call centers also exist due to globalization only.
- Besides, a host of services such as data entry, accounting administrative tasks, engineering are now being done cheaply in countries such as India and are exported to the developed countries.

13. Under what conditions do more MNCs set up production?

MNCs set up production on the basis-

- Availability of raw materials and close to markets.
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- Availability of other factors of production and cheap skilled and unskilled labour.
- Favorable government policies.

14. What are the basic functions of foreign trade?

- Foreign trade creates an opportunity for the producers to reach beyond the domestic markets.
- For the buyers, imports of goods produces in another country are one way of expanding the choice of goods beyond what is domestically produces.
- Producers can compete in the local and international market.

15. What is the most common route for investment by MNCs around the world?

- Setting up new factories and by buying existing sinking local companies.

16. WTO aims at----- Liberalizing International Trade.

17. Cargill foods and MNC has bought over which Indian company?

- Parakh foods.

18. A company that owns production in more than one nation.

- Multinational Corporation (MNC)

19. Ford motors entered the Indian automobile business with which company?

- Mahindra and Mahindra.

20. One major factor that has stimulated globalization process.

- Rapid improvement in technology.

21. Globalization has created new opportunities of....

- Employment, services, MNCs

22. Trade between countries-

- Determines prices of products in different countries.

23. Advancement of international trade contributes to national economy. Justify the statement.

- International trade contributes to the infrastructural growth of the country.
- It indicates the share of the country in world trade and is considered as barometer of economic progress.
- It leads to capital investment and inflow of foreign exchange.
- It increases the job opportunities in a globalised world trade scenario.
- It can import goods and raw materials and share technical expertise in the global market.