



Question 7. Why are tariffs imposed?

Answer. Tariffs are imposed on imports to make them relatively expensive. This will protect domestically produced goods.

Question 8. What is the meaning of quantitative restrictions?

Answer. Quantitative restrictions refers to non-tariff barriers imposed on the amount of imports and exports.

Question 9. Those public sector undertakings which are making profits should be privatised. Do you agree with this view? Why?

Answer. No, if profit making PSUs are privatised then there will be only loss making PSUs left. Government needs the profit of the profit-making PSUs to modernise them, to make them, more competitive and more efficient.

Question 10. Do you think outsourcing is good for India? Why are developed countries opposing it?

Answer. Outsourcing is good for India because it provides employment to large number of unemployed Indians. Developed countries oppose it because :

- (a) They are not sure about the sincerity of Indian workers.
- (b) It will narrow down the income disparity between the two countries.

Question 11. India has certain advantages which makes it a favourite outsourcing destination. What are these advantages?

Answer. India is a favourite outsourcing destination. The advantages that India has are:

- (a) India can provide a ready supply of skilled people at relatively lower price.
- (b) India has the advantage of time difference as it is located on the other side of the developed countries.

Question 12. Do you think the navratna policy of the government helps in improving the performance of public sector undertakings in India? How?

Answer. The government has decided to give special treatment to some of the important profit making PSUs and they were given the status of navratnas. These navratnas were granted financial and operational autonomy in the working of the companies. These navratnas are:

1. Indian Oil Corporation Ltd. (IOCL)
2. Bharat Petroleum Corporation Ltd. (BPCL)
3. Hindustan Petroleum Corporation Ltd. (HPCL)
4. Oil and Natural Gas Corporation Ltd (ONGC)
5. Steel Authority of India Ltd. (SAIL)
6. Indian Petrochemicals Corporation Ltd. (IPCL)
7. Bharat Heavy Electricals Ltd. (BHEL) -
8. National Thermal Power Corporation (NTPC)
9. Mahanagar Telephone Nigam Limited (MTNL)
10. Gas Authority of India Limited (GAIL)
11. Videsh Sanchar Nigam Limited (VSNL)

The granting of navratna status resulted in better performance of these companies. The ' government partly privatised these companies through disinvestment.

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