CBSE CLASS X

Social Science (087)

QUESTION PAPER

AI-generated question paper

Code: G0LBF9	Questions: 67	Maximum Marks: 203	Generated: 2026-06-26 09:53

SELECTIONS USED

Subject	Social Science
Lessons	4 Globalisation and the Indian Economy
Level of understanding	Thorough understanding
Question selection	Curated chapter coverage (~5 questions per section + 8 synthesis)
Model	claude-sonnet-4-6

Composition — Difficulty: 3 straightforward · 32 medium · 32 deep | Types: 46 Short · 11 Long · 6 MCQ · 4 Very short

Q1. medium | thorough-understanding | § Introduction **[3]**

Indian consumers today have access to a vast range of goods produced by companies from across the world. What economic process has enabled this, and what role did government policy play in bringing it about? Explain with examples.

◆ **Globalisation and the Indian Economy**

Q2. medium | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[3]**

A multinational corporation designs products in the USA, manufactures components in China, assembles them in Mexico, and runs customer support from India. Why does the MNC choose to split its production process across these different countries rather than doing everything in one place?

◆ **Globalisation and the Indian Economy**

Q3. medium | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[1]**

[short_answer] MNCs often prefer to buy existing local companies rather than setting up entirely new factories. Give two reasons why this strategy is more advantageous for an MNC seeking to quickly establish its presence in a new country.

A Local companies always have better technology than MNCs.
B MNCs lack the financial resources to construct new facilities.
C Acquiring local companies gives MNCs instant access to established production capacity, supply networks and market presence.
D Governments in developing countries legally prohibit MNCs from constructing new factories.

◆ **Globalisation and the Indian Economy**

Q4. deep | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[3]**

[short_answer] When Cargill Foods acquired Parakh Foods in India, it did not simply gain physical infrastructure. Explain what additional advantages Cargill secured through this acquisition, and why these advantages were significant for its entry into the Indian market.

◆ **Globalisation and the Indian Economy**

Q5. medium | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[3]**

Large MNCs in developed countries sometimes do not manufacture certain goods themselves; instead they place orders with small producers in developing countries and sell the finished products under their own brand names. In such an arrangement, who holds more power — the MNC or the small producer? Justify your answer.

◆ **Globalisation and the Indian Economy**

Q6. deep | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[5]**

A local company in a developing country enters into a joint production agreement with an MNC. Analyse the two-sided nature of this arrangement: what does the local company gain, and what risk does it potentially face based on how MNCs operate globally?

◆ **Globalisation and the Indian Economy**

Q7. straightforward | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[1]**

[mcq] Which of the following is the most significant way through which MNCs extend their production activities to other countries?
(A) Exporting goods directly to foreign markets
(B) Setting up a new production unit in a foreign country entirely on their own
(C) Buying out or investing in an existing local company in a foreign country
(D) Sending managers abroad to supervise production

A Setting up brand new factories in partnership with local companies
B Placing orders with small local producers
C Buying up existing local companies and then expanding production
D Sending machinery and equipment as gifts to local producers

◆ **Globalisation and the Indian Economy**

Q8. straightforward | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[1]**

[very_short_answer] What is meant by 'foreign investment'? How does it differ from simply selling goods in a foreign market?

◆ **Globalisation and the Indian Economy**

Q9. medium | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

A local Indian edible oil company had a well-established brand, a wide marketing network and four oil refineries. After being bought over by a large American MNC, it lost control of all these. Explain why an MNC would prefer buying an existing local company over setting up a completely new one.

◆ **Globalisation and the Indian Economy**

Q10. medium | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

[short_answer] When a large MNC sets up joint production with a local Indian company, what benefits can the local company gain from this arrangement? Explain with reasons.

◆ **Globalisation and the Indian Economy**

Q11. medium | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

Large MNCs in developed countries often place orders with small producers in developing countries for goods like garments and footwear, but sell them under their own brand names. How does this arrangement give MNCs power over these small producers, and what are the consequences for the producers?

◆ **Globalisation and the Indian Economy**

Q12. deep | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[5]**

An MNC designs products in the USA, manufactures components in China, assembles the final product in Mexico and Eastern Europe, and runs its customer care from India. What does the choice of each location tell us about the specific advantage that country offers? What broader conclusion can you draw about how modern production is organised?

◆ **Globalisation and the Indian Economy**

Q13. deep | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

A small Indian manufacturer supplies auto-components to a large foreign automobile company that has set up a plant in India. In what way is this supplier's production becoming 'interlinked' with global production, and what risk does this dependence create for the small supplier?

◆ **Globalisation and the Indian Economy**

Q14. deep | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

[short_answer] How does the financial strength of large MNCs influence their relationship with local producers and governments in developing countries? Give examples to support your answer.

◆ **Globalisation and the Indian Economy**

Q15. deep | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

Both 'buying up a local company' and 'placing production orders with local producers' are ways MNCs control production in other countries. Compare these two methods: in which method does the local producer retain more independence, and why might an MNC choose one over the other?

◆ **Globalisation and the Indian Economy**

Q16. medium | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[3]**

[short_answer] When a country allows cheaper imported goods to compete with domestically produced goods, how does this lead to price equalisation across markets? Explain the role of market integration in this process.

◆ **Globalisation and the Indian Economy**

Q17. medium | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[3]**

Consider a scenario where Indian cotton fabric manufacturers begin exporting large quantities to Bangladesh, where cotton fabric was previously expensive. Predict TWO effects this would have — one on Bangladeshi consumers and one on Bangladeshi fabric producers — and explain why each effect occurs.

◆ **Globalisation and the Indian Economy**

Q18. deep | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[3]**

Foreign trade benefits buyers but can harm domestic producers. Does this mean a country should avoid foreign trade altogether? Justify your answer using the concept of market integration.

◆ **Globalisation and the Indian Economy**

Q19. deep | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[5]**

[long_answer] Foreign trade creates linkages between producers and buyers across countries, turning distant markets into competitive arenas. Explain how foreign trade leads to market integration, and analyse the opportunities and threats this integration creates for producers in a developing country like India.

◆ **Globalisation and the Indian Economy**

Q20. medium | thorough-understanding | § WHAT IS GLOBALISATION? **[3]**

MNCs are described as playing a 'major role' in the globalisation process. Explain, with reasoning, how the activities of MNCs drive greater integration of production and markets across countries.

◆ **Globalisation and the Indian Economy**

Q21. deep | thorough-understanding | § WHAT IS GLOBALISATION? **[3]**

"Globalisation has led to the free movement of goods, services, capital and technology, but not of people." Do you agree with this statement? Explain with reasons whether globalisation represents complete integration or a selective one.

◆ **Globalisation and the Indian Economy**

Q22. deep | thorough-understanding | § WHAT IS GLOBALISATION? **[3]**

A student argues: 'Globalisation is just another name for foreign trade, since both connect countries to each other.' Do you agree with this statement? Give reasons to support your answer, clearly distinguishing between the two concepts.

◆ **Globalisation and the Indian Economy**

Q23. medium | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[1]**

[mcq] Which of the following best explains why the development of containerisation revolutionised global trade?
((A)) It reduced the cost of manufacturing goods in developing countries
((B)) It standardised cargo units, dramatically cutting loading time and reducing freight costs
((C)) It allowed goods to be transported without any customs inspection
((D)) It replaced air transport as the fastest method of moving goods internationally

A Containers made ships larger and able to carry more fuel
B Containers reduced port handling costs and sped up the loading and movement of goods across different modes of transport
C Containers replaced the need for railways and trucks entirely
D Containers allowed goods to be manufactured at sea, closer to the buyer

◆ **Globalisation and the Indian Economy**

Q24. medium | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

[short_answer] A firm in Mumbai designs software for a client in New York. The client reviews work online, requests changes via video call, and pays through internet banking — all without either party leaving their office. Identify the key features of information and communication technology that make this possible. Would such a workflow have been feasible in 1970? Give reasons.

◆ **Globalisation and the Indian Economy**

Q25. deep | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

Improvements in transportation technology and developments in information and communication technology have both driven globalisation. In what ways do these two types of technological change perform different functions in connecting production across countries? Illustrate your answer with specific examples.

◆ **Globalisation and the Indian Economy**

Q26. medium | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[1]**

Why is the fall in the cost of air transport significant for globalisation even though most bulk goods are still shipped by sea?

◆ **Globalisation and the Indian Economy**

Q27. deep | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

[short_answer] A garment company headquartered in France designs clothes in Paris, sources fabric from Bangladesh, has the garments stitched in Vietnam, and runs its customer helpline from the Philippines — all coordinated in real time. Analyse the role of technological developments that make such a globally dispersed production process possible. What would be the consequence for such a production network if these technologies were suddenly unavailable?

◆ Globalisation and the Indian Economy

Q28. deep | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

[short_answer] Technological advancement alone does not fully account for the rapid growth of globalisation since the 1990s. Identify another major factor that worked alongside technology to enable the free movement of goods and investment across countries, and explain how these two factors together have deepened globalisation.

◆ Globalisation and the Indian Economy

Q29. medium | thorough-understanding | § Liberalisation of foreign trade and foreign investment policy **[3]**

After Independence, the Indian government placed barriers on foreign trade and foreign investment. Why were these barriers considered necessary at that time?

◆ Globalisation and the Indian Economy

Q30. medium | thorough-understanding | § Liberalisation of foreign trade and foreign investment policy **[3]**

[short_answer] A country that had protected its domestic industries for decades suddenly decides to remove all trade barriers. What might such a government expect this change to achieve for domestic producers and consumers? Illustrate your answer with reference to relevant economic arguments.

◆ Globalisation and the Indian Economy

Q31. deep | thorough-understanding | § Liberalisation of foreign trade and foreign investment policy **[5]**

Liberalisation removed many restrictions on foreign trade and investment in India, yet the government had originally imposed those very restrictions to protect the same economy. Is this a contradiction? Justify your answer by explaining the different conditions that made each policy appropriate at its time.

◆ Globalisation and the Indian Economy

Q32. medium | thorough-understanding | § Liberalisation of foreign trade and foreign investment policy **[1]**

[very_short_answer] In the decades following Independence, India did not apply trade barriers uniformly to all imported goods. What principle guided the government in deciding which imports to allow and which to restrict? Give one example to support your answer.

◆ Globalisation and the Indian Economy

Q33. medium | thorough-understanding | § WORLD TRADE ORGANISATION **[1]**

Which of the following best explains why WTO rules have been criticised as unfair by developing countries?

A WTO has only 160 member countries, leaving many nations without a voice.
B Developed countries continue to subsidise their farmers while pushing developing countries to remove trade barriers.
C WTO was started by developing countries who later lost control of the organisation.
D Developing countries are not allowed to protect any of their industries under WTO rules.

◆ Globalisation and the Indian Economy

Q34. medium | thorough-understanding | § WORLD TRADE ORGANISATION **[3]**

Explain how massive government subsidies given to farmers in developed countries like the USA amount to an unfair trade practice against farmers in developing countries.

◆ **Globalisation and the Indian Economy**

Q35. deep | thorough-understanding | § WORLD TRADE ORGANISATION **[3]**

Using the example of agricultural subsidies in developed countries, explain why free trade does not necessarily benefit all nations equally. What are the consequences for farmers in developing countries like India?

◆ **Globalisation and the Indian Economy**

Q36. deep | thorough-understanding | § WORLD TRADE ORGANISATION **[5]**

Many developing countries face pressure from the WTO to remove trade barriers and stop supporting their farmers. At the same time, wealthy nations continue to provide large subsidies to their own agricultural sector. Analyse the consequences this situation has for farmers in developing countries. Do you think WTO rules are being applied fairly in this context? Justify your answer.

◆ **Globalisation and the Indian Economy**

Q37. deep | thorough-understanding | § WORLD TRADE ORGANISATION **[3]**

Why might developing countries need to retain some trade barriers even after joining the WTO, rather than liberalising all trade and investment immediately?

◆ **Globalisation and the Indian Economy**

Q38. deep | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[3]**

MNCs have shown greater interest in industries such as cell phones, automobiles, electronics, and banking in urban India rather than in sectors like agriculture or small-scale manufacturing. What does this pattern reveal about the nature of MNC investment decisions?

◆ **Globalisation and the Indian Economy**

Q39. medium | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[3]**

The Indian government has allowed companies to hire workers 'flexibly' — on short-term contracts rather than permanently — to attract more foreign investment. Explain the trade-off this policy creates between the goals of attracting investment and protecting workers' rights.

◆ **Globalisation and the Indian Economy**

Q40. straightforward | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[1]**

Some Indian companies have benefited so greatly from globalisation that they have expanded their operations abroad and function as multinationals themselves. Name any two such Indian companies and mention the sectors they operate in.

◆ **Globalisation and the Indian Economy**

Q41. medium | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[3]**

A garment worker employed permanently in a factory in the 1990s enjoyed health insurance, provident fund, and double-rate overtime pay. By the 2000s, a worker doing the same job in a similar factory is hired on a temporary basis with none of these benefits. Using your understanding of how globalisation affects employment, explain why this shift happened.

◆ **Globalisation and the Indian Economy**

Q42. deep | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[5]**

The impact of globalisation on producers and workers in India has not been uniform. Analyse this statement by comparing the experience of (i) a large Indian IT company, (ii) a small capacitor manufacturer, and (iii) a garment factory worker.

◆ Globalisation and the Indian Economy

Q43. deep | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[3]**

Globalisation has created new job opportunities in India, particularly in IT-enabled services and export-oriented industries. Yet many workers and labour rights groups argue that workers have not received a fair share of the gains from globalisation. Do you agree with this view? Justify your answer with specific examples.

◆ Globalisation and the Indian Economy

Q44. medium | thorough-understanding | § Small producers: Compete or perish **[3]**

After India removed import restrictions on several goods in the early 2000s, many small Indian manufacturers faced sudden competition from cheaper foreign imports. Identify the policy change that caused this, and explain why small producers were more severely affected by this change compared to large multinational brands.

