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CLASS X · SOCIAL SCIENCE (087) · ECONOMICS · CBSE BOARD EXAMINATION 2027

ECONOMICS · CHAPTER 4

MODEL ANSWERS

Globalisation and the Indian Economy

Board-Style Answer Booklet · Answers as CBSE expects them

CBSE marking-scheme pattern | Word count on every answer | 63 model answers | Most-probable 2027 answers marked

INSIDE THIS BOOKLET

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HOW TO USE IT

1. Write your own answer first, in the practice notebook.
2. Then open this booklet. Tick each numbered point you also wrote.
3. Give yourself 1 mark per matching point – that is how the examiner marks.
4. Copy any point you missed into My Mistakes (last page of the Chapter Booklet).
5. Rewrite the answer after 3 days, from memory.

USE WITH Chapter Booklet, Economics Ch 4

M

READ THIS FIRST · BASED ON THE CBSE SAMPLE PAPER AND MARKING SCHEME 2026–27

How CBSE Marks Economics

Every answer in this booklet follows the official marking-scheme pattern: numbered value points, keyword first, inside the word limit. Under each answer you will see its word count and how the marks are split.

The Economics section of the 2027 paper

Section D · 20 marks

Item	Type	Marks	Words	What earns the marks
Q29–Q34	MCQs: definitions, data tables, matching, short cases, calculations	1 each	–	Letter + answer
Q35–Q37	Short answers	3 each	60	3 points × 1 mark
Q38	Long answer, (A) **or** (B) – or a 5-mark case with data, as in Sample Paper 2026–27	5	120	5 points, or 1 + 2 + 2
Practice	2-mark questions and 4-mark cases in this booklet build the same skills	2 / 4	40 / 100	One point per mark

Technology and liberalisation were asked in both papers. For 'technology' give transport, telecom and internet; for 'impact' balance gains and losses.

How the marking scheme gives marks

SEVEN RULES

- **Marks come from value points.** Each correct, relevant point earns 1 mark: 2 marks = 2 points, 3 marks = 3 points, 5 marks = 5 points. The scheme accepts "any other relevant point", so a correct NCERT point that is not in our answer also scores.
- **Points are numbered and short.** Official answers have no introduction or conclusion. Our 5-mark answers sometimes add one opening and one closing line only so the answer reads well – skip them when short of time.
- **Keyword first.** Start each point with the key word and underline it – the examiner scans for it. Then give one fact: a name, a date, a number or an example.
- **MCQs:** write the letter and the answer text. Combination questions are answered like "(b) Only a, b and d".
- **Case / source-based:** (i) and (ii) need one clear line each; the 2-mark part needs two separate points. Use the passage's own clues, then add chapter facts.
- **Internal choice:** write "(A)" or "(B)" in the margin and attempt only one.
- **Do not repeat** one idea in two points – it earns one mark only.

Answer frames – copy this shape

2-mark answer ≤ 40 words

1. Keyword: one reason or fact.
2. Keyword: a second, different reason or fact.

Two lines, no introduction.

3-mark answer ≤ 60 words

1. Keyword: point + name / date / number.
2. Keyword: point + example.
3. Keyword: point + result.

One sentence per point.

5-mark answer ≤ 120 words

→ Optional opening line that answers the question in short.

1–5 Five numbered points, keyword first, a fact in each.

→ Optional closing line: "So / Hence …".

Order the points in time, or from cause to result.

Case-based 1 + 1 + 2 · ≤ 100 words

(i) One line, from the passage.

(ii) One line: passage clue + chapter fact.

(iii) Two separate points, one line each.

Never copy the whole passage.

Short of time? Learn these ten first

Most probable for 2027

C1	"Technology has connected the world." Explain.	[3]	C2	How did liberalisation in the 1990s promote globalisation …	[3]
C4	Explain how MNCs spread and control production across …	[5]	C7	Explain the impact of globalisation on India.	[5]
C10	What can the government do to make globalisation fair?	[5]	D1	Case: The Toy Market	[5]
D2	Case: The Shoe Contract	[4]			

A

ANSWERS · PART A

Textbook Check – Answers

Model answers to every Textbook Check question. Underlined words are the keywords the examiner looks for.

MNCs and production

A1. What is a multinational corporation? Why do MNCs set up production in other countries? [2]

1. **Meaning:** a company that owns or controls production in more than one nation.
2. **Why:** to use cheap labour and other resources and earn greater profits.

25 words · limit 40 | Marking: 2 points × 1 = 2 | MUST DO

A2. What factors do MNCs consider before setting up production in a country? [3]

1. **Markets:** nearness to markets.
2. **Labour:** skilled and unskilled labour at low cost.
3. **Policies:** other factors of production and government policies that protect their interests.

