

GLOBALISATION

STUDY NOTES

Concept of Globalisation

- Globalisation means the flows of ideas, capital, commodities and people across different parts of the world. It is a multidimensional concept. It has political, economic and cultural manifestations and these must be adequately distinguished.
- Globalisation need not always be positive. It can have negative consequences for the people.
- As a concept, globalisation fundamentally deals with flows. These flows can be ideas moving from one part of the world to another, commodities being traded across borders and so on.
- The crucial element is the worldwide inter connectedness which is created and sustained as a consequence of these constant flows.

Cause of Globalisation

- One important aspect of globalisation is that even though it is not caused by any single factor, technology remains a critical element.
- The ability of ideas, capital, commodities and people to move more easily from one part of the world to another has been made possible by technological advances.
- Interconnections is also an important aspect of globalisation. Any event taking place in one part of the world could have an impact on another part of the world.

Consequences of Globalisation-

Political Consequences

- Globalisation results in an erosion of state capacity i.e. by reducing the ability of government to do what they want to do.
- It gives way to a more minimalist state that performs certain core functions such as the maintenance of law and order, and the security of its citizens.
- In place of the state the market becomes the prime determinant of economic and social priorities.
- Globalisation does not always reduce state capacity. The primacy of the state continues to be unchallenged basis of political community.
- State capacity has received boost as a consequence of globalisation, with enhanced technologies available at the disposal of the state to collect information about its citizens.

Economic Consequences

- In order to understand economic consequences of globalisation it is important to know that in economic globalisation involves many actors other than IMF, WTO.
- It involves greater economic flows among different countries of the world. Some of this is voluntary and some forced by international institutions and powerful countries.
- Globalisation has involved greater trade in commodities across the globe as it has reduced the imposing of restrictions on the imports of one country on another.

- Economic globalisation has created an intense division of opinion all over the world.
- According to some scholars, economic globalisation is likely to benefit only a small section of the population.
- On the other hand advocates of economic globalisation argue that it generates greater economic growth and well-being for larger sections of the population.

Cultural Consequences

- The consequences of globalisation can also be seen on our culture too and thus it is not confined only to the sphere of politics and economy.
- The cultural globalisation poses a threat because it leads to the rise of a uniform culture or what is called cultural homogenisation.
- Cultural globalisation has both positive as well as negative effect on the world.
- While cultural homogenisation is an aspect of globalisation, the same process also generates precisely the opposite effect.

India and Globalisation

- Flows pertaining to the movement of capital, commodities, ideas and people go back several centuries in Indian History.
- During the British rule, India became an exporter of primary goods and raw materials and a consumer (importer) of finished goods.
- After independence, India decided to be a self-sufficient country rather than being dependent on others.
- In 1991, India embarked on a programme of economic reforms that has sought increasingly to de-regulate various sectors including trade and foreign investment.

Resistance to Globalisation

- Globalisation has invited strong criticism all over the globe. For some globalisation represents a particular phase of global capitalism that makes the rich richer and the poor poorer.
- Culturally, they are worried that traditional culture will be harmed and people will lose their age-old values and ways.
- It is important to note here that anti-globalisation movements too participate in global networks, allying with those who feel like them in other countries.
- The World Social Forum (WSF) is a global platform bringing together human rights activists, environmentalists, labour, youth and women activists opposed to neo-liberal globalisation.

India and Resistance to Globalisation

- Resistance to globalisation in India has come from different quarters.
- There have been left wing protests to economic liberalisation voiced through political parties as well as through some forums.
- Resistance to globalisation has also come from the political right. This has taken the form of objecting particularly to various cultural influences.
- Globalisation is the integration of economy of a country in the process of free flow of trade and capital. It may also include 'Brain drain' across borders.
- Globalisation increases the volume of trade in goods and services, inflows private foreign capital, increases foreign direct investment, creates new jobs, strengthens domestic economies, improves productive efficiency and healthy competition.
- Globalisation may have negative impacts also as it failed to generate sufficient employment, modern methods of cultivation are not acquainted to less educated persons, it creates income inequality and exploits natural resources and labour force.