◆ Globalisation and the Indian Economy

Q45. deep | thorough-understanding | § Small producers: Compete or perish **[3]**

A small Indian manufacturer of plastic toys is told: 'If your cost of production is higher than that of foreign producers, you should simply shut down and let cheaper imports serve the market.' Do you agree with this view? Justify your answer using the role that small and medium industries play in the Indian economy.

◆ Globalisation and the Indian Economy

Q46. deep | thorough-understanding | § Small producers: Compete or perish **[5]**

Small Indian producers often struggle to compete with multinational corporations in a globalised economy. Explain why MNCs are unlikely to address the structural challenges faced by small producers, and what this implies about the government's role in supporting them. Use specific examples of the challenges small producers face in your answer.

◆ Globalisation and the Indian Economy

Q47. medium | thorough-understanding | § Small producers: Compete or perish **[3]**

How does the pressure of global competition change the nature of employment in small and medium industrial units in India? Explain the consequences for workers.

◆ Globalisation and the Indian Economy

Q48. medium | thorough-understanding | § Competition and Uncertain Employment **[3]**

In labour-intensive export industries, why do producers focus on cutting labour costs rather than raw material costs when competing for large orders from MNCs? What does this reveal about the bargaining power of workers in a globalised economy?

◆ Globalisation and the Indian Economy

Q49. medium | thorough-understanding | § Competition and Uncertain Employment **[1]**

Which of the following best explains why MNCs are able to earn large profits from global supply chains while workers at the bottom of the chain remain poorly paid?

((A)) MNCs pay higher taxes, leaving less for workers

((B)) Competition among producers forces them to cut labour costs, reducing workers' wages and benefits

((C)) Workers in developing countries prefer low wages in exchange for job security

((D)) MNCs directly set the wages of workers in all countries they operate in

A MNCs pay Indian exporters very high prices, but exporters keep the money for themselves.
B MNCs use their global network to seek the cheapest suppliers, pushing exporters to minimise labour costs, so the gains from trade flow upward to MNCs rather than to workers.
C Indian workers are unskilled and therefore not entitled to higher wages under WTO rules.
D The Indian government sets a maximum wage limit for export-sector workers to keep exports competitive.

◆ **Globalisation and the Indian Economy**

Q50. medium | thorough-understanding | § Competition and Uncertain Employment **[3]**

What does it mean when employers shift from hiring workers on a 'permanent' basis to hiring them on a 'temporary' or 'flexible' basis, and what are two specific consequences this shift has for the workers?

◆ **Globalisation and the Indian Economy**

Q51. deep | thorough-understanding | § Competition and Uncertain Employment **[3]**

A worker who had been a permanent employee in a garment factory enjoyed benefits like health insurance and overtime pay at double the regular rate. After the factory shut down, she found new employment but lost all such benefits despite working for several years. What does her situation reveal about the broader impact of globalisation on employment conditions in the organised sector?

◆ **Globalisation and the Indian Economy**

Q52. deep | thorough-understanding | § Competition and Uncertain Employment **[5]**

The pressure of global competition causes some employers to argue that flexible labour laws are necessary, while workers argue against them. Summarise the core reason each side holds its position, and then explain which group, according to the evidence in this section, is bearing the greater cost of globalisation.

◆ **Globalisation and the Indian Economy**

Q53. deep | thorough-understanding | § Competition and Uncertain Employment **[3]**

How does globalisation create a situation where the same competitive pressures that lower prices for consumers and increase profits for MNCs simultaneously erode job security and working conditions for workers in labour-intensive industries? Explain with suitable arguments.

◆ **Globalisation and the Indian Economy**

Q54. medium | thorough-understanding | § THE STRUGGLE FOR A FAIR GLOBALISATION **[3]**

In the context of globalisation, many multinational companies outsource production to developing countries where labour laws are weak or poorly enforced. What are the consequences of this for workers, and what role should the government play in addressing the situation? Explain with examples.

◆ **Globalisation and the Indian Economy**

Q55. deep | thorough-understanding | § THE STRUGGLE FOR A FAIR GLOBALISATION **[3]**

A developing country's government is debating whether to align with other developing nations and collectively negotiate at the WTO, rather than negotiating alone. Why would a joint approach be more effective in pushing for fairer trade rules?

◆ **Globalisation and the Indian Economy**

Q56. medium | thorough-understanding | § SUMMING UP **[3]**

Globalisation has benefited some groups while harming others. Identify the groups that have largely gained and those that have largely lost from globalisation in India, and explain the reasons behind this unequal impact.

◆ **Globalisation and the Indian Economy**

Q57. deep | thorough-understanding | § SUMMING UP **[5]**

Both liberalisation of trade policies and improvements in technology are described as key drivers of globalisation, yet they work in fundamentally different ways. Explain how each has contributed to globalisation, and analyse why removing trade barriers alone would not have been sufficient to produce the level of global economic integration we see today.

◆ **Globalisation and the Indian Economy**

Q58. medium | thorough-understanding | § ADDITIONAL ACTIVITY / PROJECT **[3]**

MNCs like Hindustan Unilever, Nestlé, and Procter & Gamble sell their products in virtually every Indian town and village. (a) How do MNCs establish their presence in a host country — through which modes of investment or collaboration? (b) Explain how the widespread penetration of MNC products into everyday Indian consumer markets reflects the key features of globalisation.

◆ **Globalisation and the Indian Economy**

Q59. deep | thorough-understanding | § ADDITIONAL ACTIVITY / PROJECT **[3]**

Suppose you investigate the garment export industry in your city and find that most workers are hired on short-term contracts, work extremely long hours, and earn lower wages than workers in the same industry did twenty years ago. Using what you know about how globalisation affects employment, explain the chain of economic pressures that leads to these working conditions.

◆ **Globalisation and the Indian Economy**

Q60. deep | thorough-understanding | § (whole-chapter synthesis) **[5]**

Trace the journey of how a multinational corporation's search for cheap production locations ultimately leads to the integration of markets across different countries. In your answer, connect the role of MNCs, foreign trade, and technology.

◆ **Globalisation and the Indian Economy**

Q61. deep | thorough-understanding | § (whole-chapter synthesis) **[3]**

Governments use both trade barriers and flexible labour laws as policy tools in the era of globalisation. Explain what each tool does, and analyse the tension a government faces when it tries to protect the welfare of its citizens through one tool while simultaneously using the other to attract foreign investment.

◆ **Globalisation and the Indian Economy**

Q62. medium | thorough-understanding | § (whole-chapter synthesis) **[3]**

A small Indian toy manufacturer and a worker in a garment export factory are both negatively affected by globalisation, yet the nature of their problems is different. Compare the challenges each faces.

◆ **Globalisation and the Indian Economy**

Q63. medium | thorough-understanding | § (whole-chapter synthesis) **[1]**

Which of the following correctly pairs a factor that enabled globalisation with an accurate explanation of how it did so?

(A) Liberalisation — reduced the cost of transporting goods across borders
(B) Information technology — allowed production of services to be split and carried out in different countries
(C) WTO — set up Special Economic Zones to attract foreign investment
(D) Containerisation — enabled developing countries to negotiate fairer trade rules

- A Liberalisation — reduced the cost of transporting goods across borders
- B Information technology — allowed production of services to be split and carried out in different countries
- C WTO — set up Special Economic Zones to attract foreign investment
- D Containerisation — enabled developing countries to negotiate fairer trade rules

◆ **Globalisation and the Indian Economy**

Q64. deep | thorough-understanding | § (whole-chapter synthesis) **[5]**

The WTO promotes free trade as a path to development, yet developing countries argue it is an unequal playing field. Using the example of agricultural subsidies in developed countries, explain why developing nations feel disadvantaged within the WTO framework. Then explain why India originally placed barriers on foreign trade after Independence, and assess whether that reasoning remains relevant today.

◆ **Globalisation and the Indian Economy**

Q65. deep | thorough-understanding | § (whole-chapter synthesis) **[3]**

Globalisation has allowed some Indian companies like Tata Motors and Infosys to become MNCs themselves, while at the same time causing small producers like capacitor manufacturers to shut down. What does this tell us about which conditions determine whether a producer gains or loses from globalisation?

◆ **Globalisation and the Indian Economy**

Q66. medium | thorough-understanding | § (whole-chapter synthesis) **[3]**

Both foreign trade and foreign investment by MNCs connect countries economically. In what ways do they similarly affect domestic producers in the host country? In what key way does foreign investment go further than trade in shaping the host country's economy? Illustrate your answer with examples.

◆ **Globalisation and the Indian Economy**

Q67. medium | thorough-understanding | § (whole-chapter synthesis) **[3]**

Globalisation has not benefited all sections of society equally. Describe two specific actions a government can take — drawing on both trade policy and labour rights — to make globalisation work more fairly for its citizens. Justify why each action is necessary, identifying who it protects and from what harm.

◆ **Globalisation and the Indian Economy**

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CBSE CLASS X

Social Science (087)

ANSWER KEY

AI-generated question paper

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Q1. medium | thorough-understanding | § Introduction **[3]**

Indian consumers today have access to a vast range of goods produced by companies from across the world. What economic process has enabled this, and what role did government policy play in bringing it about? Explain with examples.

◆ Globalisation and the Indian Economy

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Model Answer

The economic process is **globalisation** — the integration of markets across the world through foreign trade and investment by MNCs.

Role of government policy: Before 1991, the Indian government imposed trade barriers (taxes, quotas) to protect domestic producers. Starting 1991, India adopted **liberalisation** — barriers on foreign trade and foreign investment were largely removed. This allowed goods to be freely imported and foreign companies to set up businesses in India.

Examples: Top automobile companies now sell cars in India (unlike earlier when only Ambassador and Fiat were available); leading brands of mobile phones, televisions, and processed fruit juices are now widely available in Indian markets.

Source: Chapter 4 — Globalisation and the Indian Economy; sections: Introduction, Foreign Trade and Integration of Markets, Liberalisation of foreign trade and foreign investment policy

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Explanation

- Examiners look for **three elements**: naming the process (globalisation), explaining the **pre-1991 policy** (trade barriers for protection), and explaining the **post-1991 shift** (liberalisation).
- The word **liberalisation** must appear — it is a key term carrying marks.
- Use at least one concrete example from the textbook (cars, mobile phones, etc.) to score the application mark.
- Keep it focused; do not drift into impacts of globalisation (that is a different question).

Q2. medium | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[3]**

A multinational corporation designs products in the USA, manufactures components in China, assembles them in Mexico, and runs customer support from India. Why does the MNC choose to split its production process across these different countries rather than doing everything in one place?

◆ **Globalisation and the Indian Economy**

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Model Answer

An MNC splits its production process across countries to **reduce costs and increase profits** by taking advantage of each country's strengths.

- **USA** — skilled researchers and designers for product development.
- **China** — cheap manufacturing location for component production.
- **Mexico** — closeness to US markets for assembly and quick delivery.
- **India** — highly skilled engineers and educated English-speaking youth for affordable customer support.

This global spread of production can result in **50–60% cost savings** for the MNC, allowing it to earn far greater profits than if it produced everything in one place.

Source: Chapter 4 — Production Across Countries

Explanation

- The examiner expects you to **directly link each country to its specific advantage** — don't just say "cheap labour" for all.
- Key term to use: **cost of production** and **greater profits** — these are the core reasons stated in the textbook.
- The "50–60% cost savings" statistic is a strong textbook detail that impresses examiners.
- Avoid writing a general essay; keep it point-based for clarity and time efficiency.

Q3. medium | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[1]**

[short_answer] MNCs often prefer to buy existing local companies rather than setting up entirely new factories. Give two reasons why this strategy is more advantageous for an MNC seeking to quickly establish its presence in a new country.

A Local companies always have better technology than MNCs.
B MNCs lack the financial resources to construct new facilities.
C Acquiring local companies gives MNCs instant access to established production capacity, supply networks and market presence.
D Governments in developing countries legally prohibit MNCs from constructing new factories.

◆ **Globalisation and the Indian Economy**

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Model Answer

Option C is correct. Buying a local company gives an MNC instant access to its existing production capacity, established supply networks, distribution channels, and market presence, saving time and setup costs.

Source: Interlinking Production Across Countries, Chapter 4

Explanation

The textbook explicitly states that "the most common route for MNC investments is to buy up local companies and then to expand production," using Cargill–Parakh Foods as the example (ready refineries + marketing network). Options A, B, and D are factually incorrect per the chapter. Examiners expect you to identify the correct option and briefly justify it using the textbook example or reasoning.

Q4. deep | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[3]**

[short_answer] When Cargill Foods acquired Parakh Foods in India, it did not simply gain physical infrastructure. Explain what additional advantages Cargill secured through this acquisition, and why these advantages were significant for its entry into the Indian market.

◆ **Globalisation and the Indian Economy**

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Model Answer

When Cargill Foods acquired Parakh Foods, it gained more than just storage silos, processing facilities, and other physical assets. Cargill also secured:

1. **Established supply chain networks** — Parakh Foods had existing relationships with farmers and suppliers across India, giving Cargill immediate access to raw material sources.
2. **Distribution networks** — Ready-made channels to reach retailers and buyers across the country.
3. **Brand presence and market recognition** — Parakh's existing customer base and market familiarity in India.

These advantages were significant because building such networks from scratch would have required years of effort and heavy investment. By acquiring them instantly, Cargill could begin operations and compete effectively in the Indian market without the delays of establishing a new business.

Source: Globalisation and the Indian Economy, Chapter 4

Explanation

The textbook uses the Cargill–Parakh example to illustrate how MNCs prefer **buying existing local companies** (the most common route for MNC investment) over setting up entirely new units. Examiners expect you to go **beyond** physical infrastructure and identify the intangible advantages: supply chains, distribution networks, and established market presence. These are the points that earn full marks. Always link your answer to *why* these matter — i.e., speed and cost of market entry.