24 words · limit 60 | Marking: 3 points × 1 = 3

A3. Explain three ways in which MNCs spread their production across countries. [3]

1. **Joint production:** partnership with local companies.
2. **Buying:** buying local companies, e.g. Cargill Foods bought Parakh Foods.
3. **Orders:** placing orders with small producers for garments, footwear, sports goods.

27 words · limit 60 | Marking: 3 points × 1 = 3 | MUST DO

A4. How does joint production with an MNC benefit a local company? [2]

1. **Money:** the MNC provides money for more investment, e.g. faster machines.
2. **Technology:** it brings the latest technology for production.

19 words · limit 40 | Marking: 2 points × 1 = 2

A5. What is investment? What is foreign investment? [2]

1. **Investment:** money spent on assets like land, buildings, machines and equipment.
2. **Foreign investment:** investment made by MNCs.

17 words · limit 40 | Marking: 2 points × 1 = 2

Foreign trade and globalisation

A6. How does foreign trade integrate markets of different countries? Give an example. [3]

1. **Producers:** they can sell beyond domestic markets.
2. **Buyers:** they get more choice than home-made goods.
3. **Example:** imported toys compete with Indian toys; markets get connected.

25 words · limit 60 | Marking: 3 points × 1 = 3 | MUST DO

A7. What is globalisation? [2]

1. **Meaning:** rapid integration or interconnection between countries.
2. **How:** more goods, services, investment and technology move between countries.

17 words · limit 40 | Marking: 2 points × 1 = 2 | MUST DO

A8. Name three factors that have enabled globalisation. [3]

1. **Transport:** faster and cheaper delivery of goods, e.g. containers.
2. **IT:** telecom, computers and internet connect the world instantly.
3. **Liberalisation:** removal of trade and investment barriers.

25 words · limit 60 | Marking: 3 points × 1 = 3 | 2026 32/1/1 Q35. | MUST DO

A9. What is a trade barrier? Give an example. [2]

1. **Meaning:** a restriction set by the government on foreign trade.
2. **Example:** a tax on imports.

15 words · limit 40 | Marking: 2 points × 1 = 2

A10. Why did the Indian government put barriers on foreign trade after Independence? [2]

1. **Protection:** to protect domestic producers from foreign competition.
2. **New industries:** industries were just coming up in the 1950s–60s.

19 words · limit 40 | Marking: 2 points × 1 = 2

A11. What is liberalisation? When did India adopt it? [2]

1. **Meaning:** removing barriers or restrictions set by the government.
2. **India:** around 1991 barriers on trade and investment were largely removed.

20 words · limit 40 | Marking: 2 points × 1 = 2 | 2026 32/1/1 Q32; 2025 32/1/1 Q24. | MUST DO

A12. What is the WTO? What is its aim? [2]

1. **Aim:** an organisation that aims to liberalise international trade.
2. **Rules:** it sets trade rules and sees they are obeyed; started by developed countries.

23 words · limit 40 | Marking: 2 points × 1 = 2

Impact and fair globalisation

A13. How has globalisation benefited consumers in India? [3]

1. **Choice:** greater choice of goods.
2. **Quality and price:** better quality at lower prices.
3. **Living standards:** well-off consumers enjoy higher standards of living.

22 words · limit 60 | Marking: 3 points × 1 = 3

A14. How has globalisation affected small producers in India? [3]

1. **Competition:** tough competition from MNCs and imports.
2. **Closures:** many units making batteries, capacitors, plastics, toys and tyres closed.
3. **Jobs:** many workers lost their jobs.

24 words · limit 60 | Marking: 3 points × 1 = 3 | MUST DO

A15. What are Special Economic Zones? [3]

1. **Meaning:** industrial zones set up by the government to attract foreign companies.
2. **Facilities:** world-class electricity, water, roads, transport, storage, recreation and education.
3. **Tax:** companies pay no taxes for the first five years.

32 words · limit 60 | Marking: 3 points × 1 = 3

A16. What is fair globalisation? [2]

1. **Opportunity:** globalisation that creates opportunities for all.
2. **Sharing:** it ensures that benefits are better shared.

15 words · limit 40 | Marking: 2 points × 1 = 2

B

ANSWER KEY · PART B

Objective – Answer Key

All 20 MCQ and assertion–reason answers, each with a one-line reason so you learn the fact, not only the letter.

Write the option letter **and** the answer, as the marking scheme does – e.g. "(b) ..." followed by the answer text.

