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Globalisation And The Indian Economy MCQ

10th Standard

Social Science

72 x 1 = 72

- 1) 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
 - (d) none of these
- 2) Cargill Food's is the largest producer of which of the following in India?
 - (a) Medicine
 - (b) Asian Paints
 - (c) Edible oil
 - (d) Garment
- 3) WTO was started at the initiative of which one of the following group of company?
 - (a) Rich countries
 - (b) poor countries
 - (c) Developed countries
 - (d) Developing countries
- 4) Which one of the following organization lays stress on liberalisation of foreign trade and foreign investment?
 - (a) International Labour Organization
 - (b) International Monetary Fund
 - (c) World Health Organization
 - (d) World Trade Organization
- 5) Which one of the following is not characteristic of 'Special Economic Zone'?
 - (a) They do not have to pay taxes for long period
 - (b) Government has allowed flexibility in labour laws.
 - (c) They have world class facilities.
 - (d) They do not have to pay taxes for an initial period of five years.
- 6) Which one of the following Indian industries has been hit hard by globalization?
 - (a) IT
 - (b) Toy Making
 - (c) Jute
 - (d) Cement
- 7) Which one of the following type of countries has been more benefitted from globalisation?
 - (a) Rich countries
 - (b) Poor countries
 - (c) Developing countries
 - (d) Developed countries
- 8) Removing barriers or restrictions set by the government is called:
 - (a) Liberalization
 - (b) Investmnet
 - (c) Favorable trade
 - (d) Free trade
- 9) Investment made by the MNCs is termed as:
 - (a) Indigenous investment
 - (b) Foreign investment
 - (c) Entrepreneur's investment
 - (d) None of the above
- 10) What is the process of rapid integration or inter connection between countries called?
 - (a) Industrialization
 - (b) Globalization
 - (c) Liberalization
 - (d) Privatization
- 11) Which one of the following is an example of trade barrier?
 - (a) Tax on exports
 - (b) tax on imports
 - (c) free trade
 - (d) restrictions on export
- 12) removal of barriers set by the governmnet is known as
 - (a) Globalization
 - (b) Liberalization
 - (c) Industrialization
 - (d) privatization

13) Globalisation does NOT involve which one of the following?

- (a) Rapid integration between countries
- (b) More goods and services between countries
- (c) Increased taxes on imports
- (d) Movement of people between countries for jobs, education etc.

14) Which one of the following is not a feature of multinational company?

- (a) It owns/controls production in more than one nation
- (b) It set up factories where it is close to the markets
- (c) It organized production in complex ways
- (d) It employs labour only from its own country

15) Liberalization involves which of the following?

- (a) Removal of trade barriers
- (b) Increasing subsidy on fertilizers
- (c) Increasing import duties on goods
- (d) Increasing export duties on goods

16) The past two decades of globalization has seen rapid movements in

- (a) goods, service and people between countries
- (b) goods, services and investment countries
- (c) goods, services and investment between countries
- (d) goods, investments and people between countries

17) 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 partnership with local companies

18) Globalization has led to improvement in living conditions

- (a) of all people
- (b) of people in the developed countries
- (c) of workers in the developing countries
- (d) none of the above

19) Globalization, by connecting countries, shall result in

- (a) lesser competition among producers
- (b) greater competition among producers
- (c) no change in competition among producers
- (d) none of the above

20) Company that owns or controls production in more than one nation

- (a) foreign companies
- (b) government companies
- (c) multinational companies
- (d) none of the above

21) Investment made by MNCs is called

- (a) mutual investment
- (b) inter-government investment
- (c) portfolio investment
- (d) foreign investment

22) Benefits to local company of joint production with MNCs is

- (i) Money from MNCs for additional investment
- (ii) Moral and social support
- (iii) Latest technology for productions
- (iv) All of them

- (a) (i) and (ii)
- (b) (ii) and (iii)
- (c) (iii) and (iv)
- (d) (i) and (iii)

23) Cargill foods, a very large American MNC, has bought over smaller Indian companies such as

