

## CHAPTER-4 | Globalisation and The Indian Economy

QUIZ  
PART-02

## 1. What is Globalisation?

- A. Growth of agriculture in India
- B. Rapid interconnection between countries
- C. A national program for literacy
- D. A financial scheme for local banks (B)

**Explanation:** Globalisation is the process of increasing integration and interconnection between countries globally.

## 2. Who are the main drivers of globalisation?

- A. NGOs
- B. Government officials
- C. MNCs
- D. Farmers (C)

**Explanation:** Multinational Corporations (MNCs) play a major role in driving globalisation through foreign investment and trade.

## 3. What does Foreign Direct Investment (FDI) involve?

- A. Taking loans from foreign banks
- B. Sending money to relatives abroad
- C. A company investing in another country's business
- D. Government aid to foreign countries (C)

**Explanation:** FDI refers to a company's investment in businesses located in other countries to expand and access resources.

## 4. Which of the following is NOT a factor that enabled globalisation?

- A. Technological advancements
- B. Trade liberalization
- C. Information and communication technology
- D. Increase in local taxes (D)

**Explanation:** Local tax increases are not related to globalisation; other listed factors help facilitate global connections.

## 5. What is the meaning of liberalisation?

- A. Imposing new trade barriers
- B. Removing government restrictions on trade
- C. Nationalising industries
- D. Increasing subsidies on exports (B)

**Explanation:** Liberalisation refers to the removal of trade restrictions, allowing free movement of goods and investment.

## 6. What is a trade barrier?

- A. A law that encourages exports
- B. A type of foreign currency
- C. A restriction on imports
- D. A loan given to farmers (C)

**Explanation:** Trade barriers are restrictions like taxes or quotas imposed to regulate or limit imports.

## 7. Why did India impose trade barriers after independence?

- A. To promote foreign brands
- B. To reduce employment
- C. To protect new domestic industries
- D. To increase luxury imports (C)

**Explanation:** Trade barriers were used to protect and nurture Indian industries in the early years of independence.

## 8. Which advancement made transportation faster and cheaper?

- A. Bullock carts
- B. Manual shipping
- C. Use of containers
- D. Road tolls (C)

**Explanation:** Containerisation allows easy transfer of goods across ships, planes, and trucks, speeding up deliveries.

## 9. Which sector is most influenced by ICT in globalisation?

- A. Mining
- B. Agriculture
- C. Communication and services
- D. Fisheries (C)

**Explanation:** Information and Communication Technology has accelerated global business, especially in the service sector.

## 10. What was one effect of India's liberalisation policy after 1991?

- A. Decrease in foreign investment
- B. Closure of Indian markets
- C. Entry of global producers into Indian markets
- D. Increase in trade barriers (C)

**Explanation:** The 1991 liberalisation reforms opened Indian markets to global companies and increased competition.