



6. Explain the meaning of 'commoditisation' with the help of examples.

Ans. Commoditisation occurs when things that were earlier not traded in the market become commodities.

For example:

1. Labours or skills have become things that can be bought and sold.
2. Sale of human organs, such as kidneys by poor to cater to rich patients to earn money.
3. Traditionally, marriages were arranged by families but now professional marriage bureaus and websites help people to find brides and grooms and take a proper fee. Earlier rituals and ceremonies were planned out by elders in the family but now it is given as a contract to marriage planners to plan out the entire ceremony.
4. In earlier times, people could not have even thought that any one could sell drinking water or charge money for it. But today, we buy bottled water as a normal commodity i.e. a commodity we can buy and sell.

7. What is 'status symbol'?

Ans: Max Weber, coined the term 'Status symbol' to describe the relationship between the goods that people buy as per their social status, i.e., the goods they buy and use are closely related to their status in the society.

For example—Brand of cell phones or model of cars are important markers of socio-economic status.

8. What are some of the processes included under the label 'globalisation'?

Ans: In the era of globalisation the world is becoming increasingly interconnected. Their interconnections are not only economic but also cultural and political.

The process of globalisation involves a number of trends, especially the increase in international movement of commodities, money, information, people and development in technology.

The main feature of globalisation is the increasing extension and integrations of markets around the globe. It means that changes in a market in one part of the globe may have a profound impact somewhere else far away.

For example—India's booming software industry may face a slump if the U.S. economy does badly as happened after the 9/11 attacks on the World Trade Centre in New York leading to a loss of business and jobs there.

9. What is meant by 'liberalisation'?

Ans: Liberalisation is the process whereby state control over economic activities are minimised and left to the market forces to decide. In general, it is a process of making laws more liberal and loosening of government rules and regulation on capital, labour and trade; privatisation of public sector enterprises; selling government around companies to private companies, a reduction in tariffs and import duties so that foreign goods can be imported more easily.

- It includes privatisation of public sector enterprises.
- It allows easier access for foreign companies to set up industries in India.

- This is also known as marketisation or market based process to solve economic, social or political problems.

10. In your opinion, will the long term benefits of liberalisation exceed its costs? Give reasons for your answers.

Ans: The changes that have been made under the liberalisation programme have stimulated economic growth and opened up Indian markets to foreign companies. Increasing foreign investment is supposed to help economic growth and employment. The privatisation of public companies is supposed to increase their efficiency and reduce the governments burden of running these companies.

However, the impact of liberalisation has been mixed. Many people argue that liberalisation have had or will have, a negative net impact on India.

As I think, the costs and disadvantages will be more than the advantages and benefits, so as some sectors of Indian industry like software and information technology or agriculture like fish or fruit may benefit from access to a global market, but other sectors like automobiles, electronics or oilseeds will lose because they cannot compete with foreign products and producers.

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