Q5. medium | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[3]**

Large MNCs in developed countries sometimes do not manufacture certain goods themselves; instead they place orders with small producers in developing countries and sell the finished products under their own brand names. In such an arrangement, who holds more power — the MNC or the small producer? Justify your answer.

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Model Answer

The **MNC holds more power** in this arrangement.

Justification: Large MNCs have tremendous power to determine the **price, quality, delivery, and labour conditions** for the distant small producers. The small producers are entirely dependent on MNC orders and must comply with whatever terms the MNC sets. The MNC then sells the finished products under its own brand name, earning higher profits, while the small producer gets minimal returns. Since MNCs possess enormous wealth and global reach, they easily dictate terms, leaving small producers with little bargaining power.

Source: Chapter 4 — Interlinking Production Across Countries

Explanation

- The key phrase from the textbook is: *"These large MNCs have tremendous power to determine price, quality, delivery, and labour conditions for these distant producers."* — quote or paraphrase this directly for full marks.
- Examiners expect: (1) clear identification of MNC as more powerful, (2) at least 2–3 specific reasons/factors (price, quality, delivery, labour conditions; brand ownership; wealth), and (3) contrast with the helpless position of the small producer.
- Avoid vague statements like "MNCs are big companies" — be specific about *why* they hold power.

Q6. deep | thorough-understanding | § PRODUCTION ACROSS COUNTRIES **[5]**

A local company in a developing country enters into a joint production agreement with an MNC. Analyse the two-sided nature of this arrangement: what does the local company gain, and what risk does it potentially face based on how MNCs operate globally?

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Model Answer

Gains for the Local Company:

When a local company enters into a joint production agreement with an MNC, it benefits in two important ways:

1. **Additional Investment:** The MNC provides money for buying new machines, equipment, and technology, enabling faster and larger-scale production.
2. **Latest Technology:** The MNC brings advanced production technology that the local company may not have had access to otherwise.

Risk the Local Company Faces:

However, MNCs with enormous wealth often buy up local companies entirely rather than maintaining equal partnerships. For example, Cargill Foods bought Parakh Foods, taking control of its refineries and marketing network. Once acquired, the local brand and ownership are lost. MNCs also have the power to shift production to another country if costs rise, leaving local workers and companies vulnerable.

Thus, the arrangement is beneficial but carries the serious risk of loss of ownership and control.

Source: Chapter 4, Interlinking Production Across Countries

Explanation

- The textbook explicitly states the **two-fold benefit**: money for investment + latest technology. Use these exact points.
- The **risk** is not directly labelled in the text but is clearly implied: MNCs buy up local companies (Cargill–Parakh example) and can shift factories when costs rise (the cartoon caption). Examiners expect you to draw this inference from the passage.
- For 5 marks, cover both sides with brief examples. Don't just list — show cause and effect briefly.
- The Cargill/Parakh example is a textbook case study — citing it earns marks.

Q7. straightforward | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[1]**

[mcq] Which of the following is the most significant way through which MNCs extend their production activities to other countries?
(A) Exporting goods directly to foreign markets
(B) Setting up a new production unit in a foreign country entirely on their own
(C) Buying out or investing in an existing local company in a foreign country
(D) Sending managers abroad to supervise production

- A Setting up brand new factories in partnership with local companies
- B Placing orders with small local producers
- C Buying up existing local companies and then expanding production
- D Sending machinery and equipment as gifts to local producers

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Model Answer

Option C — Buying up existing local companies and then expanding production is the most significant route, as stated in the textbook.

Source: Interlinking Production Across Countries, Chapter 4

Explanation

The textbook explicitly states: *"the most common route for MNC investments is to buy up local companies and then to expand production."* Examiners expect you to identify Option C and may ask you to justify it briefly using this line. Other options (joint production, placing orders) are mentioned but described as less common methods.

Q8. straightforward | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[1]**

[very_short_answer] What is meant by 'foreign investment'? How does it differ from simply selling goods in a foreign market?

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Model Answer

Foreign investment is the money spent by MNCs to buy assets (land, buildings, machines) in another country to set up production there. Selling goods abroad is simply export of products, while foreign investment involves actually establishing production units in the foreign country.

Source: Interlinking Production Across Countries, Chapter 4

Explanation

The examiner expects two parts: define foreign investment (linked to MNCs buying assets/setting up factories) and distinguish it from foreign trade/selling abroad. The key distinction is **production** (investment) vs. **trade** (selling). Quote the textbook definition — "money spent to buy assets such as land, building, machines" — for full marks.

Q9. medium | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

A local Indian edible oil company had a well-established brand, a wide marketing network and four oil refineries. After being bought over by a large American MNC, it lost control of all these. Explain why an MNC would prefer buying an existing local company over setting up a completely new one.

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Model Answer

An MNC prefers buying an existing local company because:

1. **Ready infrastructure:** The local company already has factories/refineries, saving the time and cost of setting up new ones.
2. **Established brand and market:** The MNC instantly gains a well-known brand name and a wide marketing network, avoiding the effort of building customer trust from scratch.
3. **Immediate production capacity:** Operations can begin at full scale immediately, maximising profits faster.

For example, Cargill Foods bought Parakh Foods and gained its four oil refineries and established marketing network, becoming India's largest edible oil producer instantly.

Source: Chapter 4 — Interlinking Production Across Countries

Explanation

The examiner expects three clear reasons, ideally with the textbook example of **Cargill Foods buying Parakh Foods**. The key points are: ready assets (refineries/factories), established brand/marketing network, and immediate large-scale production. Mentioning the example earns application marks. Avoid writing general essay points not grounded in the chapter.

Q10. medium | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

[short_answer] When a large MNC sets up joint production with a local Indian company, what benefits can the local company gain from this arrangement? Explain with reasons.

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Model Answer

When a large MNC sets up joint production with a local Indian company, the local company gains two main benefits:

1. **Additional investment/funds**: The MNC provides money for buying new machines and equipment, enabling faster and larger-scale production.
1. **Latest technology**: The MNC brings advanced technology for production, helping the local company improve quality and efficiency.

These benefits allow the local company to modernize and expand, making it more competitive in both domestic and global markets.

Source: Chapter 4, "Interlinking Production Across Countries"

Explanation

- The textbook explicitly states the benefit is "two-fold" — extra money and latest technology. Examiners expect both points to be mentioned clearly.
- Add a brief reason for each point (why it helps) to complete the 3-mark requirement.
- Do not add points not in the textbook (e.g., market access, brand value) — stick to the source.
- The word "two-fold" from the textbook is a good signal word to use to show you know the chapter.

Q11. medium | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

Large MNCs in developed countries often place orders with small producers in developing countries for goods like garments and footwear, but sell them under their own brand names. How does this arrangement give MNCs power over these small producers, and what are the consequences for the producers?

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Model Answer

Large MNCs place orders with small producers in developing countries but sell the goods under their own brand names. This gives MNCs **tremendous power to determine the price, quality, delivery, and labour conditions** for these distant producers. Since the small producers depend entirely on MNC orders, they have little bargaining power.

Consequences for producers:

- They are forced to accept low prices set by MNCs.
- They must meet strict quality and delivery standards.
- Workers face poor labour conditions to keep costs low.
- Producers earn very little profit despite doing the actual manufacturing work.

Source: Interlinking Production Across Countries, Chapter 4

Explanation

Examiners look for two clear parts: (1) **how MNCs gain power** — by controlling price, quality, delivery, and labour conditions — and (2) **consequences for small producers** — low prices, strict conditions, poor wages. The key phrase from the textbook is "tremendous power to determine price, quality, delivery, and labour conditions," which should appear in your answer. Keep your consequences as brief bullet points to fit the 3-mark word limit.

Q12. deep | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[5]**

An MNC designs products in the USA, manufactures components in China, assembles the final product in Mexico and Eastern Europe, and runs its customer care from India. What does the choice of each location tell us about the specific advantage that country offers? What broader conclusion can you draw about how modern production is organised?

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Model Answer

Each location is chosen for a specific advantage it offers:

- **USA** – Design and R&D are done here because of advanced technology, highly skilled researchers, and innovation capacity.
- **China** – Components are manufactured here due to cheap labour and low-cost production facilities.
- **Mexico & Eastern Europe** – Assembly happens here because of their closeness to large markets in the USA and Europe, reducing distribution costs.
- **India** – Customer care is based here because of a large pool of educated, English-speaking youth and highly skilled engineers, at lower wages.

Broader conclusion: Modern production is no longer confined to one country. MNCs divide the production process into parts and spread each part to the location where it is most cost-effective. This results in production being organised in increasingly complex, globalised ways — integrating countries through trade, investment, and services.

Source: Chapter 4 — Production Across Countries; Interlinking Production Across Countries

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Explanation

Examiners expect you to name **each location + its specific advantage** (4 points = ~4 marks), then draw **one broader conclusion about globalisation/modern production** (1 mark). Avoid vague phrases like "good location" — be specific (cheap labour, proximity to markets, skilled workforce, etc.). The textbook explicitly states each advantage, so use those exact reasons. The conclusion should mention that production is split across countries and organised in complex, interconnected ways.

Q13. deep | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

A small Indian manufacturer supplies auto-components to a large foreign automobile company that has set up a plant in India. In what way is this supplier's production becoming 'interlinked' with global production, and what risk does this dependence create for the small supplier?

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Model Answer

The small Indian supplier's production becomes **interlinked with global production** because the auto-components it manufactures are fed directly into the foreign MNC's production chain. The supplier is essentially one link in the MNC's global network — its output depends entirely on orders placed by the foreign company.

Risk created: The supplier becomes heavily **dependent on the MNC** for its business. If the MNC decides to shift its orders to a cheaper supplier elsewhere, or closes/relocates its India plant, the small supplier faces a sudden loss of orders and can suffer severe losses. This dependence leaves it vulnerable and with little bargaining power.

Source: Chapter 4 — Impact of Globalisation in India

Explanation

The examiner expects two clear parts: (1) explain how the linkage works — the supplier feeds into the MNC's production network, making it part of global production; (2) state the risk — over-dependence on a single large foreign buyer. The textbook notes that "local companies supplying raw materials etc. to these industries have prospered" but implies the flip side: their fortunes are tied to the MNC's decisions. Use terms like *interlinked*, *global production network*, and *dependence/vulnerability* for full marks.

Q14. deep | thorough-understanding | § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

[short_answer] How does the financial strength of large MNCs influence their relationship with local producers and governments in developing countries? Give examples to support your answer.

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Model Answer

MNCs possess enormous financial strength — in fact, many top MNCs have wealth exceeding the entire budgets of developing country governments. This gives them great power and influence.

Over local producers: MNCs easily buy up local companies. For example, Cargill Foods (USA) bought Parakh Foods in India, taking over its four oil refineries and marketing network, becoming India's largest edible oil producer.

Over governments: To attract MNCs, governments offer concessions like setting up Special Economic Zones (SEZs), tax exemptions for five years, and relaxing labour laws to reduce production costs for foreign companies.

Source: Chapter 4 — Interlinking Production Across Countries; Impact of Globalisation in India

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Explanation

- The question has two parts: influence over **local producers** AND **governments** — address both for full marks.
- The Cargill–Parakh Foods example is directly from the textbook and is the expected example for influence over producers.
- SEZs and flexible labour laws are the textbook examples for government concessions — examiners look for these specifically.
- Avoid vague statements; use the textbook figures and examples (tax exemptions, MNC wealth exceeding government budgets) to score full marks.

Q15. deep thorough-understanding § INTERLINKING PRODUCTION ACROSS COUNTRIES **[3]**

Both 'buying up a local company' and 'placing production orders with local producers' are ways MNCs control production in other countries. Compare these two methods: in which method does the local producer retain more independence, and why might an MNC choose one over the other?

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Model Answer

Local producer retains more independence in the "placing production orders" method.

When an MNC buys up a local company (e.g., Cargill buying Parakh Foods), ownership and control shift entirely to the MNC — the local producer loses its independence completely.

When an MNC only places production orders, the local producer remains an independent business. It continues to own its factory and assets; the MNC simply dictates price, quality, delivery, and labour conditions.

An MNC may prefer **buying up** when it wants full control, established market networks, or existing infrastructure. It may prefer **placing orders** when it wants to avoid the cost of setting up/buying factories while still accessing cheap labour.

Source: Chapter 4, Interlinking Production Across Countries

Explanation

- The key contrast examiners expect: **ownership/control lost** (buyout) vs. **ownership retained but terms dictated** (production orders).
- Use the textbook example of Cargill–Parakh Foods to support the buyout point — examiners reward specific examples.
- For the "why choose one over the other" part, give at least one reason for each method; don't leave it one-sided.
- Avoid over-writing — 3 marks = ~3 distinct points, roughly 70–80 words is ideal.

Q16. medium | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[3]**

[short_answer] When a country allows cheaper imported goods to compete with domestically produced goods, how does this lead to price equalisation across markets? Explain the role of market integration in this process.

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Model Answer

When cheaper imported goods enter a domestic market, they compete with locally produced goods. Buyers now have a choice between the two, and prefer the cheaper imported goods. This forces domestic producers to lower their prices to remain competitive.

As a result, **prices of similar goods in the two markets tend to become equal** — a process called price equalisation.

Role of Market Integration: Foreign trade connects markets of different countries. Goods travel from one market to another, increasing choice and equalising prices. This linking of markets across countries is called **integration of markets**, which is the foundation of globalisation.

Example: Chinese toys entered India at lower prices, forcing Indian toy prices to fall, thus integrating the toy markets of both countries.