- The globalisation is the result of historical factors, technological innovations, liberalisation of foreign trade and investment policies, and opening of multinational companies.
- Globalisation consequences may be political, economical and cultural, politically stunts' capacity has received a boost with enhanced technologies to collect information about its citizens.
- Economic flows in various forums, like commodity, capital, people and ideas prompts rich countries to invest their money in countries other than their own. It also draws attention towards the role of IMF and WTO in determining economic policies across the world.
- Cultural globalisation emerges and enlarges our choices and modify our culture without overwhelming the traditional norms i.e. burger can not be a substitute for masala dosa. Hence, it broadens our cultural outlook and promotes cultural homogenisation.
- Globalisation has been criticised on political, economic and cultural grounds i.e. politically it weakens the state by reducing its sovereignty.
- Economically it has made the rich richer and the poor poorer creating disparities. Culturally there has been harmed traditions and lost age old values and ways. The World Social Forum (WSF) has also opposed neo-liberal globalisation.
- In India, Globalisation has led to setting up of foreign companies as India realised the need for relating the Indian economy with the world by responding to 1991 financial crisis.
- Globalisation process includes the thrust to liberalisation or privatisation. Liberalisation proclaims freedom of trade and investment, controls allocation of resources in domestic economy, rapid technological progress whereas privatisation allows private sector and other foreign companies to produce goods and services.
- Resistance to globalisation in India has come from different quarters i.e. left wing protests to economic liberalisation, trade unions of industrial workforce organised protest against multinationals, the patents, resistance from political right i.e. objecting to various cultural influences of foreign T.V. channels, celebration of Valentine's Day and Westernisation of dress of girls students in schools and colleges.

QUESTION BANK

MULTIPLE CHOICE QUESTIONS

Tick (✓) the correct answer :

- Globalisation has led to the flow of ideas across**
 - (a) National boundaries (b) State (c) Political parties (d) Different planets
- With the globalisation of markets, the tastes and preferences of consumers world-wide are**
 - (a) becoming similar to the tastes and preferences of American consumers
 - (b) being encouraged by multinational organisations to become increasingly similar
 - (c) so different that they can be ignored by International Organisations
 - (d) converging upon a global norm
- According to the rightist view in India, globalisation tends to**
 - (a) Benefits the weaker section of the society (b) Divides the State into rich and poor
 - (c) Weakens the State (d) Reduces political party competition
- The seventh WSF meeting was held in:**
 - (a) Delhi, January 2007 (b) Nairobi, January 2007
 - (c) Islamabad, January 2007 (d) New York, January 2007
- Which of the following is available in India because of globalisation?**
 - (a) Foreign TV channels (b) Coca Cola and Pepsi
 - (c) Sansui brand of electronics (d) All of these

