

## Chapter 3 – Liberalisation, Privatisation & Globalisation: An Appraisal

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### Question 1

What is the other name of the World Bank?

- Federal Bank
- ICICI Bank
- IBRD
- Bank of America

**Answer:** IBRD

### Question 2

Expand WTO.

**Answer:** WTO stands for World Trade Organization

### Question 3

What is Privatisation?

**Answer:** Privatisation is the procedure of transferring an industry or enterprise from the public to the private sector. This is known as destatization and denationalisation.

### Question 4

Why in India, industrial sector growth has lowered down?

- Due to the obtainability of cheaper imports and lower investment
- Public income has increased
- Receiving good response from the exports
- Manpower has decreased in industries

**Answer:** Due to the obtainability of cheaper imports and lower investment

### Question 5

Industrialisation in India has recorded a slowdown in the period of economic reforms. What are the reasons for this?

- Decreasing demand for domestic industrial products
- Globalisation
- India doesn't have access to different markets because of high non-tariff barriers
- All of the above

**Answer:** All of the above

### **Question 6**

What is Globalisation?

**Answer:** Globalisation means, the opening of nationalistic and local outlooks to a broader perspective of an interlinked and interdependent world with free transfer of – goods, capital and services across the national borders.

### **Question 7**

What are indirect taxes?

**Answer:** Indirect taxes are that kind of taxes that are not directly imposed on the income earned; however, it is indirectly imposed on the expenses incurred by an individual. For instance, VAT, service tax, entertainment tax etc., Most of the taxes are merged and called GST.

### **Question 8**

What do economic reforms mean?

**Answer:** Economic reforms implies to those actions which are adapted for production effectiveness, competitive markets and makes sure that rapid growth of the economy.

### **Question 9**

What is the benefit that the domestic industries get by reducing the tariff?

**Answer:** Imports has become cheaper and there is an increase in profit margin on the exports for domestic industries are the primary benefits.

### **Question 10**

What are the Navratnas Companies of India?

**Answer:** During 1997, the Government of India gave the status of Navratna to 9 Public Sector Enterprises (PSEs). Hence, giving them greater autonomy to compete in the market by assisting them in their path to become global tycoons. Currently, in India, there are 17 companies with the title of Navratnas – HAL, BHEL, MTNL, NTPC, Oil India etc., This scheme was introduced by the government to identify Central public sector enterprises (CPSEs) that had a few merits.

### **Question 11**

What is India's Export-Import policy?

**Answer:** The foreign trade policy is outlined and announced by the Central Government (Ministry of Commerce). Foreign Trade Policy or EXIM (Export-Import) policy is a set of regulations, guidelines and instructions established by the DGFT (Directorate General of Foreign Trade) in the matters associated with the EXIM goods in India.

Export and import play an important role in the economic development of all the developing and developed nations. Along with the enhancement of international organisations like – UNCTAD, WTO, ASEAN etc.,

**Question 12**

What is outsourcing? How is India benefitted?

**Answer:** India continues to be the major destination for outsourcing because it has been able to develop with the changing needs. National Association of Software and Services Companies (NASSCOM), which is the primary body of India's foremost IT software and services (IT and BPO) companies, once reported that India's share in the Global Outsourcing market increased from 51% to 55%. India stands out at its best for customer service and effectiveness.