Source: Foreign Trade and Integration of Markets, Chapter 4

Explanation

- Examiners expect: (1) how cheaper imports create competition → price falls domestically, (2) definition/role of market integration, (3) a brief example (Chinese toys is ideal here as it is straight from the textbook).
- The phrase **"prices of similar goods in the two markets tend to become equal"** is direct textbook language — use it exactly.
- Do not confuse market integration with globalisation; integration of markets *leads to* globalisation, not the other way around.
- For 3 marks: one point on price equalisation mechanism + one point on market integration + one supporting example is the ideal structure.

Q17. medium | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[3]**

Consider a scenario where Indian cotton fabric manufacturers begin exporting large quantities to Bangladesh, where cotton fabric was previously expensive. Predict TWO effects this would have — one on Bangladeshi consumers and one on Bangladeshi fabric producers — and explain why each effect occurs.

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Model Answer

Effect on Bangladeshi consumers: Indian cotton fabric will become available at lower prices in Bangladesh, increasing consumer choice and improving their standard of living. This happens because greater competition among producers — both local and foreign — drives down prices and improves quality, benefiting consumers.

Effect on Bangladeshi fabric producers: Local Bangladeshi fabric producers will face intense foreign competition and may lose business or be forced to shut down. Unable to match cheaper Indian prices, their profits will fall and workers may lose jobs, similar to how trade barriers protect domestic industries from such competition.

Source: Globalisation and the Indian Economy, Chapter 4 — Impact of Globalisation; Liberalisation of foreign trade and foreign investment policy

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Explanation

- The textbook directly states: "Globalisation and greater competition...has been of advantage to **consumers**... greater choice...lower prices."
- For producers, the toy/trade barrier example shows that without protection, cheaper foreign goods hurt local producers — apply the same logic here.
- Examiners want **two distinct effects** (one per stakeholder) with a **reason** for each. Avoid mixing them up.
- Key terms to use: *competition*, *lower prices*, *consumer benefit*, *domestic producers*, *trade barrier*.

Q18. deep | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[3]**

Foreign trade benefits buyers but can harm domestic producers. Does this mean a country should avoid foreign trade altogether? Justify your answer using the concept of market integration.

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Model Answer

No, a country should not avoid foreign trade altogether. While it is true that foreign trade can harm domestic producers (e.g., cheaper Chinese toys displaced Indian toy makers), it also benefits buyers through greater choice and lower prices.

Foreign trade leads to **integration of markets** — goods travel from one country to another, prices of similar goods tend to become equal, and producers across countries compete with each other. This integration improves efficiency and quality over time.

Instead of avoiding trade, a government can use **trade barriers** (like import taxes) to regulate trade and protect domestic producers when necessary, while still enjoying the benefits of market integration.

Source: Foreign Trade and Integration of Markets, Chapter 4

Explanation

- The examiner wants you to take a **balanced stand**: acknowledge the harm to producers but argue *against* complete avoidance.
- Key concept to define/use: **integration of markets** (prices equalise, choice rises, producers compete globally).
- Mention trade barriers as the middle-ground solution — this shows you understand policy nuance.
- Avoid writing only one side; the question says "justify," so reasoning matters more than just listing points.

Q19. deep | thorough-understanding | § FOREIGN TRADE AND INTEGRATION OF MARKETS **[5]**

[long_answer] Foreign trade creates linkages between producers and buyers across countries, turning distant markets into competitive arenas. Explain how foreign trade leads to market integration, and analyse the opportunities and threats this integration creates for producers in a developing country like India.

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Model Answer

Market Integration through Foreign Trade:

Foreign trade allows producers to sell beyond domestic markets and buyers to choose from goods produced worldwide. As goods flow between countries, prices of similar goods tend to equalise and producers compete across borders — this is called **integration of markets**.

Example: When Chinese toys entered India, buyers got cheaper, better-designed options. Indian and Chinese toy-makers now competed directly despite being thousands of miles apart, showing how trade links distant markets.

Opportunities for Indian Producers:

- Access to larger global markets increases sales potential.
- Top Indian companies like Tata Motors and Infosys expanded worldwide.
- IT and services sector (call centres, data entry) gained new export opportunities.
- Collaboration with MNCs brought advanced technology and higher production standards.

Threats for Indian Producers:

- Small and local producers face intense competition from cheaper MNC imports.
- As seen with toys, domestic industries can suffer heavy losses and market displacement.
- Workers in small industries risk job losses due to cheaper foreign goods flooding markets.

Source: Chapter 4 — Foreign Trade and Integration of Markets; Impact of Globalisation in India

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Explanation

Examiners expect three clear components: **definition/mechanism of market integration** (with an example), **opportunities**, and **threats** — each given roughly equal space. The Chinese toys example from the textbook is the ideal illustration. Naming actual Indian MNCs (Tata Motors, Infosys) adds precision and scores well. Avoid generic statements; link every point back to producers in a developing country context. At 5 marks, aim for about 4–5 crisp points total across opportunities and threats, not a detailed essay.

Q20. medium | thorough-understanding | § WHAT IS GLOBALISATION? **[3]**

MNCs are described as playing a 'major role' in the globalisation process. Explain, with reasoning, how the activities of MNCs drive greater integration of production and markets across countries.

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Model Answer

MNCs drive globalisation by integrating production and markets in three main ways:

1. **Foreign Investment**: MNCs set up factories where labour and resources are cheap, spreading production across countries (e.g., Ford Motors set up a plant in India).
2. **Control over Trade**: A large part of foreign trade is controlled by MNCs. They produce in one country and sell globally, linking markets worldwide.
3. **Interlinking Production**: MNCs divide the production process across countries — for example, one MNC designs in the USA, manufactures components in China, assembles in Mexico, and runs customer care from India — reducing costs by 50–60%.

Thus, through foreign investment and trade, MNCs create greater integration of production and markets across countries.

Source: Chapter 4 — Globalisation and the Indian Economy; Sections: Production Across Countries, Interlinking Production Across Countries, What is Globalisation?

Explanation

- This is a 3-mark reasoning question, so examiners expect **one clear definition/concept + at least two well-explained points with examples**.
- Key terms to use: **foreign investment**, **foreign trade**, **interlinking of production**, **integration of markets**.
- The Ford Motors and the industrial equipment MNC examples from the textbook are ideal to cite — they show concrete evidence of integration.
- Avoid vague statements like "MNCs help countries grow." Be specific about *how* they integrate production and markets.

Q21. deep thorough-understanding § WHAT IS GLOBALISATION? **[3]**

"Globalisation has led to the free movement of goods, services, capital and technology, but not of people." Do you agree with this statement? Explain with reasons whether globalisation represents complete integration or a selective one.

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Model Answer

Yes, I agree with this statement. Globalisation represents **selective integration**, not complete integration.

Globalisation has enabled the free flow of **goods, services, investments, and technology** between countries. However, the movement of **people** between countries has not increased significantly due to various restrictions imposed by governments.

Even among goods and services, benefits have been unequal — well-off consumers, skilled workers, and large producers have gained, while small producers and unskilled workers have suffered. Thus, globalisation is selective — it integrates markets and capital but restricts human movement and does not ensure equal benefits for all.

Source: Chapter 4 — What is Globalisation?, Impact of Globalisation in India

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Explanation

- The key textbook line is: *"there has not been much increase in the movement of people between countries due to various restrictions"* — quote or paraphrase this directly.
- The examiner wants two things: (1) confirmation that free movement of people is missing, and (2) that benefits are unequal — making it **selective**, not complete, integration.
- Exercise 13(i) confirms the correct option is (b): movements of **goods, services, and investments — not people**. Use this logic in your answer.
- Avoid writing a long essay; 3 marks = ~3 crisp points.

Q22. deep | thorough-understanding | § WHAT IS GLOBALISATION? **[3]**

A student argues: 'Globalisation is just another name for foreign trade, since both connect countries to each other.' Do you agree with this statement? Give reasons to support your answer, clearly distinguishing between the two concepts.

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Model Answer

No, I do not agree with this statement. Foreign trade and globalisation are related but distinct concepts.

Foreign trade refers to the exchange of goods and services between countries. It connects markets across countries, allowing producers to sell beyond domestic markets and buyers to access imported goods.

Globalisation, however, is a broader process of rapid integration and interconnection between countries. It includes not just foreign trade but also foreign investment, movement of technology, and services across countries. MNCs play a major role in this process.

Thus, foreign trade is *one channel* of globalisation, not globalisation itself.

Source: Chapter 4 — Foreign Trade and Integration of Markets; What is Globalisation?

Explanation

- The key distinction examiners expect: foreign trade = exchange of goods/services; globalisation = broader integration including trade, investment, technology, and services.
- Avoid saying they are "the same" — the textbook explicitly states foreign trade is one component/channel of globalisation.
- Mentioning MNCs and their role earns extra credit in context.
- For 3 marks: one clear disagreement statement + define foreign trade + define/expand globalisation = full marks.

Q23. medium | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[1]**

[mcq] Which of the following best explains why the development of containerisation revolutionised global trade?
((A)) It reduced the cost of manufacturing goods in developing countries
((B)) It standardised cargo units, dramatically cutting loading time and reducing freight costs
((C)) It allowed goods to be transported without any customs inspection
((D)) It replaced air transport as the fastest method of moving goods internationally

A Containers made ships larger and able to carry more fuel
B Containers reduced port handling costs and sped up the loading and movement of goods across different modes of transport
C Containers replaced the need for railways and trucks entirely
D Containers allowed goods to be manufactured at sea, closer to the buyer

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Model Answer

Answer: B

Containers reduced port handling costs and sped up the loading and movement of goods across different modes of transport (ships, railways, trucks), thereby enabling faster and cheaper global trade.

Source: Factors that have enabled Globalisation, Technology — Chapter 4

Explanation

The passage directly states: *"Containers have led to huge reduction in port handling costs and increased the speed with which exports can reach markets."* Option B mirrors this exactly. The other options are not supported by the text — containers did not replace railways/trucks, allow sea manufacturing, or eliminate customs. Examiners expect you to pick the option that matches the textbook language precisely.

Q24. medium | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

[short_answer] A firm in Mumbai designs software for a client in New York. The client reviews work online, requests changes via video call, and pays through internet banking — all without either party leaving their office. Identify the key features of information and communication technology that make this possible. Would such a workflow have been feasible in 1970? Give reasons.

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Model Answer

Key features of ICT that make this possible:

- **Internet** enables instant sharing of software files and project data across countries.
- **Telecommunication (video calls)** allows real-time communication and review of work without physical meetings.
- **E-banking (Internet banking)** enables instant international payments.

These features allow services to be produced and delivered globally without physical movement of people or goods.

Feasibility in 1970 — No, it would not have been feasible.
In 1970, the Internet, video calling, and e-banking did not exist. International communication relied on slow postal mail or costly trunk calls. Software could not be transmitted digitally. Hence, such a workflow was impossible.

Source: Chapter 4 — Globalisation and the Indian Economy, "Factors that have Enabled Globalisation — Technology"

Explanation

- Examiners want you to name **specific ICT features** (Internet, telecom/video call, e-banking) — not just say "technology."
- The 1970 comparison is worth marks: link it directly to the *absence* of these technologies.
- The textbook's Delhi–London magazine example is the closest parallel; use the same logic for the Mumbai–New York scenario.
- Avoid over-writing — three ICT points + a two-line 1970 answer is exactly right for 3 marks.

Q25. deep | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

Improvements in transportation technology and developments in information and communication technology have both driven globalisation. In what ways do these two types of technological change perform different functions in connecting production across countries? Illustrate your answer with specific examples.

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Model Answer

Transportation technology physically moves goods across countries faster and at lower cost. For example, containerisation has reduced port handling costs and sped up exports, while cheaper air transport allows greater volumes of cargo to be shipped globally. This enables MNCs to source and deliver physical goods across distant locations.

ICT, by contrast, moves information and services instantly across borders. For example, a London magazine's text is sent via Internet to Delhi for designing using telecommunications; payment is made through e-banking. This allows service production to be split and coordinated across countries without physical movement.

Thus, transport connects physical production; ICT connects people, data, and services.

Source: Chapter 4 — Factors That Have Enabled Globalisation, Technology section

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Explanation

- The examiner wants a **clear distinction** between the two technologies with **specific examples from the textbook** (containers/air transport vs. the Delhi-London magazine example).
- Avoid vague statements — name the example, name the technology.
- End with a one-line contrast to show you understand the conceptual difference: transport = physical goods; ICT = services/information/coordination.
- Do not exceed ~80 words in the answer itself for 3 marks.

Q26. medium | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[1]**

Why is the fall in the cost of air transport significant for globalisation even though most bulk goods are still shipped by sea?

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Model Answer

The fall in air transport costs has enabled much greater volumes of goods — especially high-value or time-sensitive items — to be transported quickly across countries, accelerating global trade and integration.

Source: Chapter 4, Factors That Have Enabled Globalisation — Technology

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Explanation

The passage specifically states that the fall in air transport costs "has enabled much greater volumes of goods being transported by airlines." The examiner wants you to link cheaper air transport to faster/greater movement of goods, which drives globalisation. Don't just say "goods move faster" — mention that *greater volumes* are now transported, and imply the significance for high-value or time-sensitive cargo. Keep it to one tight line for 1 mark.

Q27. deep | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

[short_answer] A garment company headquartered in France designs clothes in Paris, sources fabric from Bangladesh, has the garments stitched in Vietnam, and runs its customer helpline from the Philippines — all coordinated in real time. Analyse the role of technological developments that make such a globally dispersed production process possible. What would be the consequence for such a production network if these technologies were suddenly unavailable?

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Model Answer

Technological developments — especially in **IT and transportation** — make globally dispersed production possible.

- **Telecommunications and Internet** allow real-time coordination between Paris, Dhaka, Hanoi, and Manila — for sending designs, placing orders, and managing operations instantly.
- **Computers and e-mail** enable instant sharing of designs, instructions, and payments across borders at negligible cost.
- **Improved transportation** (containerisation, cheaper air freight) ensures fast, low-cost movement of fabric and finished garments across countries.