6. India implemented the New Economic Policy in the year
 (a) 1980 (b) 1981 (c) 1990 (d) 1991
7. This type of globalisation relates to global markets and the flow of capital, technology and commodities
 (a) Political globalisation (b) Cultural globalisation
 (c) Economic globalisation (d) Opposing globalisation
8. In 1986-87 India's overall budget deficit reached an all-time high of
 (a) 5% of GDP (b) 7% of GDP (c) 9% of GDP (d) 10% of GDP
9. During the colonial period, India became an
 (a) importer of primary goods and raw materials
 (b) exporter of finished goods and also raw materials
 (c) exporter of primary goods and importer of raw materials
 (d) exporter of primary goods and raw materials
10. What is the meaning of Liberalisation?
 (a) Integration among economies (b) Reduced government controls and restrictions
 (c) Policy of planned disinvestment (d) Competitive market
11. Which of the following is a true statements about the impact of globalisation?
 (a) Globalisation has been uneven in its impact on states and societies
 (b) Globalisation has had a uniform impact on all the states and societies
 (c) The impact of globalisation has been confined to the political sphere
 (d) Globalisation inevitably results in cultural homogeneity
12. Which of the statements are true about globalisation?
 (a) Globalisation is only about movement of commodities
 (b) Globalisation does not involve a conflict of values
 (c) Services are an insignificant part of globalisation
 (d) Globalisation is about worldwide interconnectedness
13. Which of the statements are true about globalisation?
 (a) Globalisation is purely an economic phenomenon (b) Globalisation began in 1991
 (c) Globalisation is the same thing as westernisation (d) Globalisation is a multidimensional phenomenon
14. Which of the statements are true about the causes of globalisation?
 (a) Technology is an important cause of globalisation
 (b) Globalisation is caused by a particular community of people
 (c) Globalisation originated in the US
 (d) Economic interdependence alone causes globalisation
15. Removing barriers or restrictions set by the government is referred to as _____?
 (a) Globalisation (b) Liberalisation (c) Regeneration (d) Expansion
16. When did the government remove the barriers for investment in India?
 (a) 1990 (b) 1991 (c) 1992 (d) 1993
17. Globalisation began in India in
 (a) 1990 (b) 1991 (c) 1992 (d) 1993
18. Globalisation is
 (a) An uni dimensional (b) Multi-dimensional phenomenon
 (c) A Political Phenomenon (d) A Cultural Phenomenon
19. The first WSF meeting was organised in -The Earth Summit was held in
 (a) Mumbai in 2004 (b) Delhi in 2004 (c) Porto Alerge in 2001 (d) Paris in 2001

20. Within a year, _____ of the toy shops had replaced Indian toys with Chinese toys?
 (a) 40 to 50% (b) 50 to 60% (c) 70 to 80% (d) 80 to 90%
21. What is the amalgamation and rapid unification between countries identified as?
 (a) Globalisation (b) Liberalisation (c) Socialisation (d) Privatisation
22. The fourth WSF meeting was organised in -
 (a) Brazil (b) India (c) China (d) Bangladesh
23. _____ has helped most in the spread of production of services.
 (a) Email (b) Telegraph (c) Call centres (d) Fax
24. What are the key ideas to understand the process of globalisation and its impact?
 (a) Integration of production (b) Integration of gross profits
 (c) Integration of markets (d) Both (a) and (c)
25. Globalisation aims at the becoming of every culture-
 (a) more different (b) more distinctive
 (c) more different and distinctive (d) more transparent
26. In which meeting there was a protest alleging that unfair trading practised by the developed countries?
 (a) WTO ministerial meetings at Seattle in 1992 (b) IMF meetings at Washington in 1994
 (c) WTO ministerial meeting at Paris in 1990 (d) WTO ministerial meeting at London in 1988
27. In the 2006-07 Budget, the peak rate of custom duty was brought down to :
 (a) 5% (b) 10% (c) 12% (d) 20%
28. Exports now finance more than 80% of imports compared to 60% in 1985, this situation is achieved due to _____.
 (a) Liberalization (b) Privatization (c) Disinvestment (d) Globalisation
29. Which of the statement is false about globaliation?
 (a) Advocates of globalisation argue that it will result in greater economic growth
 (b) Critics of globalisation argue that it will result in greater economic growth
 (c) Advocates of globalisation argue that it will result in cultural hemogenisation
 (d) Critics of globalisation argue that it will result in cultural hemogenisation
30. Who identified the four basic aspects of globalisation?
 (a) IMF (b) UN (c) EU (d) World Bank
31. Why is Africa featured in globalisation?
 (a) Because it is the centre of globalisation
 (b) The diseases mentioned in the picture have their epicentre in Africa
 (c) Because Africa is a poor country
 (d) Because world aims at developing Africa
32. At the simplest level, globalisation is leading to an erosion of
 (a) political capacity (b) state capacity (c) capital capacity (d) global capacity
33. What do the new states withdraw as a result of globalisation?
 (a) Many of its ethics for the welfare of human race
 (b) The ideal world order
 (c) Many of its earlier welfare functions directed at economic and social well-being
 (d) All the above