Q	Answer	Why (one line)
B1	**(a) a multinational corporation**	MNC.
B2	**(b) buying up a local company**	Most common route.
B3	**(c) investment**	By an MNC = foreign investment.
B4	**(d) cheap labour and nearness to markets**	Low cost, big profits.
B5	**(a) integration of markets in different countries**	Markets get connected.
B6	**(b) a trade barrier**	Restricts imports.
B7	**(c) liberalisation**	One cause of globalisation.
B8	**(d) 1991**	New policy.
B9	**(a) liberalise international trade**	Rules for trade.
B10	**(b) Tata Motors**	Also Infosys, Asian Paints.
B11	**(c) Both are correct**	Both are technology factors.
B12	**(d) five years**	To attract investment.
B13	**(a) a-ii, b-iv, c-i, d-iii**	Learn the four terms.
B14	**(b) competition from foreign trade**	Integration of markets.
B15	**(c) Small producers of batteries and toys**	Compete or perish.
B16	**(d) Proper implementation of labour laws**	Workers get their rights.
B17	**(a) Both A and R are true, and R is the correct explanation of A.**	R explains A.
B18	**(b) Both A and R are true, but R is not the correct explanation of A.**	Both true; different ways.
B19	**(d) A is false, but R is true.**	A false; R true.
B20	**(c) A is true, but R is false.**	A true; R false – they were just coming up.

C

ANSWERS · PART C

Board Pattern – Answers

Model answers in the marking-scheme pattern. Orange tags show where a similar question came in a board or sample paper.

Factors enabling globalisation

★★★ 2 of 2 papers · 1–3 marks

C1. "Technology has connected the world." Explain. [3]

1. **Transport:** containers and faster ships and planes cut the cost and time of delivery.
2. **Telecom:** phones, fax and satellites link far-off places instantly.
3. **Internet:** email and video calls let services be done from anywhere.

34 words · limit 60 | Marking: 3 points × 1 = 3 | 2026 32/1/1 Q35; 2025 32/1/1 Q20. | MUST DO

C2. How did liberalisation in the 1990s promote globalisation in India? [3]

1. **Barriers removed:** restrictions on imports and foreign investment were largely removed.
2. **Trade:** goods could be imported and exported more easily.
3. **MNCs:** foreign companies set up factories and offices in India.

30 words · limit 60 | Marking: 3 points × 1 = 3 | 2025 32/1/1 Q24. | MUST DO

C3. Explain the factors that have enabled globalisation. [5]

1. **Transport:** faster, cheaper delivery of goods over long distances.
2. **Telecom:** phones, fax and satellites for instant communication.
3. **Computers and internet:** information shared instantly; services done from far away.
4. **Liberalisation:** governments removed trade and investment barriers.
5. **WTO:** common rules pushed countries to liberalise trade.

43 words · limit 120 | Marking: 5 points × 1 = 5

MNCs and foreign trade

★★☆ NCERT core · 3–5 marks

C4. Explain how MNCs spread and control production across countries. [5]

1. **Location:** near markets, with cheap labour and helpful policies.
2. **Joint production:** partnerships give local firms money and technology.
3. **Buying:** buying local companies, e.g. Cargill bought Parakh Foods.
4. **Orders:** orders to small producers for garments, footwear, sports goods.
5. **Control:** they decide price, quality, delivery and labour conditions.

46 words · limit 120 | Marking: 5 points × 1 = 5 | MUST DO

C5. How does foreign trade lead to integration of markets? Explain with an example. [3]

1. **Producers:** they sell beyond domestic markets.
2. **Buyers:** they choose from goods made in other countries.
3. **Example:** imported toys in Indian shops; prices of similar goods in both markets move closer.

30 words · limit 60 | Marking: 3 points × 1 = 3

C6. Why had India put barriers on foreign trade and investment after Independence? Why were they removed? [3]

1. **Protection:** to protect domestic producers from foreign competition.
2. **New industries:** industries were just coming up and needed time.
3. **Removal:** by 1991 competition was expected to improve quality, so barriers were removed.

31 words · limit 60 | Marking: 3 points × 1 = 3

Impact of globalisation on India

★★☆ NCERT core · 3–5 marks

C7. Explain the impact of globalisation on India. [5]

1. **Consumers:** greater choice, better quality and lower prices for the well-off.
2. **New jobs:** MNC investment in phones, cars, electronics and food created jobs.
3. **Indian companies:** top firms gained technology; Tata Motors and Infosys became MNCs.
4. **Services:** IT, call centres and data work grew.
5. **Small producers:** many units closed; workers lost jobs or got insecure work.

55 words · limit 120 | Marking: 5 points × 1 = 5 | MUST DO

C8. How has globalisation created new opportunities for Indian service companies? [3]

1. **IT:** Indian firms do software and IT work for foreign clients.
2. **Call centres:** customer care for MNCs is run from India.
3. **Other work:** data entry, accounting, administration and engineering are done in India.