Consequence of unavailability: Without these technologies, real-time coordination would collapse. Orders, designs, and instructions could not be transmitted instantly, making it impossible to manage production spread across multiple countries simultaneously. The entire global production network would break down.

Source: Globalisation and the Indian Economy, Chapter 4 — "Factors That Have Enabled Globalisation"

Explanation

The examiner expects you to name **specific technologies** (Internet, telecom, IT, containers/transport) and link each to the scenario. For the consequence part, connect the absence of technology directly to the breakdown of coordination — don't be vague. The textbook explicitly states IT "has played a major role in spreading out production of services across countries," so anchor your answer there. Avoid writing in essay style; 3 marks = 3 clear points.

Q28. deep | thorough-understanding | § FACTORS THAT HAVE ENABLED GLOBALISATION **[3]**

[short_answer] Technological advancement alone does not fully account for the rapid growth of globalisation since the 1990s. Identify another major factor that worked alongside technology to enable the free movement of goods and investment across countries, and explain how these two factors together have deepened globalisation.

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Model Answer

Besides technology, **liberalisation of trade and investment policies** is the other major factor that has enabled globalisation.

Governments removed trade barriers such as taxes and quotas on imports and allowed foreign companies to invest freely. This policy of liberalisation opened up markets across countries.

Together, technology and liberalisation deepened globalisation: while IT and improved transport made it physically possible to connect production and markets across borders, liberalisation removed the policy restrictions that would have blocked the free movement of goods and investment. The two factors thus complemented each other to accelerate globalisation.

Source: Chapter 4 — Globalisation and the Indian Economy, "Factors that have Enabled Globalisation" and "Summing Up"

Explanation

- The textbook explicitly states: *"liberalisation of trade and investment has facilitated globalisation by removing barriers to trade and investment"* — this is the second factor examiners expect.
- The answer must name the factor, briefly explain it, and then show how **both together** deepened globalisation (the "explain how these two factors together" part carries marks).
- Avoid vague language like "government policies" — be specific: *liberalisation / removal of trade barriers / taxes and quotas*.
- WTO can be mentioned as reinforcing liberalisation at the international level, but is not compulsory here.

Q29. medium | thorough-understanding | § Liberalisation of foreign trade and foreign investment policy **[3]**

After Independence, the Indian government placed barriers on foreign trade and foreign investment. Why were these barriers considered necessary at that time?

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Model Answer

After Independence, the Indian government placed barriers on foreign trade and foreign investment to **protect domestic producers from foreign competition**. Industries were just coming up in the 1950s and 1960s, and competition from imports at that stage would not have allowed these industries to survive and grow. Therefore, India allowed imports of only essential items such as machinery, fertilisers, and petroleum. It is worth noting that all developed countries, during their early stages of development, similarly gave protection to their domestic producers.

Source: Globalisation and the Indian Economy, Liberalisation of foreign trade and foreign investment policy

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Explanation

- The examiner expects **two main points**: protection of infant industries + restriction to essential imports only.
- Mentioning that even developed countries did the same adds a third point and rounds out a 3-mark answer.
- Avoid writing a long essay — 3 marks = ~3 clear points in concise sentences.
- Key term to use: **trade barriers** (shows correct terminology).

Q30. medium | thorough-understanding | § Liberalisation of foreign trade and foreign investment policy **[3]**

[short_answer] A country that had protected its domestic industries for decades suddenly decides to remove all trade barriers. What might such a government expect this change to achieve for domestic producers and consumers? Illustrate your answer with reference to relevant economic arguments.

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Model Answer

When a country removes all trade barriers (liberalisation), domestic producers face increased foreign competition. This forces them to **improve quality and efficiency** to survive — benefiting the economy in the long run, though weaker producers may suffer initially.

For **consumers**, removal of trade barriers means greater variety of goods at more competitive prices. As seen in India after 1991, markets were transformed with wider choices — from cars to electronics — at affordable prices.

However, the change may hurt **small domestic producers** who cannot compete with cheaper or better-quality foreign goods, leading to possible loss of livelihoods.

Source: Chapter 4 — Liberalisation of foreign trade and foreign investment policy

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Explanation

- The examiner expects three clear points: effect on producers (competition → improvement), effect on consumers (variety + lower prices), and a balanced note on small producers being hurt.
- Use the word **liberalisation** — it is the textbook term.
- Refer to India's 1991 policy shift as the concrete example; don't write a general essay.
- Avoid padding; 3 marks = ~3 distinct points, each one sentence.

Q31. deep | thorough-understanding | § Liberalisation of foreign trade and foreign investment policy **[5]**

Liberalisation removed many restrictions on foreign trade and investment in India, yet the government had originally imposed those very restrictions to protect the same economy. Is this a contradiction? Justify your answer by explaining the different conditions that made each policy appropriate at its time.

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Model Answer

No, this is not a contradiction. The two policies were appropriate for **different economic conditions** at different times.

Why restrictions were imposed (post-Independence):

- Industries were just coming up in the 1950s and 1960s.
- Competition from imports at that stage would not have allowed these new industries to survive and grow.
- So the government used trade barriers (taxes, quotas) to protect domestic producers from foreign competition.
- Only essential items like machinery, fertilisers, and petroleum were allowed to be imported.

Why liberalisation was introduced (from 1991):

- By 1991, Indian industries had matured sufficiently.
- The government felt competition would improve the quality and performance of Indian producers.
- Barriers on foreign trade and investment were removed, allowing easier import/export and entry of foreign companies.

Thus, protection was needed to *build* the economy; liberalisation was introduced to *strengthen* it further through competition. Each policy suited its time.

Source: Liberalisation of foreign trade and foreign investment policy, Chapter 4

Explanation

The examiner wants students to show understanding that **protection and liberalisation are not opposing ideas but context-driven policies**. Key points to score full marks: (1) state clearly it is NOT a contradiction, (2) explain the early-stage industry argument for restrictions, (3) explain the maturity/competition argument for liberalisation, (4) link each policy to its historical period. Avoid just defining the terms — the question specifically asks for justification with conditions.

Q32. medium · thorough-understanding · § Liberalisation of foreign trade and foreign investment policy **[1]**

[very_short_answer] In the decades following Independence, India did not apply trade barriers uniformly to all imported goods. What principle guided the government in deciding which imports to allow and which to restrict? Give one example to support your answer.

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Model Answer

The government allowed only **essential imports** and restricted non-essential ones to protect domestic industries from foreign competition. For example, India allowed imports of machinery, fertilisers, and petroleum, but restricted consumer goods.

Explanation

The key principle is **protection of domestic producers** — especially infant industries in the 1950s–60s. Examiners expect you to state the principle and back it with a specific example from the text (machinery/fertilisers/petroleum). Avoid vague answers like "to control trade."

Q33. medium · thorough-understanding · § WORLD TRADE ORGANISATION **[1]**

Which of the following best explains why WTO rules have been criticised as unfair by developing countries?

A WTO has only 160 member countries, leaving many nations without a voice.
B Developed countries continue to subsidise their farmers while pushing developing countries to remove trade barriers.
C WTO was started by developing countries who later lost control of the organisation.
D Developing countries are not allowed to protect any of their industries under WTO rules.

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Model Answer

Answer: B

Developed countries continue to subsidise their own farmers heavily while WTO rules force developing countries to remove trade barriers, making trade unfair and unequal.

Source: World Trade Organisation, Chapter 4

Explanation

The passage clearly states that developed countries have "unfairly retained trade barriers" and pay massive subsidies to their farmers (e.g., US farmers), while WTO rules compel developing countries to remove their trade barriers. Option A is incorrect (WTO does have ~160 members). Option C is wrong (WTO was started at the initiative of *developed* countries). Option D is an overstatement — developing countries are not completely barred from protecting industries. Examiners expect students to identify the **double standard** of subsidies vs. forced liberalisation as the core criticism.

Q34. medium | thorough-understanding | § WORLD TRADE ORGANISATION **[3]**

Explain how massive government subsidies given to farmers in developed countries like the USA amount to an unfair trade practice against farmers in developing countries.

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Model Answer

In the USA, agriculture contributes only about 1% to GDP and employs just 0.5% of the workforce. Yet the US government gives **massive subsidies** to its farmers for production and exports. This allows US farmers to sell farm products at **abnormally low prices** in world markets.

When these surplus products are sold cheaply in developing countries like India, local farmers **cannot compete** with such low prices, even though they receive little or no government support. Developing countries have removed trade barriers as per WTO rules, while developed countries have ignored these same rules by continuing to subsidise their farmers. This creates an **uneven playing field**, making it an unfair trade practice against farmers in developing countries.

Source: Chapter 4 — World Trade Organisation, Debate on Trade Practices

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Explanation

- The examiner wants three clear points: (1) the fact of US subsidies, (2) the effect — artificially low prices hurting developing-country farmers, and (3) the hypocrisy/WTO angle — developed nations demand liberalisation from others while protecting their own farmers.
- Use the key term **trade barrier** or **subsidy** and the WTO context.
- Avoid padding; this should be tight and factual.

Q35. deep | thorough-understanding | § WORLD TRADE ORGANISATION **[3]**

Using the example of agricultural subsidies in developed countries, explain why free trade does not necessarily benefit all nations equally. What are the consequences for farmers in developing countries like India?

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Model Answer

WTO, started at the initiative of developed countries, claims to promote free trade equally. However, in practice, developed countries like the US give massive subsidies to their farmers for production and export. This allows US farmers to sell farm products at abnormally low prices in global markets.

As a result, surplus farm products from developed countries flood markets in developing countries at very low prices. Farmers in developing countries like India cannot compete with these artificially cheap prices and face heavy losses. Meanwhile, WTO rules have forced India to remove trade barriers and stop supporting its own farmers. This makes the trade system unfair and unequal.

Source: World Trade Organisation, Chapter 4

Explanation

- The question has two parts: (1) why free trade is unequal, and (2) consequences for Indian farmers — address both.
- The key argument is the **contradiction**: WTO asks developing countries to remove barriers, but developed countries continue subsidising farmers — examiners want this hypocrisy highlighted.
- Mention **US agricultural subsidies → abnormally low prices → Indian farmers face losses** as the cause-effect chain.
- Avoid generic statements; use specific evidence from the passage (US agriculture = 0.5% employment but gets massive subsidies).

Q36. deep | thorough-understanding | § WORLD TRADE ORGANISATION **[5]**

Many developing countries face pressure from the WTO to remove trade barriers and stop supporting their farmers. At the same time, wealthy nations continue to provide large subsidies to their own agricultural sector. Analyse the consequences this situation has for farmers in developing countries. Do you think WTO rules are being applied fairly in this context? Justify your answer.

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Model Answer

Consequences for farmers in developing countries:

1. Developing countries are forced by WTO to **remove trade barriers** and stop government support to their farmers.
2. Meanwhile, wealthy nations (e.g., USA) give **massive subsidies** to their farmers, enabling them to sell farm products at **abnormally low prices**.
3. These cheap surplus products are dumped in developing country markets, **adversely affecting local farmers** who cannot compete at such low prices.
4. Farmers in developing countries lose income and livelihoods as their produce gets undercut.

Are WTO rules being applied fairly?

No, WTO rules are **not being applied fairly**. WTO was started at the initiative of developed countries. While it forces developing countries to liberalise, developed countries have unfairly **retained trade barriers and subsidies**. This is a double standard — developing countries have followed WTO rules, but developed nations have not. True free trade requires equal rules for all members.

Source: World Trade Organisation, chapter 4

Explanation

- The examiner looks for: (1) clear consequences — barriers removed, subsidies by rich nations, cheap imports harming local farmers; (2) a clear judgement on fairness with justification from the text.
- Always use the textbook's own language: "abnormally low prices," "massive sums of money," "unfairly retained trade barriers" — these signal you've studied the chapter.
- The question asks you to "justify," so a bare yes/no is not enough — give 1–2 reasons from the passage.

Q37. deep thorough-understanding § WORLD TRADE ORGANISATION **[3]**

Why might developing countries need to retain some trade barriers even after joining the WTO, rather than liberalising all trade and investment immediately?

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Model Answer

Developing countries need to retain some trade barriers even after joining the WTO for the following reasons:

1. **To protect domestic industries and farmers:** Agriculture provides bulk of employment and GDP in developing countries. Sudden foreign competition can destroy livelihoods of small producers and workers.
1. **Unfair practices by developed countries:** Developed countries like the US give massive subsidies to their farmers, allowing them to sell products at abnormally low prices in world markets. This creates unequal competition, making it necessary for developing countries to protect their producers.
1. **Support until competitive:** The government must support small producers to improve their performance *until* they become strong enough to compete globally.

Thus, immediate and complete liberalisation would be unfair and harmful to the poor in developing countries.

Source: Globalisation and the Indian Economy, Chapter 4

Explanation

- The examiner expects **3 distinct points** for 3 marks — one point per mark is a safe structure.
- Key terms to use: **trade barriers, subsidies, domestic producers, fair globalisation**.
- The contrast between the US giving farm subsidies while WTO forces developing countries to remove barriers is the **core example** — always include it.
- Avoid writing a long essay; keep each point tight and factual, drawn from the passage.

Q38. deep thorough-understanding § IMPACT OF GLOBALISATION IN INDIA **[3]**

MNCs have shown greater interest in industries such as cell phones, automobiles, electronics, and banking in urban India rather than in sectors like agriculture or small-scale manufacturing. What does this pattern reveal about the nature of MNC investment decisions?

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Model Answer

MNC investment decisions are primarily profit-driven. MNCs invest in sectors where they can find large numbers of well-off buyers who can afford their products. Industries like cell phones, automobiles, electronics, and banking in urban India attract MNCs because urban consumers have higher purchasing power. Agriculture and small-scale manufacturing offer lower profit margins and fewer wealthy consumers. This reveals that MNCs are not guided by social needs but by market potential and profitability — they invest where costs are manageable and returns are high.