34. Where does economic globalisation draw our attention to?
 (a) Declining economy
 (b) Poverty in the third world countries
 (c) To the role of international institutions like the IMF and the WTO
 (d) All the above
35. In terms of trade, what is the impact of globalisation?
 (a) Countries are divided in groups and trading with their groups only.
 (b) Developing countries are not given importance in trade.
 (c) Any country can receive the opportunity of trading with the other countries.
 (d) None of the above
36. We can see “a sharp increase” due to globalisation in?
 (a) Employment and capital
 (b) Trade and economic exchanges
 (c) Poverty and hunger
 (d) All of these
37. What are the effects of the increase in economic exchanges between the countries of the world?
 (a) Strong global economic growth
 (b) Sharp decline in the trade
 (c) Decline in the unemployment numbers
 (d) Increase in the index of poverty and hunger index
38. Organisation that does not support the globalisation process
 (a) IMF
 (b) World Bank
 (c) Asian Bank
 (d) WTO
39. What is the integration between countries through foreign trade and foreign investments by multinational corporations (MNCs)?
 (a) International trade
 (b) Globalisation
 (c) International investment
 (d) World trade
40. The other name of World Bank is :
 (a) IDA
 (b) IFC
 (c) IBRD
 (d) All of these
41. has helped most in the spread of production of services?
 (a) Email
 (b) Telegraph
 (c) Call centres
 (d) Fax
42. Assertion: While globalisation is not caused by any single factor, technology remains a critical element.
 Reason: The ability of ideas, capital, commodities and people to move more easily from one part of the world to another has been made possible largely by technological advances.
 (a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 (c) (A) is true, but (R) is false.
 (d) (A) is false, but (R) is true.
43. The wake of globalisation was first felt in the 1990s in India when the finance minister, _____ initiated the economic liberalisation plan.
 (a) Dr. Manmohan Singh
 (b) V.P Singh
 (c) Atal Bihari Vajpayee
 (d) Rajiv Gandhi
44. Choose the correct option that has significantly contributed to the process of ‘Globalisation.’
 (a) Fear of war
 (b) Security threats
 (c) Advancement of technology
 (d) Achievements of the United Nations
45. India has felt the effects of globalisation through increased wealth, fueled in part by increased trade volumes, investment and:
 (a) weapons
 (b) growth
 (c) hatred
 (d) terrorism

- 46. Assertion (A): Economic globalisation involves many actors other than the international institutions.**
Reason (R): What is often called economic globalisation usually involves greater economic flows among different countries of the world.
- Both (A) and (R) are true, but (R) is the correct explanation of (A).
 - Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 - (A) is true, but (R) is false.
 - (A) is false, but (R) is true.
- 47. What was the protest at World Trade Organisation Ministerial Meeting, 1999?**
- The decreasing job opportunities by developed nations
 - The threat of pandemic
 - Unfair trade practices by the economically powerful states
 - Deteriorating cultural practices
- 48. Globalisation has _____ dimensions.**
- political and social
 - social and economic
 - political and economic
 - political, social and economic
- 49. Which one of the following is the disadvantage of globalisation?**
- It creates global opportunities
 - It paves the way for global market
 - It fails to generate sufficient employment
 - None of these
- 50. Assertion (A): The critics argue that contemporary globalisation represents a particular phase of global capitalism that makes the rich richer (fewer) and the poor poorer.**
Reason (R): Weakening of the state leads to a reduction in the capacity of the state to protect the interest of its poor.
- Both (A) and (R) are true, but (R) is the correct explanation of (A).
 - Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 - (A) is true, but (R) is false.
 - (A) is false, but (R) is true.
- 51. Which one of the following is a strong cause of globalisation?**
- The U.S. people initiated globalisation
 - Technology led to globalisation
 - The Cold War led to globalisation
 - The policy of Non-alignment led to globalisation
- 52. Globalisation leads to each culture becoming _____.**
- more different
 - more transparent
 - more distinctive
 - more different and distinctive
- 53. Why did India decide to deregulate various sectors including trade and foreign investment?**
- Because Indian economy was not in balance
 - It was a response to a financial crisis and to the desire for higher rates of economic growth
 - Because government needed money
 - All the above
- 54. Assertion (A): Globalisation need not always be positive; it can have negative consequences for the people.**
Reason (R): Globalisation is a multidimensional concept. It has political, economic and cultural manifestations, and these must be adequately distinguished.
- Both (A) and (R) are true, but (R) is the correct explanation of (A).
 - Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 - (A) is true, but (R) is false.
 - (A) is false, but (R) is true.