- (a) Parikh foods
- (b) Amul
- (c) Britannia
- (d) None of the above

- 24) Cargill is now largest producer of edible oil in India, with a capacity to make pouches daily.
- (a) 6 million (b) 5 million (c) 4 million (d) 55 million
- 25) Examples of industries where production is carried out by a large number of small producers around the world.
- (a) Garments (b) Footwear (c) Sport items (d) All of them
- 26) Ford motors came to India in
- (a) 1996 (b) 1995 (c) 1994 (d) 1992
- 27) Effects of Chinese toys on Indian makers is
- (a) No effect (b) Making Profit (c) Suffering losses (d) None of them
- 28) Post 50 years seen several improvements in
- (a) Transportation technology (b) Information technology (c) Communication technology (d) All of them
- 29) Tax on imports is an example of
- (a) Terms of trade (b) Collateral (c) Trade barriers (d) Foreign trade
- 30) The removing barriers or restrictions set by the government known as
- (a) Privatization (b) Liberalization (c) Globalization (d) Socialization
- 31) Which of the following has not gained from the process of globalisation?
- (a) Small indigenous industries (b) Indian IT industries (c) Big Indian industries (d) Multinational Corporations
- 32) Which of the following is a 'barrier' on foreign trade?
- (a) Sales tax (b) Quality control (c) Tax on import (d) Tax on local trade
- 33) In what way did the pressure of competition affect the workers in the garment industry?
- (a) Reduced cost of raw materials (b) Reduced the labour cost (c) Decreased the working hours (d) Protection to workers
- 34) Liberalisation involves which one of the following?
- (a) Increasing import duties on goods (b) Increased export duties on goods (c) Increasing subsidy on fertilizers (d) Removal of trade barriers
- 35) Which of the following fact is not true about globalisation?
- (a) Globalisation has been beneficial to each and every country of the world (b) Globalisation needs to become fairer. (c) Advancement in information and communication technology has strengthened the process of globalisation (d) Many IT industries have been benefited by globalisation
- 36) Which one of the following Indian industries is hit hard by globalisation?
- (a) IT industry (b) Cement (c) Jute (d) Toy making

- 37) Which one of the following is not a feature of a multinational corporation?
- (a) It owns/control production in more than one nation
 - (b) It employs labour only from its own country
 - (c) It sets up factories where it is close to the markets.
 - (d) It organises production in complex ways
- 38) Which of the following benefited the buyers in foreign trade?
- (a) Export of domestically produced goods
 - (b) Increase in the choice of goods
 - (c) Expansion of domestic markets
 - (d) Domestically produced and sold
- 39) In which year far reaching changes were made in India's economic policy?
- (a) 1988
 - (b) 1991
 - (c) 1990
 - (d) 1989
- 40) Globalisation has led to higher standards of living of
- (a) well-off consumers
 - (b) poor consumers
 - (c) big producers
 - (d) small producers
- 41) Where do MNCs choose to set up production?
- (a) Cheap goods
 - (b) Cheap labour resources
 - (c) Economic sustainability
 - (d) None of these
- 42) Cargill Foods, an MNC has bought over which indigenous Indian company?
- (a) Amul
 - (b) Britannia
 - (c) Parakh Foods
 - (d) Dabur
- 43) Ford Motors entered the Indian automobile business in collaboration with which Indian manufacturer?
- (a) Mahindra and Mahindra
 - (b) Tata Motors
 - (c) Maruti Suzuki
 - (d) Hindustan Motors
- 44) What is happening with the import of Chinese toys in India ?
- (a) Indian toys are selling more
 - (b) Indian consumers are buying less
 - (c) Indian consumers are getting more choice at cheaper rates
 - (d) Chinese consumers are falling short of choice
- 45) Trade between countries
- (a) determines prices of products in different countries
 - (b) decreases competition between countries
 - (c) makes a country dependent on the other
 - (d) none of these
- 46) Globalisation by connecting countries leads to
- (a) lesser competition among producers
 - (b) greater competition among producers
 - (c) no competition between producers
 - (d) none of these
- 47) One major factor that has stimulated the globalisation process is
- (a) effective utilisation of resources
 - (b) increase in income and wealth
 - (c) willingness to cooperate
 - (d) rapid improvement in technology
- 48) If tax is imposed on Chinese toys, what will happen?
- (a) Chinese toy-makers will benefit
 - (b) Indian toy-makers will prosper
 - (c) Chinese toys will remain cheap
 - (d) Indian consumers will buy more Chinese toys
- 49) Which out of the following is an example of a trade barrier?
- (a) Foreign investment
 - (b) Delay or damage of goods
 - (c) Tax on imports
 - (d) None of these