Source: Impact of Globalisation in India, Chapter 4

Explanation

- The textbook directly states: *"MNCs have been interested in industries such as cell phones, automobiles, electronics... in urban areas. These products have a large number of well-off buyers."*
- The examiner wants you to link the **pattern** (urban, high-value sectors) to the **reason** (profit motive, purchasing power of consumers).
- Avoid writing about agriculture's problems broadly — stay focused on *why MNCs avoid it* (low profit, fewer rich buyers).
- Key phrase to include: **profit motive** and **well-off buyers / purchasing power**.

Q39. medium thorough-understanding § IMPACT OF GLOBALISATION IN INDIA **[3]**

The Indian government has allowed companies to hire workers 'flexibly' — on short-term contracts rather than permanently — to attract more foreign investment. Explain the trade-off this policy creates between the goals of attracting investment and protecting workers' rights.

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Model Answer

The policy of allowing flexible/short-term contracts helps attract foreign investment because it reduces labour costs for companies, making India a cheaper and more profitable destination for MNCs.

However, this creates a direct trade-off against workers' rights. Workers hired on temporary contracts lose job security, health insurance, provident fund, and overtime benefits. As seen in the garment industry, workers like Sushila end up earning less than half their previous wages, working long hours with no guaranteed income — resembling unorganised sector conditions even in organised industries.

Thus, while investment increases, workers bear the cost through exploitation and loss of legal protections.

Source: Impact of Globalisation in India; Competition and Uncertain Employment — Chapter 4

Explanation

- The examiner wants **both sides of the trade-off** stated clearly: benefit (attracts FDI, cuts costs) vs. harm (job insecurity, loss of benefits).
- Use **specific evidence** from the passage — Sushila's example or the garment industry — to support the workers' side. This shows application.
- Avoid writing vaguely; name the specific benefits lost (health insurance, provident fund, overtime) for full marks.
- 3 marks = roughly 2-3 crisp points; no need for an elaborate essay.

Q40. straightforward thorough-understanding § IMPACT OF GLOBALISATION IN INDIA **[1]**

Some Indian companies have benefited so greatly from globalisation that they have expanded their operations abroad and function as multinationals themselves. Name any two such Indian companies and mention the sectors they operate in.

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Model Answer

Tata Motors (automobiles) and **Infosys** (Information Technology) are two Indian companies that have expanded their operations abroad and function as multinationals.

Explanation

The textbook lists five examples: Tata Motors, Infosys, Ranbaxy, Asian Paints, and Sundaram Fasteners. For a 1-mark question, naming **any two** with their correct sectors is sufficient. Always pair the company with its sector — the examiner looks for both.

Q41. medium | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[3]**

A garment worker employed permanently in a factory in the 1990s enjoyed health insurance, provident fund, and double-rate overtime pay. By the 2000s, a worker doing the same job in a similar factory is hired on a temporary basis with none of these benefits. Using your understanding of how globalisation affects employment, explain why this shift happened.

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Model Answer

Globalisation increased competition among garment exporters, as large MNCs sought the cheapest goods to maximise their profits. To win these orders, Indian exporters cut labour costs. Instead of hiring permanent workers (who are entitled to health insurance, provident fund, and double-rate overtime), factories began employing workers on a **temporary basis** — avoiding year-round wage commitments and statutory benefits. This shift to "flexible" employment allowed exporters to reduce costs and stay competitive, but workers were denied their fair share of globalisation's benefits.

Source: Competition and Uncertain Employment, Chapter 4

Explanation

- The core cause-and-effect chain examiners want: MNC pressure → exporters cut costs → labour made flexible → benefits removed.
- Use the textbook's own term **"flexible" employment** — it signals you've read the chapter.
- Mention at least two specific benefits lost (health insurance, provident fund, overtime) to show precision.
- Avoid vague statements like "globalisation is bad"; be specific about the mechanism (cost-cutting through temporary hiring).

Q42. deep | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[5]**

The impact of globalisation on producers and workers in India has not been uniform. Analyse this statement by comparing the experience of (i) a large Indian IT company, (ii) a small capacitor manufacturer, and (iii) a garment factory worker.

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Model Answer

The impact of globalisation has been uneven across different producers and workers in India:

(i) Large Indian IT Company (e.g., Infosys):
Globalisation has greatly benefited large Indian IT companies. They have invested in newer technology, raised production standards, and some have emerged as MNCs themselves. IT-based services like data entry, accounting, and engineering are exported to developed countries, creating new jobs and profits.

(ii) Small Capacitor Manufacturer:
Small producers have suffered due to rising competition from MNCs. They face difficulty competing with cheaper, better-quality foreign goods and often struggle to survive. Many have lost business as MNCs with greater resources dominate the market.

(iii) Garment Factory Worker (e.g., Sushila):
Workers like Sushila face job insecurity, low wages, long working hours, and loss of benefits like health insurance and provident fund. Employers prefer temporary/flexible hiring to cut costs, denying workers a fair share of globalisation's benefits.

Conclusion: While globalisation has benefited skilled, wealthy producers, small producers and workers have largely suffered due to intense competition and flexible labour practices.

Source: Globalisation and the Indian Economy, Chapter 4

Explanation

- Examiners expect **three distinct comparisons** clearly labelled — award marks are split across the three cases.
- Use textbook examples: **Infosys** for IT, **Sushila's story** for garment workers, and the general point about **small producers facing competition** for the capacitor manufacturer.
- Key contrast: large companies **gain**, small producers **struggle**, workers **lose out** — this directly answers "not uniform."
- End with a brief conclusion on **fair globalisation** to show complete understanding.

Q43. deep | thorough-understanding | § IMPACT OF GLOBALISATION IN INDIA **[3]**

Globalisation has created new job opportunities in India, particularly in IT-enabled services and export-oriented industries. Yet many workers and labour rights groups argue that workers have not received a fair share of the gains from globalisation. Do you agree with this view? Justify your answer with specific examples.

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Model Answer

Yes, I agree with this view. Globalisation has created gains but workers have not received a fair share.

Examples:

- In the garment export industry, workers like Sushila (35, Delhi) lost permanent jobs and now work as temporary workers, earning less than half their earlier wages, with no health insurance or provident fund.
- Workers face long hours (7:30 a.m.–10 p.m.), no weekly off, and forced overtime just to survive.
- MNCs maximise profits by pressuring Indian exporters to cut labour costs, while workers bear the burden.

As the textbook states, "people with education, skill and wealth have made the best use of the new opportunities," leaving ordinary workers behind.

Source: Chapter 4 — Competition and Uncertain Employment; The Struggle for a Fair Globalisation

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Explanation

- The examiner expects you to **take a clear position** (yes/no) and **justify with specific examples** — here, Sushila's case is the textbook's own example, so use it directly.
- Mention the **contrast**: MNCs gain, workers lose — this shows analytical understanding.
- Avoid vague statements; name the industry (garments) and specific losses (no PF, health insurance, temporary employment).
- The closing quote ties your answer back to the source, which examiners appreciate as it shows textbook grounding.

Q44. medium thorough-understanding § Small producers: Compete or perish **[3]**

After India removed import restrictions on several goods in the early 2000s, many small Indian manufacturers faced sudden competition from cheaper foreign imports. Identify the policy change that caused this, and explain why small producers were more severely affected by this change compared to large multinational brands.

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Model Answer

Policy Change: The removal of trade barriers (liberalisation) starting around 1991, and continued into the early 2000s, allowed goods to be freely imported into India without heavy taxes or restrictions.

Why small producers were more severely affected:
Large MNC brands have advanced technology, modern production methods, vast resources, and worldwide networks that allow them to produce cheaply and competitively. Small Indian manufacturers lack these advantages. When cheaper foreign goods flooded the market — as seen with Chinese toys replacing Indian toys in 70–80% of shops — small producers suffered heavy losses as buyers shifted to cheaper imports. They could not upgrade or compete, unlike large companies which invested in newer technology and even emerged as MNCs themselves.

Source: Globalisation and the Indian Economy, Foreign Trade and Integration of Markets / Impact of Globalisation in India

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Explanation

- **1 mark** for correctly identifying liberalisation/removal of trade barriers as the policy change.
- **2 marks** for explaining why small producers were hit harder: focus on lack of resources, technology, and capital compared to MNCs/large firms. Use the toy example as evidence — it directly shows small producers losing market share.
- Examiners expect you to contrast small producers with large/MNC brands explicitly.
- Avoid vague statements; ground your answer in textbook examples (Chinese toys, garment industry).

Q45. deep · thorough-understanding · § Small producers: Compete or perish **[3]**

A small Indian manufacturer of plastic toys is told: 'If your cost of production is higher than that of foreign producers, you should simply shut down and let cheaper imports serve the market.' Do you agree with this view? Justify your answer using the role that small and medium industries play in the Indian economy.

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Model Answer

No, I do not agree with this view.

Small and medium industries play a crucial role in the Indian economy — they provide **large-scale employment** to millions of workers and contribute significantly to production and exports. Simply shutting them down would cause widespread unemployment and economic distress.

As seen in the example of Chinese toys, the government can use **trade barriers** (like import taxes or quotas) to protect domestic producers from cheaper foreign competition. All developed countries protected their domestic industries in early stages of development. India too can regulate imports to give small manufacturers time to improve quality and reduce costs, rather than abandoning them to unfair competition.

Fair competition should be ensured, not forced closure.

Explanation

- The examiner expects you to **disagree** and justify using two angles: (1) role of small industries (employment, production) and (2) the government's legitimate use of trade barriers/protection policy.
- Cite the toy example from the chapter — it directly matches this question.
- Avoid over-long explanations; 3 marks = ~3 clear points. One line of disagreement + two justification points is the ideal structure.
- Key terms to use: *trade barrier*, *import tax*, *domestic producers*, *employment*.

Q46. deep · thorough-understanding · § Small producers: Compete or perish **[5]**

Small Indian producers often struggle to compete with multinational corporations in a globalised economy. Explain why MNCs are unlikely to address the structural challenges faced by small producers, and what this implies about the government's role in supporting them. Use specific examples of the challenges small producers face in your answer.

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Model Answer

MNCs are profit-driven and invest where they gain maximum benefit — in industries like automobiles, electronics, and fast food that cater to well-off urban consumers. They have little incentive to support small producers who lack resources, technology, or large markets.

Small producers face several structural challenges:

- **Lack of capital**: They cannot invest in new machinery or technology.
- **Price and quality control by MNCs**: Large MNCs dictate price, quality, and delivery terms to small producers (e.g., women in Ludhiana making footballs for MNCs at low wages).
- **Buyouts**: MNCs like Cargill Foods bought Parakh Foods, wiping out local competition.
- **Unfair competition**: MNCs' enormous wealth far exceeds the budgets of developing country governments, making competition impossible.

Since MNCs will not voluntarily address these challenges, **the government must intervene** — by providing fair trade policies, supporting small producers through credit and technology, ensuring labour protections, and regulating MNC dominance to prevent monopolies.

Source: Chapter 4 — Globalisation and the Indian Economy, sections: Interlinking Production Across Countries; Impact of Globalisation in India

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Explanation

- Examiners expect you to **use textbook examples** (Cargill–Parakh Foods, footballs in Ludhiana, SEZs) — this shows direct textbook grounding.
- The question has two parts: *why MNCs won't help + government's role*. Address both clearly.
- Avoid vague statements; name specific challenges (capital, price control, buyouts).
- At 5 marks, 5 crisp points with a concluding government role statement is ideal — no need for lengthy explanations.

Q47. medium | thorough-understanding | § Small producers: Compete or perish **[3]**

How does the pressure of global competition change the nature of employment in small and medium industrial units in India? Explain the consequences for workers.

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Model Answer

Under global competition, large MNCs seek the cheapest goods to maximise profits, forcing Indian exporters to cut labour costs. Employers now prefer **flexible employment** — hiring workers temporarily instead of permanently.

Consequences for workers:

- Jobs are no longer secure; workers are hired only during peak seasons.
- Long working hours and regular night shifts are imposed.
- Wages are low, forcing workers to work overtime to survive.
- Workers lose benefits like health insurance, provident fund, and paid overtime.
- Organised sector workers increasingly face conditions similar to the unorganised sector.

Source: *Globalisation and the Indian Economy*, Chapter 4

Explanation

This question targets the passage on garment workers and flexible employment. Examiners expect:

1. **Why** employers cut costs (MNC pressure for cheap goods).
2. **How** — through temporary/flexible hiring.
3. **At least 3 consequences** for workers (job insecurity, long hours, low wages, loss of benefits).

Sushila's example can be briefly cited but isn't mandatory. Avoid vague statements — use specific terms like "flexible employment," "temporary workers," and "organised vs. unorganised sector."

Q48. medium | thorough-understanding | § Competition and Uncertain Employment **[3]**

In labour-intensive export industries, why do producers focus on cutting labour costs rather than raw material costs when competing for large orders from MNCs? What does this reveal about the bargaining power of workers in a globalised economy?

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Model Answer

In labour-intensive industries like garments, raw material costs are fixed and cannot be easily reduced. So, to offer the lowest prices and win large MNC orders, exporters cut **labour costs** instead — by hiring workers on temporary contracts, paying low wages, and making them work long hours without overtime benefits.

This reveals that workers have **very little bargaining power** in a globalised economy. Facing competition from exporters worldwide, workers are forced to accept insecure jobs and poor conditions. As seen in Sushila's case, even experienced workers lose permanent status and benefits. MNCs gain large profits while workers bear the costs of competition.

Source: Chapter 4 — Competition and Uncertain Employment

Explanation

- The examiner expects **two clear parts**: (1) why labour costs are targeted, and (2) what this says about workers' bargaining power.
- Use evidence from the passage — Sushila's example or the garment export situation — to support your answer. This shows you can apply textbook content.
- Key terms to include: **temporary employment, flexible labour, bargaining power, MNC profits**.
- Avoid padding; 3 marks = roughly 3 key points made crisply.