55. **The main agenda of the World Social Forum is:**
- (a) opposition to terrorism (b) opposition to neo-liberal globalisation
(c) opposition to colonialism (d) opposition to communism.
56. **What is one of the universal criticism given by the critics to globalisation?**
- (a) The rich get richer and the poor get poorer
(b) The economic depression would start in 21st century
(c) It would lead the concentration of the global wealth to one country
(d) None of these
57. **How did India become an exporter of primary goods and raw materials and a consumer of finished goods?**
- (a) Because of surplus production in agriculture
(b) During the Mughal period this exports increased
(c) As a consequence of Britain's imperial ambitions this exports started
(d) None of the above
58. **Assertion (A): Globalisation results in an erosion of state capacity, that is, the ability of government to do what they can do.**
- Reason (R): Globalisation also gives freedom to governments to act in an arbitrary manner as far as the global issues are concerned.**
- (a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
(b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
59. **Globalisation has allowed the _____ of customs, language and products.**
- (a) restriction (b) spread (c) devaluing (d) escalation
60. _____ **affects us in our home, in what we eat, drink, wear and indeed in what we think.**
- (a) Liberalisation (b) Socialisation (c) Privatisation (d) Globalisation
61. **Global economy is an important _____ of globalisation.**
- (a) component (b) part (c) feature (d) consequence
62. **Assertion (A): In 1991, responding to a financial crisis and to the desire for higher rates of economic growth, India embarked on a programme of economic reforms that has sought increasingly to de-regulate various sectors including trade and foreign investment.**
- Reason (R): This deregulation opened up the new opportunities of local as well as foreign trade. Hence, the hope of creating new employment opportunities.**
- (a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
(b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.
63. **Globalisation has promoted universal brotherhood and sharing of joys and**
- (a) Terrorism (b) Unity (c) Pain (d) Party
64. **When was the meeting of the First World Social Forum organised?**
- (a) 2000 (b) 2001 (c) 2002 (d) 2003
65. **Write down the full form of WTO.**
- (a) World Trade Organisation (b) World Trend Organisation
(c) only (a) (d) World Tourist Organisation