- 50) Which out of the following industries has a large number of well-off buyers in urban areas?
(a) Footwear (b) Automobiles (c) Jewellery (d) Clothing and accessories
- 51) Globalisation has created new opportunities of
(a) employment (b) emerging multinationals (c) providing services (d) all of the above
- 52) One major government initiative to attract foreign companies to invest in India is:
(a) to raise the standard of education (b) to promote unemployment in the public sector
(c) to build special economic zones (d) both (a) and (c)
- 53) Globalisation has posed major challenges for
(a) big producers (b) small producers (c) rural poor (d) none of these
- 54) With the growing competition, most employers these days prefer to employ workers
(a) flexibly (b) quickly (c) selectively (d) none of these
- 55) Globalisation opportunities for paid work for women has denied them
(a) good health (b) good education (c) permanent job (d) none of these
- 56) Fair globalisation would mean
(a) fair opportunities for all (b) fair benefits for all (c) more support to small producers
(d) all of the above
- 57) Government can make globalisation more 'fair' by
(a) increasing competition (b) increasing employment (c) implementing the labour laws
(d) imposing trade barriers
- 58) Which one of the following is a major benefit of joint production between a local company and a Multi-National Company ?
(a) MNC can bring latest technology in the production
(b) MNC can control the increase in the price (c) MNC can buy the local company
(d) MNC can sell the products under their brand name
- 59) Which one of the following is not true regarding the World Trade Organization?
(a) It allows free trade to all countries without any trade barriers.
(b) Its aim is to liberalise international trade
(c) It establishes rules regarding international trade.
(d) WTO rules have forced the developing countries to remove trade barriers.
- 60) Which one of the following has benefited least because of globalisation in India?
(a) Agriculture Sector (b) Industrial Sector (c) Service Sector (d) Secondary Sector
- 61) In earlier times, trade consisted of which of the following things?
(a) Finished goods (b) Raw materials (c) Food stuffs (d) All of these
- 62) When an MNC opens its company in India then it can be termed as
(a) Foreign trade (b) Foreign link (c) Foreign investment (d) Foreign migration
- 63) A company that owns or controls production in more than one country is called
(a) big company (b) international company (c) foreign company (d) multinational company

- 64) The reason due to which multinational companies set up their branches in other countries is
- (a) cheap labour and resources (b) welfare motive (c) to generate employment
(d) to generate income
- 65) Enabling producers of one country to sell their goods in other countries is known as
- (a) globalisation (b) trade (c) foreign trade (d) international trade
- 66) Foreign trade gives more number of choices for
- (a) producers (b) sellers (c) buyers (d) government
- 67) In the competition between Indian and Chinese toys in Indian markets, China proved better because of
- (a) low price and variety (b) good shape (c) trade relations (d) high price and quality
- 68) An important factor causing globalisation is
- (a) more income (b) expansion of markets (c) expansion of markets (d) urbanisation
- 69) Why did the Indian Government restrict foreign trade after independence?
- (a) To protect domestic producers (b) To increase competition
(c) To know the international level of quality (d) All of the above
- 70) A situation in which all the countries reap equally the benefits of foreign trades equally is known as
- (a) Internationalisation (b) Fair globalisation (c) Liberalisation (d) Equal globalisation
- 71) To check the free flow of Chinese goods in the Indian markets, what the Indian government can do?
- (a) Ban trade with China (b) Impose tax on imports (c) Impose tax on exports
(d) Complain to UNO
- 72) Find the incorrect option.
- (a) Expansion through MNCs - Tata, Ranbaxy (b) Liberalisation - MNCs free to import
(c) 1991 Policy - Tightening of trade barriers
(d) Spreading out - Design in India, production in China

1 x 1 = 1

- 73) **Assertion (A)** Large MNCs in the garment industry look for cheapest goods from India as Indian exporters provide very cheap raw materials.
Reason (R) Since cost of raw materials cannot be reduced, Indian exporters cut labour costs and reduce wages in order to cut down their production cost.