33 words · limit 60 | Marking: 3 points × 1 = 3

C9. "Globalisation has made workers' jobs less secure." Explain. [3]

1. **Flexibility:** employers hire workers only for short periods when work is high.
2. **Conditions:** long hours, night shifts and low wages in peak seasons.
3. **Security:** no permanent jobs or benefits; workers can be laid off.

34 words · limit 60 | Marking: 3 points × 1 = 3

Fair globalisation and the WTO

★★☆ NCERT core · 3–5 marks

C10. What can the government do to make globalisation fair? [5]

1. **Labour laws:** implement labour laws properly so workers get their rights.
2. **Small producers:** support them until they can compete.
3. **Barriers:** use trade and investment barriers if necessary.
4. **WTO:** negotiate at the WTO for fairer rules.
5. **Alliance:** join other developing countries against domination by developed ones.

45 words · limit 120 | Marking: 5 points × 1 = 5 | MUST DO

C11. How are WTO rules unfair to developing countries? [3]

1. **Pressure:** developing countries are forced to remove trade barriers.
2. **Double standard:** developed countries keep their barriers unfairly.
3. **Subsidies:** US farmers get huge subsidies, sell cheap and hurt farmers elsewhere.

29 words · limit 60 | Marking: 3 points × 1 = 3

C12. What are SEZs? Why has the government set them up? [3]

1. **Meaning:** zones with world-class power, water, roads, transport and storage.
2. **Tax:** no taxes for the first five years.
3. **Purpose:** to attract foreign companies to invest in India.

27 words · limit 60 | Marking: 3 points × 1 = 3

D

ANSWERS · PART D

Case-Based – Answers

One line each for the 1-mark parts; separate points for the 2-mark parts. The whole answer stays within the word limit.

D1. Case-Based · The Toy Market (printed in the booklet) [5]

(i) By how many did the local toy units fall from Year 1 to Year 3? [1]

240 (500 – 260).

(ii) How were buyers and local producers affected? One point each. [2]

(i) Buyers got more choice at lower prices – ₹300 fell to ₹200.
(ii) Local producers lost sales to imports and many units shut down.

(iii) Suggest two steps the government could take to protect small toy producers. [2]

(i) Support them with cheap credit, technology and training until they can compete.
(ii) Use a trade barrier such as an import tax if necessary.

53 words in all · limit 120 | Marking: 1 + 2 + 2 = 5 | 5-mark data case: 1 + 2 + 2.

D2. Case-Based · The Shoe Contract (printed in the booklet) [4]

(i) How is the MNC controlling production here? [1]

By placing orders with small producers.

(ii) Who decides the price and quality of the shoes? [1]

The MNC.

(iii) Give two effects of such contracts on workers. [2]

(i) They get work when orders come.
(ii) Pressure for low wages, long hours and temporary jobs.

25 words in all · limit 100 | Marking: 1 + 1 + 2 = 4

D3. Case-Based · Pages Across the Ocean (printed in the booklet) [4]

(i) **Which factor of globalisation does this show?** [1]

Information and communication technology.

(ii) **To which sector does the Pune firm's work belong?** [1]

Tertiary (service) sector.

(iii) **Give two other ways technology has helped globalisation.** [2]

(i) Containers make transport of goods faster and cheaper.
(ii) Phones and video calls let people talk across the world instantly.

28 words in all · limit 100 | Marking: 1 + 1 + 2 = 4 | Same theme as 2026 32/1/1 Q35 and 2025 32/1/1 Q20.

D4. Case-Based · Opening the Doors (printed in the booklet) [4]

(i) **What is this policy change called?** [1]

Liberalisation.

(ii) **Why had India kept such barriers earlier?** [1]

To protect industries that were just coming up.

(iii) **Give two effects of this change.** [2]

(i) Consumers got more choice and better quality.
(ii) Indian firms faced competition and had to improve.

26 words in all · limit 100 | Marking: 1 + 1 + 2 = 4 | Same theme as 2026 32/1/1 Q32 and 2025 32/1/1 Q24.

D5. Case-Based · The Bucket Maker (printed in the booklet) [4]

(i) **Why did Kiran's sales fall?** [1]

Competition from imports and big companies.

(ii) **What has happened to her workers' jobs?** [1]

They are temporary and insecure.

(iii) **Suggest two ways the government can help producers like Kiran.** [2]

(i) Cheap credit and better technology until she can compete.
(ii) Use trade barriers if necessary.

27 words in all · limit 100 | Marking: 1 + 1 + 2 = 4