66. **Assertion (A):** There have been left wing protests to economic liberalisation voiced through political parties as well as through forums like the Indian Social Forum.
Reason (R): The left wing believed that globalisation would corrupt the politics of India.
 (a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 (c) (A) is true, but (R) is false.
 (d) (A) is false, but (R) is true.
67. **Globalisation has increased the spread of diseases like**
 (a) HIV/AIDS (b) bird flu (c) swine (d) All of these
68. Sometime _____ influences enlarge the choices or modify our culture without overwhelming the traditions.
 (a) internal (b) external (c) no influence (d) only (a) and (c)
69. **Impact of Globalisation on India:**
 (a) More new jobs have been created in the MNCs like cell phones, fast food, etc.
 (b) India is playing a crucial role among developing countries in trade and commerce by making some companies multinational themselves.
 (c) Foreign Direct Investments have also been increased.
 (d) All the above
70. **Assertion (A):** Global production has a complex structure.
Reason (R): Production of one good may take place in different parts of the world. For instance, an equipment may be formed by combining components produced in different countries.
 (a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 (c) (A) is true, but (R) is false.
 (d) (A) is false, but (R) is true.
71. Through responding to 1991 financial crisis, Indian economy was liberalised to attract foreign _____ investment.
 (a) Direct (b) Indirect (c) Double (d) Single
72. India introduced new trade policy reforms to remove tariffs and restrictions imposed on-
 (a) Exports (b) Imports (c) Goods (d) Services
73. To promote globalisation, India has adopted the policy of an _____ economy.
 (a) close (b) open (c) semi-closed (d) none of these
74. **Assertion (A):** Local businesses may set up joint production process with MNCs and earn higher profits.
Reason (R): MNCs can provide money for additional investments, like buying new machines for faster production.
 (a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 (c) (A) is true, but (R) is false.
 (d) (A) is false, but (R) is true.
75. Globalisation has not generated much more employment opportunities because it needs _____ skilled people only.
 (a) extra (b) low (c) highly (d) zero
76. Technical devices such as telephone, internet, telephone and microchip have contributed to globalisation through exchange of
 (a) ideas (b) capitals (c) both (a) and (b) (d) all of these

77. Globalisation has invited some strong criticisms also despite its positive impacts. Its critical arguments can be categorised as:

- (a) Economic (b) Political (c) Cultural (d) All of these

78. Assertion (A): MNCs can exert a strong influence on production at distant locations.

Reason (R): MNCs set up partnerships with local companies, use local companies for supplies, compete with local companies or buy them up.

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

79. _____ is a global platform to bring together a wide coalition of human rights activists, environmentalists and women activists.

- (a) IMF (b) WSF (c) WTO (d) All of these

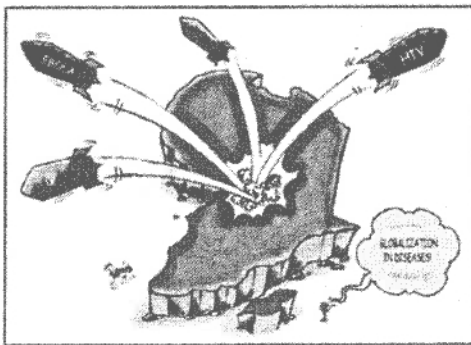
80. _____ permits MNCs to produce goods and services inside the country to attract FDI.

- (a) Globalisation (b) Liberalisation
(c) Privatisation (d) Government programmes

81. Process of globalisation is the result of:

- (a) Historical factors (b) Role of international organisations
(c) Liberalisation and privatisation (d) All of these

82. Study the picture given below and answer the questions that follow-



I. Which one is a financial organisation?

- (a) HDI (b) UN (c) EU (d) World Bank

II. Why is Africa featured in the above picture?

- (a) Because it is the centre of globalisation
(b) The diseases mentioned in the picture have their epicentre in Africa
(c) Because Africa is a poor country
(d) Because the world aims at developing Africa

III. What is depicted in the picture?

- (a) Spread of nuclear weapons (b) Spread of various diseases
(c) Attacks by using biological weapons (d) None of these

83. How did globalisation help in the medical field?

- (a) Exports of medicines increased.
(b) Helped in finding effective and speedy cure for the diseases with the collaboration of the medical facilities and knowledge of many countries.
(c) Inviting foreign doctors and creating employment opportunities in the various countries.
(d) All of the above

84. Study the picture given below and answer the questions that follow:



I. What does the cartoon comment?

- (a) The changing scenario due to globalisation
- (b) The changing scenario due to the Cold War
- (c) The changing scenario due to the First World War
- (d) The changing scenario due to the Second World War