Q49. medium | thorough-understanding | § Competition and Uncertain Employment **[1]**

Which of the following best explains why MNCs are able to earn large profits from global supply chains while workers at the bottom of the chain remain poorly paid?

((A)) MNCs pay higher taxes, leaving less for workers

((B)) Competition among producers forces them to cut labour costs, reducing workers' wages and benefits

((C)) Workers in developing countries prefer low wages in exchange for job security

((D)) MNCs directly set the wages of workers in all countries they operate in

A MNCs pay Indian exporters very high prices, but exporters keep the money for themselves.
B MNCs use their global network to seek the cheapest suppliers, pushing exporters to minimise labour costs, so the gains from trade flow upward to MNCs rather than to workers.
C Indian workers are unskilled and therefore not entitled to higher wages under WTO rules.
D The Indian government sets a maximum wage limit for export-sector workers to keep exports competitive.

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Model Answer

Answer: B

MNCs use their global network to seek the cheapest suppliers, pushing exporters to minimise labour costs, so the gains from trade flow upward to MNCs rather than to workers.

Explanation

The passage on "Competition and Uncertain Employment" directly states that large MNCs look for the cheapest goods to maximise profits, forcing Indian exporters to cut labour costs by hiring temporary workers at low wages. This matches Option B perfectly. Options A, C, and D are factually incorrect as per the textbook — the government does not set maximum wages for export workers, WTO rules are not mentioned, and MNCs do not directly set wages in all countries.

Q50. medium | thorough-understanding | § Competition and Uncertain Employment **[3]**

What does it mean when employers shift from hiring workers on a 'permanent' basis to hiring them on a 'temporary' or 'flexible' basis, and what are two specific consequences this shift has for the workers?

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Model Answer

When employers shift from **permanent** to **temporary/flexible** hiring, it means workers are employed only for short periods during peak work seasons, rather than throughout the year. This is done to **reduce labour costs** for the company.

Two consequences for workers:

1. **No job security or benefits** — Workers lose entitlements such as health insurance, provident fund, and paid overtime that permanent employees receive.
2. **Low wages and long working hours** — Workers earn less and are forced to work overtime, including night shifts, just to meet basic needs.

Source: *Globalisation and the Indian Economy*, Chapter 4 — Competition and Uncertain Employment; Impact of Globalisation in India.

Explanation

- The question directly maps to the textbook's discussion of garment workers (Sushila's case) and the government's labour law flexibility for attracting foreign investment.
- Examiners expect you to **define** the shift first (1 mark), then give **two distinct, specific consequences** (1 mark each).
- Don't write vague points like "workers suffer" — name the actual consequences: loss of benefits, low wages/long hours.
- Sushila's example is perfect supporting detail but keep it brief at 3 marks — one sentence reference is enough.

Q51. deep | thorough-understanding | § Competition and Uncertain Employment **[3]**

A worker who had been a permanent employee in a garment factory enjoyed benefits like health insurance and overtime pay at double the regular rate. After the factory shut down, she found new employment but lost all such benefits despite working for several years. What does her situation reveal about the broader impact of globalisation on employment conditions in the organised sector?

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Model Answer

Sushila's situation reveals that globalisation has had a deeply unequal impact on workers in the organised sector. To cut labour costs and compete for MNC orders, factories replaced permanent workers with temporary ones, eliminating benefits like health insurance and overtime pay. As a result, **conditions in the organised sector have come to resemble the unorganised sector** — workers face job insecurity, long hours, low wages, and loss of legal protections. This shows that while globalisation created opportunities, the benefits were not shared fairly; instead, workers bore the burden of competition so that MNCs could maximise their profits.

Source: Competition and Uncertain Employment, Chapter 4

Explanation

- The examiner expects you to link Sushila's personal example to the **broader trend**: organised sector working conditions declining to resemble unorganised sector standards.
- Key phrases to use: *flexible employment*, *temporary workers*, *loss of benefits*, *unfair share of globalisation's gains*.
- Avoid just retelling Sushila's story — always draw the general conclusion for full marks.
- 3 marks = one clear cause (competition → cost-cutting → flexible labour) + one effect (loss of organised sector protections) + one broader insight (unequal benefits of globalisation).

Q52. deep | thorough-understanding | § Competition and Uncertain Employment **[5]**

The pressure of global competition causes some employers to argue that flexible labour laws are necessary, while workers argue against them. Summarise the core reason each side holds its position, and then explain which group, according to the evidence in this section, is bearing the greater cost of globalisation.

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Model Answer

Employers' position: Employers argue that flexible labour laws are necessary to survive global competition. Since MNCs constantly seek the cheapest suppliers, exporters must cut costs — primarily labour costs — to secure large orders. Flexibility (hiring temporary workers, avoiding year-round wages and benefits) allows them to stay competitive and profitable.

Workers' position: Workers argue against flexible labour laws because flexibility strips them of job security, health insurance, provident fund, and overtime benefits. They are forced to work long hours — sometimes seven days a week — for wages so low they must work overtime just to survive.

Who bears the greater cost: According to the evidence, workers bear the greater cost. Sushila's case illustrates this: she earns less than half her earlier wages, has no benefits, works 14+ hours daily with no weekly off, and has no job security. Meanwhile, MNCs maximise profits. Workers are clearly "denied their fair share of benefits brought about by globalisation."

Source: Chapter 4 — Competition and Uncertain Employment

Explanation

- The question has **three parts** — employers' reason, workers' reason, and who bears the greater cost — so address all three.
- Use Sushila's example as direct textual evidence for the cost borne by workers; examiners reward specific evidence from the passage.
- The final line of the passage ("workers are denied their fair share") is a direct quotable conclusion — use it.
- Do **not** sit on the fence for the third part; the passage clearly points to workers, so state it confidently.

Q53. deep | thorough-understanding | § Competition and Uncertain Employment **[3]**

How does globalisation create a situation where the same competitive pressures that lower prices for consumers and increase profits for MNCs simultaneously erode job security and working conditions for workers in labour-intensive industries? Explain with suitable arguments.

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Model Answer

MNCs seek cheap production locations to maximise profits. They place large orders with exporters in developing countries, forcing exporters to compete fiercely by cutting costs. Since raw material costs cannot be reduced easily, exporters cut **labour costs** instead.

This leads to:

- Workers employed on **temporary basis** instead of permanent, losing job security.
- Workers forced into **long working hours** and night shifts.
- **Low wages**, no health insurance or provident fund benefits.

Thus, MNCs gain higher profits and consumers get cheaper goods, but workers bear the burden through insecure, poorly paid employment — denied their fair share of globalisation's benefits.

Source: Chapter 4 — Competition and Uncertain Employment

Explanation

Examiners look for the **chain of causation**: MNCs seek cheap production → exporters compete → labour costs cut → job insecurity and poor conditions. Mention at least 2–3 specific consequences for workers (temporary jobs, long hours, low wages, loss of benefits). The example of the garment industry or Sushila can be briefly referenced but keep it tight within the word limit.

Q54. medium thorough-understanding § THE STRUGGLE FOR A FAIR GLOBALISATION **[3]**

In the context of globalisation, many multinational companies outsource production to developing countries where labour laws are weak or poorly enforced. What are the consequences of this for workers, and what role should the government play in addressing the situation? Explain with examples.

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Model Answer

When MNCs outsource production to developing countries, workers face serious consequences: jobs become temporary and insecure, wages fall, working hours increase, and benefits like health insurance and provident fund are denied. For example, Sushila, a garment worker in Delhi, lost her permanent job and now works 14+ hours daily, seven days a week, earning less than half her earlier wages, with no benefits.

The government must ensure labour laws are **properly implemented** so workers receive their rights. It should also negotiate fairer rules at WTO and support small producers. Protecting workers' interests — not just those of the rich and powerful — is key to making globalisation fair.

Source: Chapter 4 — Competition and Uncertain Employment; The Struggle for a Fair Globalisation

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Explanation

- This 3-mark answer requires **two parts**: consequences for workers + government's role. Examiners expect both clearly addressed.
- Use **Sushila's example** — it's directly from the textbook and earns marks for application.
- Key government measures from the text: enforce labour laws, support small producers, negotiate at WTO. Don't invent points outside the passage.
- Avoid writing an essay; ~80 words is the right length for 3 marks.

Q55. deep thorough-understanding § THE STRUGGLE FOR A FAIR GLOBALISATION **[3]**

A developing country's government is debating whether to align with other developing nations and collectively negotiate at the WTO, rather than negotiating alone. Why would a joint approach be more effective in pushing for fairer trade rules?

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Model Answer

A joint approach by developing countries at the WTO would be more effective for the following reasons:

1. **Greater bargaining power:** Developed countries dominate WTO negotiations. A collective voice of many developing nations carries more weight than individual countries negotiating alone.

1. **Common interests:** Developing countries share similar concerns — for example, unfair agricultural subsidies given by the US and other developed nations to their farmers, which allow them to sell produce at abnormally low prices, harming developing country farmers.

1. **Fighting domination:** As the textbook states, developing countries can "align with other developing countries with similar interests to fight against the domination of developed countries in the WTO," making it harder for powerful nations to ignore their demands.

Source: *The Struggle for a Fair Globalisation*, Chapter 4

Explanation

The examiner expects students to link the idea of **collective negotiation** to the specific problem described — developed countries retaining unfair trade barriers and agricultural subsidies while forcing developing countries to liberalise. The key phrase directly from the textbook is "align with other developing countries with similar interests to fight against the domination of developed countries in the WTO." Always quote or closely paraphrase this for full marks. Three clear points are ideal for a 3-mark answer.

Q56. medium · thorough-understanding · § SUMMING UP **[3]**

Globalisation has benefited some groups while harming others. Identify the groups that have largely gained and those that have largely lost from globalisation in India, and explain the reasons behind this unequal impact.

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Model Answer

Groups that have gained:

- **Well-off urban consumers** — enjoy greater choice, better quality, and lower prices.
- **Skilled workers and large Indian companies** — benefited from new jobs, technology upgrades, and collaborations with MNCs.
- **Some Indian firms** like Tata Motors and Infosys emerged as MNCs themselves.

Groups that have largely lost:

- **Small producers and workers** — face intense competition from MNCs and suffer from flexible (insecure) labour arrangements.
- **People without education or skills** — unable to access new opportunities created by globalisation.

Reason for unequal impact: People with education, skill, and wealth made the best use of new opportunities, while small producers and unskilled workers were left behind due to lack of resources and weak labour protections.

Source: Chapter 4 — Impact of Globalisation in India; The Struggle for a Fair Globalisation

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Explanation

- The examiner expects **both sides** — gainers and losers — with brief reasons. Missing either side loses marks.
- Use **specific examples** from the textbook (Tata Motors, call centres, small producers) to show you've read the chapter.
- The key phrase to remember: *"People with education, skill and wealth made the best use of new opportunities"* — this directly answers the 'why' of unequal impact.
- Do **not** write a general essay on globalisation; stay focused on the India-specific impact as described in the textbook.

Q57. deep thorough-understanding § SUMMING UP **[5]**

Both liberalisation of trade policies and improvements in technology are described as key drivers of globalisation, yet they work in fundamentally different ways. Explain how each has contributed to globalisation, and analyse why removing trade barriers alone would not have been sufficient to produce the level of global economic integration we see today.

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Model Answer

Role of Technology in Globalisation:
Technology, especially in transport and information technology (IT), has been a fundamental driver of globalisation. IT enabled MNCs to spread production across countries by coordinating complex operations instantly. Services like call centres could be set up in distant countries. Faster and cheaper transport allowed goods and components to move rapidly between locations worldwide.

Role of Liberalisation:
Removing trade barriers — tariffs, quotas, and investment restrictions — allowed goods, services, and capital to flow freely across borders. The WTO pressured countries to open their markets, enabling MNCs to invest in and trade with multiple countries easily.

Why liberalisation alone was insufficient:
Even with zero trade barriers, without IT and modern transport, MNCs could not have organised production across continents, coordinated supply chains, or delivered services remotely. Technology made global integration practically possible; liberalisation merely permitted it legally.

Source: Chapter 4 — What is Globalisation?, World Trade Organisation, Summing Up

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Explanation

- Examiners expect you to treat **technology and liberalisation as distinct but complementary** — don't blend them.
- The key analytical point (worth extra marks) is that liberalisation removes *legal* barriers, but technology removes *practical* barriers of distance, communication, and coordination. Both are necessary; neither alone is sufficient.
- Use textbook terms: MNCs, IT, trade barriers, WTO, foreign trade, foreign investment.
- At 5 marks, keep it to ~3 focused paragraphs — no need for lengthy examples beyond one or two.

Q58. medium | thorough-understanding | § ADDITIONAL ACTIVITY / PROJECT **[3]**

MNCs like Hindustan Unilever, Nestlé, and Procter & Gamble sell their products in virtually every Indian town and village. (a) How do MNCs establish their presence in a host country — through which modes of investment or collaboration? (b) Explain how the widespread penetration of MNC products into everyday Indian consumer markets reflects the key features of globalisation.

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Model Answer

(a) MNCs establish presence in host countries through:

- **Foreign investment** — setting up factories/offices by buying assets (land, machines, equipment).
- **Joint production** with local companies, bringing capital and latest technology.
- **Buying up local companies** (e.g., Cargill acquiring Parakh Foods).
- **Placing orders** with small local producers and selling products under their own brand.

(b) MNC products like soaps and toothpaste reaching every Indian town and village reflects globalisation's key feature: **rapid integration of production and markets across countries**. MNCs invest where labour and resources are cheap, then sell globally, leading to interconnection of distant regions. This increased foreign investment and trade integrates Indian markets with the global economy.

