



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

Answer: Foreign trade leads to integration of markets across countries by the processes of imports and exports. Producers can make available their goods in markets beyond domestic ones via exports. Likewise, buyers have more choice on account of imports from other countries. This is how markets are integrated through foreign trade. For example, Japanese electronic items are imported to India, and have proved to be a tough competition for less-technologically-advanced companies here.

Question 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.

Answer: Globalisation will continue in the future. Twenty years from now, the world will be more globally connected and integrated into one international economy, if this process continues on a fair and equitable basis. Trade and capital flows will increase alongside the mobility of labour. This will occur because liberalisation will get augmented and MNCs will converge with other companies producing the same goods.

Question 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 organisations?

Answer: Globalisation has hurt our country's development because: firstly, it has led to the annihilation of small producers who face stiff competition from cheaper imports. Secondly, workers no longer have job security and are employed "flexibly".

Globalisation is helping India develop on account of the following reasons: firstly, the competition it entails has led to rise in the quality of products in the market. Secondly, it has made available a wider variety of goods in the market, for the buyer to choose from. Now, imported goods are easily available alongside domestic products.

Question 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 _____. Markets in India are selling goods produced in many other countries. This means there is increasing _____ 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 _____. While consumers have more choices in the market, the effect of rising _____ and _____ has meant greater _____ among the producers.

Answer:

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 trade 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 cheaper production costs. While consumers have more choices in the market, the effect of rising demand and purchasing power has meant greater competition among the producers.

Question 13: Choose the most appropriate option.

- (i) The past two decades of globalisation has seen rapid movements in
- (a) goods, services and people between countries.
 - (b) goods, services and investments between countries.
 - (c) goods, investments and people between countries.
- (ii) The most common route for investments by MNCs in countries around the world is to
- (a) set up new factories.
 - (b) buy existing local companies.
 - (c) form partnerships with local companies.
- (iii) Globalisation has led to improvement in living conditions
- (a) of all the people
 - (b) of people in the developed countries
 - (c) of workers in the developing countries
 - (d) none of the above

Answer:

- (i) (b)
- (ii) (b)
- (iii) (d)

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