II. What is referred under the title 'Yesterday'?

- (a) Earlier conditions of undeveloped countries
- (b) Earlier conditions of developed countries
- (c) Earlier conditions of developing countries
- (d) Earlier conditions of villages

III. What message does the title 'Today' convey?

- (a) Globalisation opened doors for new entrants
- (b) By developing nations
- (c) Resulted into brain drain
- (d) All the above

Input Text Based MCQ's

Read the below source carefully and answer the following questions (85 to 88):

The most visible impacts of globalisation are definitely the ones affecting the economic world. Globalisation has led to a sharp increase in trade and economic exchanges, but also to a multiplication of financial exchanges. In the 1970s world economies opened up and the development of free trade policies accelerated the globalisation phenomenon. Between 1950 and 2010, world exports increased 33-fold. This significantly contributed to increasing the interactions between different regions of the world.

This acceleration of economic exchanges has led to strong global economic growth. It fostered as well a rapid global industrial development that allowed the rapid development of many of the technologies and commodities we have available nowadays. Knowledge became easily shared and international cooperation among the brightest minds speeded things up. According to some analysts, globalisation has also contributed to improving global economic conditions, creating much economic wealth.

At the same time, finance also became globalised. From the 1980s, driven by neo-liberal policies, the world of finance gradually opened. Many states, particularly the US under Ronald Reagan and the UK under Margaret Thatcher introduced the famous "3D Policy" : Disintermediation, Decommissioning, and Deregulation.

85. In between which years the world's export has increased 33-fold?

- (a) 1970-1980
- (b) 1950-1990
- (c) 1950-2000
- (d) 1950-2010

86. After the 1980s, which policy was introduced by the US and UK?

- (a) 4D Policy
- (b) 3D Policy
- (c) Fair Trade Policy
- (d) None of these

87. Globalisation has resulted in greater inter connectedness among markets around the world and increased _____ and awareness of business opportunities in the far corners of the globe.
 (a) interaction (b) knowledge (c) communication (d) bond
88. What is the impact of an increase in the economic exchanges between the countries of the world?
 (a) Strong global economic growth (b) Sharp decline in the trade
 (c) Decline in the unemployment numbers (d) Increase in the index of poverty and hunger index

Read the below source carefully and answer the following questions (89 to 92):

While everything may not be known about the economic facets of globalisation, this particular dimension shapes a large part of the content and direction of contemporary debates surrounding globalisation. A part of the problem has to do with defining economic globalisation itself. The mention of economic globalisation draws our attention immediately to the role of international institutions like the IMF and the WTO and the role they play in determining economic policies across the world.

Yet, globalisation must not be viewed in such narrow terms. Economic globalisation involves many actors other than these international institutions. A much broader way of understanding of economic globalisation requires us to look at the distribution of economic gains, i.e. who gets the most from globalisation and who gets less, indeed who loses from it. What is often called economic globalisation usually involves greater economic flows among different countries of the world. Some of this is voluntary and some forced by international institutions and powerful countries.

As we saw in the examples at the beginning of this chapter, this flow or exchange can take various forms: commodities, capital, people and ideas. Globalisation has involved greater trade in commodities across the globe; the restrictions imposed by different countries on allowing the imports of other countries have been reduced. Similarly, the restrictions on movement of capital across countries have also been reduced. In operational terms, it means that investors in the rich countries can invest their money in countries other than their own, including developing countries, where they might get better returns.

89. How should globalisation not be viewed?

- (a) In broader terms (b) In narrow terms (c) Positively (d) None of these

90. In terms of trade, what is the impact of globalisation?

- (a) Countries are divided in groups and trading with their groups only.
 (b) Developing countries are not given importance in trade.
 (c) Any country can receive the opportunity of trading with the other countries.
 (d) None of the above

91.state perform certain core functions such as the maintenance of law and order.

