Question 1: What do you understand by globalisation? Explain in your own words.
Answer: Globalisation in today's world has come to imply many things. It is the process by which the people of the world are unified into a single society and function together. This term is also often used to refer to economic globalisation: the integration of national economies into the international economy through trade, foreign direct investments, capital flows, migration and the spread of technology.

Question 2: What was the reason for putting barriers to foreign trade and foreign investment by the Indian government? Why did it wish to remove these barriers?
Answer: Barriers to foreign trade and foreign investment were put by the Indian government to protect domestic producers from foreign competition, especially when industries had just begun to come up in the 1950s and 1960s. At this time, competition from imports would have been a death blow to growing industries. Hence, India allowed imports of only essential goods.
Later, in the 1990s, the government wished to remove these barriers because it felt that domestic producers were ready to compete with foreign industries. It felt that foreign competition would in fact improve the quality of goods produced by Indian industries. This decision was also supported by powerful international organisations.

Question 3: How would flexibility in labour laws help companies?
Answer: Flexibility in labour laws will help companies in being competitive and progressive. By easing up on labour laws, company heads can negotiate wages and terminate employment, depending on market conditions. This will lead to an increase in the company's competitiveness.

Question 4: What are the various ways in which MNCs set up, or control, production in other countries?
Answer: The various ways in which MNCs set up, or control, production in other countries are by buying out domestic companies or making the latter work for them. Sometimes, MNCs buy mass produce of domestic industries, and then sell it under their own brand name, at much higher rates, in foreign countries. MNCs look towards developing nations to set up trade because in such places, the labour and manufacturing costs are much lower.

Question 5: Why do developed countries want developing countries to liberalise their trade and investment? What do you think should the developing countries demand in return?
Answer: Developed countries want developing countries to liberalise their trade and investment because then the MNCs belonging to the developed countries can set up factories in less-expensive developing nations, and thereby increase profits, with lower manufacturing costs and the same sale price. In my opinion, the developing countries should demand, in return, for some manner of protection of domestic producers against competition from imports. Also, charges should be levied on MNCs looking to set base in developing nations.

Question 6: "The impact of globalisation has not been uniform." Explain this statement.
Answer: "The impact of globalisation has not been uniform". The truth of this statement can be verified if we observe the impact of MNCs on domestic producers and the industrial working class. Small producers of goods such as batteries, capacitors, plastics, toys, tyres, dairy products and vegetable oil have been hit hard by competition from cheaper imports. Also, workers are now employed "flexibly" in the face of growing competition. This has reduced their job security. Efforts are now on to make globalisation "fair" for all since it has become a worldwide phenomenon.

Question 7: How has liberalisation of trade and investment policies helped the globalisation process?
Answer: Liberalisation of trade and investment policies has helped the globalisation process by making foreign trade and investment easier. Earlier, several developing countries had placed barriers and restrictions on imports and investments from abroad to protect domestic production. However, to improve the quality of domestic goods, these countries have removed the barriers. Thus, liberalisation has led to a further spread of globalisation because now businesses are allowed to make their own decisions on imports and exports. This has led to a deeper integration of national economies into one conglomerate whole.

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