Codes

- (a) Both A and R are true and R is the correct explanation of A
(b) Both A and R are true but R is not the correct explanation of A
(c) A is true, but R is false
(d) A is false, but R is true

4 x 4 = 16

74) Having assured themselves of these conditions, MNCs set up factories and offices for production. The money that is spent to buy assets such as land, building machines and other equipment is called investment. Investment made by MNCs is called foreign investment. Any investment is made with the hope that these assets will earn profits. At times, MNCs set up production jointly with some of the local companies of these countries. The benefit to the local company of such joint production is two-fold. First, MNCs can provide money for additional investments, like buying new machines for faster production. Second, MNCs might bring with them the latest technology for production.

1. What do you understand by foreign investment?

- (a) Investment made by animals is called foreign investment.
- (b) Investment made by humans is called foreign investment.
- (c) Investment made by MNCs is called foreign investment.
- (d) Investment made by government is called foreign investment.

2. What is the meaning of investment?

- (a) The money that is spent to buy plants, trees and other equipment is called investment.
- (b) The money that is spent to buy assets such as land, building, machines and other equipment is called investment.
- (c) The money that is spent to buy animals, birds and other equipment is called investment.
- (d) The money that is spent to buy assets such as fishes, plants and other equipment is called investment.

3. Mention any one benefit of the local company which sets up joint production with an MNC.

- (a) MNCs might bring with them the latest plants which would be beneficial for the local companies.
- (b) MNCs might bring with them the latest technology for production which would be beneficial for the local companies.
- (c) MNCs might bring with them the humans which would be beneficial for the local companies.
- (d) MNCs might bring with them the animals which would be beneficial for the local companies.

4. What is set up by MNCs for production?

- (a) MNCs set up factories and offices for production.
- (b) MNCs set up houses and restaurants..
- (c) MNCs set up houses and orphanages..
- (d) MNCs set up orphanages and restaurants.

75) Production across Countries - Until the middle of the twentieth century, production was largely organised within countries. What crossed the boundaries of these countries were raw material, food stuff and finished products. Colonies such as India exported raw materials and food stuff and imported finished goods. Trade was the main channel connecting distant countries. This was before large companies called multinational corporations (MNCs) emerged on the scene. A MNC is a company that owns or controls production in more than one nation. MNCs set up offices and factories for production in regions where they can get cheap labour and other resources. This is done so that the cost of production is low and the MNCs can earn greater profits. Consider the following example.

1. How was production organised until the middle of the twentieth century?

(a) Until the middle of the twentieth century, production was largely organised within countries- Things that crossed the boundaries of these countries was raw material, food stuff and finished products only.

(b) Until the middle of the twentieth century, production was largely disorganised within countries- Things that crossed the boundaries of these countries was raw material, food stuff and finished products only.

(c) Until the middle of the twentieth century, production was largely disorganised within countries- Things that crossed the boundaries of these countries was animals, food stuff and finished products only.

(d) Until the middle of the twentieth century, production was largely disorganised within countries- Things that crossed the boundaries of these countries was animals, fishes and finished products only.

2. Large companies are called _____

(a) Multinational corporations (b) Multi corporations

(c) Family corporations (d) Joint corporations

3. What is an MNC?

(a) An MNC is a company that owns or controls production in only one nation.

(b) An MNC is a company that owns or controls production in more than one nation.

(c) An MNC is a company that owns or controls production in one state.

(d) An MNC is a company that owns or controls production in one city.

4. Until the middle of the _____ century, production was largely organised within countries

(a) Twentieth (b) Nineteenth

(c) Nineth (d) sixth

76) Foreign Trade and integration of Markets - For a long time foreign trade has been the main channel connecting countries. In history you would have read about the trade routes connecting India and South Asia to markets both in the East and West and the extensive trade that took place along these routes. Also, you would remember that it was trading interests which attracted various trading companies such as the East India Company to India. What then is the basic function of foreign trade? To put it simply, foreign trade creates an opportunity for the producers to reach beyond the domestic markets, i.e., markets of their own countries. Producers can sell their produce not only in markets located within the country but can also compete in markets located in other countries of the world. Similarly, for the buyers, import of goods produced in another country is one way of expanding the choice of goods beyond what is domestically produced.

1. What is the basic function of foreign trade?

(a) Foreign trade creates an opportunity for the animals to reach beyond the domestic markets, i.e. markets of their own countries.

(b) Foreign trade creates an opportunity for the producers to reach beyond the domestic