- (a) Minimalist state (b) pluralist state (c) nation state (d) Secular state

92. What should we focus on in a broader perspective of globalisation?

- (a) The distribution of economic gains (b) Increasing poverty in third world countries
 (c) Unemployment in economic sectors (d) Increasing population of the world

Read the below source carefully and answer the following questions (93 to 96):

At the most simple level, globalisation results in an erosion of state capacity, that is, the ability of government to do what they do. All over the world, the old 'welfare state' is now giving way to a more minimalist state that performs certain core functions such as the maintenance of law and order and the security of its citizens. However, it withdraws from many of its earlier welfare functions directed at economic and social well-being. In place of the welfare state, it is the market that becomes the prime determinant of economic and social priorities.

The entry and the increased role of multinational companies all over the world leads to a reduction in the capacity of governments to take decisions on their own. What is important is for people in different parts of the world to recognise

these interconnections with the rest of the world. Currently, we are aware of the fact that events taking place in one part of the world could have an impact on another part of the world. The Bird flu or tsunami is not confined to any particular nation. It does not respect national boundaries. Similarly, when major economic events take place, their impact is felt outside their immediate local, national or regional environment at the global level.

93. What is given way recently by the old "Welfare state"?

- (a) More minimalist state
- (b) More capitalist state
- (c) More socialist state
- (d) More democratic state

94. The increase in the MNCs all over the world has resulted in

- (a) the governments' inability to cater to their needs
- (b) the capacity of the nations to incorporate these MNCs
- (c) poverty to the population where these companies are set up
- (d) reduction in the capacity of governments to take decisions on their own

95. At the most simple level, globalisation results in an erosion of

- (a) political capacity
- (b) state capacity
- (c) capital capacity
- (d) global capacity

96. What do the new states withdraw as a result of globalisation?

- (a) Many of its ethics for the welfare of human race
- (b) The ideal world order
- (c) Many of its earlier welfare functions directed at economic and social well-being.
- (d) All the above

ANSWERS

Multiple Choice Questions

- | | | | | | | | | | |
|---------|----------------------------|---------|---------|---------|----------------------------|---------|---------|---------|---------|
| 1. (a) | 2. (d) | 3. (c) | 4. (b) | 5. (d) | 6. (d) | 7. (c) | 8. (c) | 9. (d) | 10. (b) |
| 11. (a) | 12. (d) | 13. (d) | 14. (a) | 15. (b) | 16. (b) | 17. (b) | 18. (b) | 19. (d) | 20. (c) |
| 21. (a) | 22. (b) | 23. (c) | 24. (c) | 25. (c) | 26. (a) | 27. (b) | 28. (d) | 29. (d) | 30. (a) |
| 31. (b) | 32. (b) | 33. (b) | 34. (c) | 35. (c) | 36. (b) | 37. (a) | 38. (c) | 39. (d) | 40. (c) |
| 41. (c) | 42. (a) | 43. (a) | 44. (c) | 45. (b) | 46. (b) | 47. (c) | 48. (d) | 49. (c) | 50. (a) |
| 51. (b) | 52. (d) | 53. (b) | 54. (b) | 55. (b) | 56. (a) | 57. (c) | 58. (c) | 59. (b) | 60. (d) |
| 61. (c) | 62. (a) | 63. (c) | 64. (b) | 65. (a) | 66. (c) | 67. (d) | 68. (b) | 69. (d) | 70. (a) |
| 71. (a) | 72. (b) | 73. (b) | 74. (a) | 75. (c) | 76. (c) | 77. (d) | 78. (a) | 79. (b) | 80. (c) |
| 81. (d) | 82. I-(d), II-(c), III-(d) | | | 83. (d) | 84. I-(a), II-(c), III-(d) | | | | |

Input Text Based MCQ's

- | | | | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 85. (d) | 86. (b) | 87. (c) | 88. (a) | 89. (b) | 90. (d) | 91. (a) | 92. (a) | 93. (a) | 94. (d) |
| 95. (b) | 96. (d) | | | | | | | | |