

Class X

Social Science

Important Q.A.

Chapter – 12. Towards Liberalization and Globalization.

Q.1. Define liberalization.

Ans.: - Liberalization of economy means to free it from direct or physical control imposed by the government.

Q.2. What is globalization?

Ans.: - Integrating our economy with world economy is called globalization. Reduction in economic gap between different nations is done by removing all restrictions between nations on the movement of goods, services, capital, technology and labour.

Q.3. What is privatization?

Ans.: - Privatization is defined as the transfer of ownership and control from the public sector to the private sector. It means there is greater role of private capital and enterprise in the in the functioning of an economy.

Q.4. State a positive aspect of India’s development strategy prior to 1991.

Ans.: - The strategy has helped India in creating a large industrial base and increase in industrial production.

Q.5. State a negative aspect of India’s development strategy prior to 1991.

Ans.: - Laws formulated to regulate private sector failed to reduce the concentration of economic power in the private sector. Corruption, inefficiency in work, mismanagement were the common features in the public enterprises.

Q.6. What is “bilateral agreements”?

Ans.: - Whenever a country involve itself in a trade with some other country, there is an agreement between them. This agreement is called bilateral agreement.

Q.7. What do you mean by export quotas?

Ans.: - For the protection of local consumers, government restricts giving limit of export of a particular goods. This is called export quota.

Q.8. What do you mean by import quotas?

Ans.: - For the protection of local manufacturer from the competition of producers of other country, government imposes taxes on the imported goods. This is called import quota.

Q.9. Define sustainable economic development.

Ans.: - The development taking place without damaging the environment and the development in the present should not compromise on the needs of future generations is called sustainable development.

Q.10. Mention two problems that forced India to undertake new economic policy after 1991.

Ans.: - Factors responsible for the need for change in economic policy :

- (i) Bad performance of public sector.
- (ii) Public sector could not achieve desired goal.
- (iii) Balance of payment deficit of India were rising continuously since 1980 – 81.
- (iv) Excess of anticipated expenditure over estimated revenue (i.e. fiscal deficit).
- (v) Rising prices.

Q.11. Explain the various liberalization measures undertaken by the government of India.

Ans.: - Measures of liberalization taken by the Government of India:

- (i) Abolition of Industrial Licencing and registration.
- (ii) Concession from Monopolies Act.
- (iii) Freedom for Expansion and Production to Industries.
- (iv) Increase in the Investment limit of the Small Industries.
- (v) Freedom to Import Technology.
- (vi) Freedom to Import Capital Goods.

Q.12. State any two impacts of liberalization and globalization in India.

Ans.: - The impacts of liberalization and globalization in India:

- (i) There is better services in communication sector such as telephone, colour television, and other electronic goods at low prices.
- (ii) Many food processing company have taken over the market, such as Coca-Cola, Pepsi and other food products.

Q.13. State the strategies under new economic policy.

Ans.: - The strategies under new economic policy are:

- (i) Liberalization (ii) Privatization (iii) Globalization.

Q.14. Describe the changes that have occurred in India due to the adoption of the policy of liberalization and globalization.

- Ans.:** - (i) Visible changes – (a) There is better services in communication sector such as telephone, colour television and other electronic goods at low price.
(b) Many food processing company have taken over the market, such as Coca-Cola, Pepsi and other food products.
- (ii) Invisible changes – (a) The share of India in trade and services in the world has increased.
(b) Foreign direct investment in India has increased.
(c) Foreign exchange reserves have increased.
(d) Price rise in terms of percentage have declined.
(e) Marginal growth in industry and employment opportunities is shown.

Q.15. Examine the role of the state for protecting environment. Write three points.

Ans.: - Environmental protection means its conservation and safeguard of people from all types of pollution. The steps taken to protect it are:

- (i) It makes laws to improve living condition through environment protection legislation.
- (ii) The Central Pollution Board controls water and air pollution.
- (iii) Environmental Audit is compulsory from 1992 for all industries seeking environmental clearance.

Q.16. Mention three objectives of liberalization policy in large scale sector.

Ans.: - Objectives of liberalization policy:

- (i) To get favourable ratio of net profit to capital invested.
- (ii) To seek better private and public participation in economic development and planning through profit incentive and removal of physical controls.
 - (ii) To seek private sector participation in infrastructure development.
 - (iii)

Q.17. 'There is a need of rapid industrialization of India'. Give three reasons.

Ans.: - Need of rapid industrialization arises due to:

- (i) Industrialization provides a basis for rapid growth of income.
- (ii) By setting more and more industries, opportunities of employment can be provided.
- (iii) Industries can utilize all types of resources available in the economy and can use even scraps and waste material.

Q.18. 'Negative aspect of India's development strategy prior to 1991 relating to bad performance of public sector was the only factor to create the need for a change in economic policy'. Do you agree with this. Comment.

Ans.: - No, there are other factors also. These are:

- (i) In June 1991, there was foreign exchange crisis in the country.
- (ii) Balance of payment deficit of India was continuously rising since 1980 – 81.
- (iii) Sharp rise in petrol prices.
- (iv) Fiscal deficit.

- (v) Increase in prices.
- (vi) Unemployment.
- (vii) Poverty.
- (viii) Shortage of capital.
- (ix) Slow economic growth.
- (x) Technological backwardness.

Q.19. Why is sustainable development considered important for economic growth?

Ans.: - It has been felt that rapid economic growth and industrialization led to reckless exploitation of natural resources. The stock of natural resources is limited and their use damages environment and ecology. They cause pollution and disturb balance in nature.

The important measures are:

- (i) Use of renewable and clean sources of energy.
- (ii) Less use of fossil fuels.
- (iii) Organic farming.
- (iv) measures to reduce global warming.

India should enact laws and rules to protect environment and limit the use of energy.

BEST OF LUCK.