Source: Chapter 4 — Globalisation and the Indian Economy, "Interlinking Production Across Countries" and "What is Globalisation?"

Explanation

- **(a)** lists all four modes mentioned in the textbook passage (direct investment, joint ventures, buyouts, subcontracting). Examiners expect at least 2–3 modes with brief examples.
- **(b)** must use the textbook definition of globalisation ("rapid integration/interconnection between countries") and link it to MNC investment + trade. Mentioning cheap labour, foreign investment, and market integration earns full credit.
- Stay within ~80 words total; prioritise textbook terminology over general knowledge.

Q59. deep | thorough-understanding | § ADDITIONAL ACTIVITY / PROJECT **[3]**

Suppose you investigate the garment export industry in your city and find that most workers are hired on short-term contracts, work extremely long hours, and earn lower wages than workers in the same industry did twenty years ago. Using what you know about how globalisation affects employment, explain the chain of economic pressures that leads to these working conditions.

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Model Answer

Large MNCs in Europe and America seek the **cheapest goods** to maximise profits. To secure these orders, Indian garment exporters are forced to **cut labour costs** since raw material costs cannot be reduced.

This leads to a chain of pressures:

- Exporters hire workers on **temporary/short-term contracts** to avoid paying for the full year.
- Workers are made to put in **very long hours and night shifts**, especially during peak season.
- **Wages remain low** — often lower than what permanent workers earned earlier — forcing workers to do overtime just to survive.

Thus, competition among exporters benefits MNCs with large profits, while workers bear the burden and are denied their fair share of globalisation's benefits.

Source: Chapter 4 — Competition and Uncertain Employment

Explanation

- The examiner expects you to trace the **chain**: MNC pressure → exporter cuts costs → workers suffer (temporary jobs, long hours, low wages). All three outcomes must appear.
- Use the Sushila example or the garment industry example from the textbook to support your points — examiners reward textbook-grounded answers.
- Key terms to include: **flexibility in employment**, **temporary contracts**, **labour costs**, **competition**.
- Avoid vague statements like "globalisation is bad" — stick to the economic chain of cause and effect.

Q60. deep thorough-understanding § (whole-chapter synthesis) **[5]**

Trace the journey of how a multinational corporation's search for cheap production locations ultimately leads to the integration of markets across different countries. In your answer, connect the role of MNCs, foreign trade, and technology.

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Model Answer

MNCs and Cheap Production:
MNCs set up factories in countries where labour and resources are cheap, skilled workers are available, and government policies are favourable. For example, Ford Motors set up a plant in India to take advantage of low production costs.

Foreign Investment and Trade:
MNCs invest in these locations (foreign investment) and produce goods not just for local markets but also for export. Ford India sells cars in South Africa, Mexico, and Brazil. A large part of foreign trade is thus controlled by MNCs.

Role of Technology:
Technology enables MNCs to divide production across countries — design in the USA, manufacturing in China, assembly in Mexico, and customer care in India — saving 50–60% costs.

Market Integration:
Greater foreign investment and foreign trade together result in integration of production and markets across countries. This process of rapid interconnection is called **globalisation**.

Source: Chapter 4 — Production Across Countries; Foreign Trade and Integration of Markets

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Explanation

- The answer traces a clear **chain**: cheap locations → MNC investment → foreign trade → market integration → globalisation.
- Examiners look for all three keywords: **MNCs, foreign trade, technology** — each linked to integration.
- Use textbook examples (Ford Motors, industrial equipment MNC) to score full marks; do not leave them out.
- "Integration of markets" must be defined or illustrated (prices equalising, competition across borders) as it is a key term in this chapter.
- Stay within ~120 words; adding the source line is good practice for structured/passage-based questions.

Q61. deep | thorough-understanding | § (whole-chapter synthesis) **[3]**

Governments use both trade barriers and flexible labour laws as policy tools in the era of globalisation. Explain what each tool does, and analyse the tension a government faces when it tries to protect the welfare of its citizens through one tool while simultaneously using the other to attract foreign investment.

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Model Answer

Trade barriers (like taxes/tariffs on imports) restrict foreign goods to protect domestic producers and workers from foreign competition.

Flexible labour laws allow companies to hire/fire workers easily, reducing costs — this attracts MNCs seeking cheap production locations.

The tension: To attract foreign investment, governments ease labour laws, which can weaken workers' job security and rights. But to protect citizens, governments enforce labour laws strictly. Similarly, using trade barriers protects domestic industries but contradicts the open-market conditions MNCs prefer. Thus, a government is pulled between protecting its people and appeasing foreign investors.

Source: Liberalisation of foreign trade and foreign investment policy; The Struggle for a Fair Globalisation, Chapter 4

Explanation

- The examiner expects you to define **both** tools clearly (1 mark), then explain the **tension/contradiction** between them (2 marks).
- Key phrase from the textbook: government must protect interests of **all people**, not just the rich/powerful — use this to anchor your answer.
- Avoid writing a long essay; the conflict between worker protection and investor attraction is the core point to hit.
- "Flexibility in labour laws helps companies" is directly from the Chapter 4 exercises — examiners will look for this linkage.

Q62. medium | thorough-understanding | § (whole-chapter synthesis) **[3]**

A small Indian toy manufacturer and a worker in a garment export factory are both negatively affected by globalisation, yet the nature of their problems is different. Compare the challenges each faces.

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Model Answer

Small Indian Toy Manufacturer:
Due to globalisation, cheap Chinese toys flooded Indian markets. The small manufacturer faces intense competition from MNCs and large foreign producers who have better technology and lower costs. Unable to compete on price or quality, many small toy makers are forced out of business entirely.

Garment Export Factory Worker:
The worker faces job insecurity and poor conditions. To win MNC orders, Indian exporters cut labour costs by hiring workers temporarily, paying low wages, and forcing long working hours with no benefits like health insurance or provident fund.

Key Difference: The toy manufacturer faces the threat of business closure due to foreign competition, while the garment worker faces exploitation and loss of job security due to cost-cutting pressures within the industry.

Source: Chapter 4 — Competition and Uncertain Employment; Summing Up

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Explanation

- The question specifically asks you to **compare**, so you must address both parties and highlight the difference.
- Examiners look for: correct identification of each person's problem + a clear comparison/contrast sentence.
- Key terms to use: *competition*, *trade barriers removed*, *flexible employment*, *temporary workers*, *labour costs*.
- Don't just describe — explicitly state how the nature of problems **differs** (one faces closure/displacement, the other faces exploitation/insecurity within employment).

Q63. medium | thorough-understanding | § (whole-chapter synthesis) **[1]**

Which of the following correctly pairs a factor that enabled globalisation with an accurate explanation of how it did so?

(A) Liberalisation — reduced the cost of transporting goods across borders
(B) Information technology — allowed production of services to be split and carried out in different countries
(C) WTO — set up Special Economic Zones to attract foreign investment
(D) Containerisation — enabled developing countries to negotiate fairer trade rules

A Liberalisation — reduced the cost of transporting goods across borders
B Information technology — allowed production of services to be split and carried out in different countries
C WTO — set up Special Economic Zones to attract foreign investment
D Containerisation — enabled developing countries to negotiate fairer trade rules

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Model Answer

(B) Information technology — allowed production of services to be split and carried out in different countries.

Explanation

The textbook (Summing Up, Ch. 4) explicitly states: "Technology, particularly IT, has played a big role in organising production across countries." Options A, C, and D swap the roles: liberalisation *removed trade barriers* (not transport costs); WTO *establishes trade rules* (not SEZs); containerisation *reduced transport costs* (not trade negotiations).

Q64. deep | thorough-understanding | § (whole-chapter synthesis) **[5]**

The WTO promotes free trade as a path to development, yet developing countries argue it is an unequal playing field. Using the example of agricultural subsidies in developed countries, explain why developing nations feel disadvantaged within the WTO framework. Then explain why India originally placed barriers on foreign trade after Independence, and assess whether that reasoning remains relevant today.

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Model Answer

WTO and Agricultural Subsidies:

WTO, started at the initiative of developed countries, aims to liberalise international trade. However, in practice, developed countries have unfairly retained trade barriers while forcing developing nations to remove theirs. US farmers, for example, receive massive government subsidies, allowing them to sell farm products at abnormally low prices in global markets. This harms farmers in developing countries like India, where agriculture employs a large share of the population. Developing countries thus face an unequal playing field — they open their markets while developed nations protect their own producers.

India's Post-Independence Trade Barriers:

After Independence, India put barriers on foreign trade and investment to protect domestic industries from foreign competition. Industries were just coming up in the 1950s–60s; unrestricted imports would have prevented them from developing. Only essential items like machinery and petroleum were allowed in.

Relevance Today:

This reasoning is partially relevant. Indian industry is now globally competitive, justifying liberalisation since 1991. However, small producers and farmers still need protection. The government can still use trade barriers selectively and negotiate fairer WTO rules to protect vulnerable sectors.

Source: Chapter 4 — Globalisation and the Indian Economy, sections on WTO, Liberalisation of Foreign Trade and Investment Policy, and The Struggle for a Fair Globalisation.

Explanation

- **Agricultural subsidies point** is the textbook's core example of WTO inequality — always cite US farmers receiving "massive sums" enabling abnormally low export prices.
- **Post-Independence reasoning** must mention protecting *nascent industries* from foreign competition — examiners look for this specific phrase/idea.
- **Contemporary relevance** should be balanced: acknowledge liberalisation was needed post-1991 but note small producers/farmers still need support — this shows higher-order thinking CBSE rewards in 5-mark answers.
- Keep the WTO paragraph, the historical reasoning paragraph, and the assessment clearly separated — examiners award marks part by part.

Q65. deep | thorough-understanding | § (whole-chapter synthesis) **[3]**

Globalisation has allowed some Indian companies like Tata Motors and Infosys to become MNCs themselves, while at the same time causing small producers like capacitor manufacturers to shut down. What does this tell us about which conditions determine whether a producer gains or loses from globalisation?

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Model Answer

Globalisation benefits producers who possess **skill, education, technology, and sufficient capital**. Companies like Tata Motors and Infosys had the expertise, scale, and resources to compete globally and expand abroad, becoming MNCs themselves.

In contrast, small producers like capacitor manufacturers lacked the technology, capital, and ability to compete with cheaper or superior foreign goods flooding the market after trade barriers were removed. They faced intense competition they could not survive.

Thus, the key conditions are: **size and capital, level of skill/technology, and ability to compete**. Globalisation creates opportunities for the strong but pushes out vulnerable small producers.

Source: Chapter 4 — Globalisation and the Indian Economy, Summing Up

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Explanation

- The examiner wants you to connect the two contrasting examples to **general conditions** that determine gains or losses — don't just describe the two companies.
- Key terms to include: skill, education, wealth/capital, competition, technology.
- The textbook explicitly states: *"While globalisation has benefited well-off consumers and also producers with skill, education and wealth, many small producers and workers have suffered as a result of rising competition."* Quote or paraphrase this directly — it is the core expected answer.
- Avoid padding; 3 marks = 3 clear points.

Q66. medium | thorough-understanding | § (whole-chapter synthesis) **[3]**

Both foreign trade and foreign investment by MNCs connect countries economically. In what ways do they similarly affect domestic producers in the host country? In what key way does foreign investment go further than trade in shaping the host country's economy? Illustrate your answer with examples.

◆ Globalisation and the Indian Economy

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Model Answer

Similar effects on domestic producers:

Both foreign trade and foreign investment increase competition for domestic producers. In foreign trade, imported cheaper goods (e.g., Chinese toys) reduce demand for Indian-made toys, causing losses. Similarly, MNC investments bring competing products into domestic markets, hurting local producers.

How foreign investment goes further:

Foreign investment goes beyond competition — MNCs can directly **buy out** local companies or control their production. For example, Cargill Foods (USA) acquired Parakh Foods, taking over its four oil refineries and marketing network, becoming India's largest edible oil producer. Trade cannot achieve this level of direct economic control over the host country's production structure.

Source: Chapter 4 — Foreign Trade and Integration of Markets; Interlinking Production Across Countries

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Explanation

- The question has **two parts**: (1) similarity, and (2) key difference — address both clearly.
- The **similarity** = both intensify competition for domestic producers.
- The **key difference** = foreign investment allows MNCs to physically acquire assets/companies, giving direct control over the host economy — trade cannot do this.
- Examiners expect **named examples** (Chinese toys for trade; Cargill-Parakh Foods for investment) — marks are often tied to these.
- Keep the answer focused; don't drift into globalisation broadly.

Q67. medium | thorough-understanding | § (whole-chapter synthesis) **[3]**

Globalisation has not benefited all sections of society equally. Describe two specific actions a government can take — drawing on both trade policy and labour rights — to make globalisation work more fairly for its citizens. Justify why each action is necessary, identifying who it protects and from what harm.

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Model Answer

Action 1 — Enforcing Labour Laws (protects workers):
The government must ensure labour laws are properly implemented. This protects workers — especially in factories supplying MNCs — from exploitation such as low wages, unsafe conditions, and job insecurity caused by companies seeking cheap labour to maximise profits from globalisation.

Action 2 — Using Trade Barriers (protects small producers):
The government can use trade and investment barriers (quotas/taxes on imports) to shield small producers from unfair competition. Developed countries like the US subsidise their farmers heavily, giving them an unfair price advantage that can destroy livelihoods of small producers in developing countries.

Source: *The Struggle for a Fair Globalisation*, Chapter 4

Explanation

- The question asks for **two actions**, one from **trade policy** and one from **labour rights** — so split your answer clearly into two labelled points.
- Each point must name: the action → who it protects → from what harm. Examiners look for all three elements.
- Evidence from the passage (labour law implementation, trade barriers, US farm subsidies example) directly supports both points — use it to justify, as the question asks.
- At 3 marks, ~75 words is ideal. Don't write more than two focused paragraphs.

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