

QB365 Question Bank Software Study Materials

Liberalization, Privatization, and Globalization 45 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Commerce

Total Marks : 45

Multiple Choice Question

45 x 1 = 45

- 1) _____ is the result of New Industrial Policy which abolished the 'License System'.
(a) Globalisation (b) Privatisation (c) **Liberalisation** (d) None of these
- 2) _____ means permitting the private sector to setup industries which were previously reserved for public sector.
(a) Liberalisation (b) **Privatisation** (c) Globalisation (d) Public Enterprise
- 3) _____ ownership makes bold management decisions due to their strong foundation in the international level.
(a) **Private** (b) Public (c) Corporate (d) MNC's
- 4) _____ results from the removal of barriers between national economies to encourage the flow of goods, services, capital and labour.
(a) Privatisation (b) Liberalisation (c) **Globalisation** (d) Foreign Trade
- 5) New Economic Policy was introduced in the year_____.
(a) 1980 (b) **1991** (c) 2013 (d) 2015
- 6) India is one among such nations to commit itself to the New Economic Policy in
(a) **1991** (b) 1995 (c) 1990 (d) 1986
- 7) Liberalization is the result of New Industrial policy which abolished the
(a) License System (b) License Ray (c) **Both (a) and (b)** (d) None of these
- 8) Investment limit of the small scale industries have been raised to
(a) Rs. 50lakhs (b) Rs. 25lakhs (c) **Rs. 1 cr** (d) Rs. 5 cr
- 9) If a country liberalises its trade, it will make the country more attractive for
(a) **inward investment** (b) exchange reserve (c) consumption (d) price
- 10) The removal of tariff barriers can lead to lower prices for
(a) suppliers (b) **consumers** (c) competitors (d) none of these
- 11) Which of the following reduces the dependence on external commercial borrowings by attracting more foreign investments.
(a) Privatization (b) **Liberalization** (c) Globalization (d) None of the above
- 12) The trade liberalisation often benefits developed countries rather than developing
(a) nations (b) sector (c) **economies** (d) none of these
- 13) A number of multinational companies started operating world wide including
(a) **India** (b) China (c) America (d) London
- 14) Memorandum of understanding system was introduced in
(a) 1990 (b) **1991** (c) 1992 (d) 1994

- 15) Privatization is associated with improved efficiency due to the
 (a) service motive **(b) profit motive** (c) customer's satisfaction (d) higher employment
- 16) Liberalisation, privatisation and globalisation are the aims of
 (a) Economic planning (b) Socialistic pattern of society (c) Land reforms **(d) Economic reforms**
- 17) Globalisation has posed major challenges for
 (a) big producers **(b) small producers** (c) rural poor (d) none of these
- 18) Globalisation has created new opportunities of
 (a) employment (b) emerging multinational (c) providing services **(d) all of the above**
- 19) Removing barriers or restrictions set by the government is called
(a) liberalisation (b) privatisation (c) disinvestment (d) globalisation
- 20) One major factors that has stimulated the globalisation process is
 (a) effective utilisation of resources (b) increase in income and wealth (c) Willingness to cooperate
(d) rapid improvement in technology
- 21) By which act government checks restrictive trade?
 (a) Industrial Policy Act 1991 **(b) MRTP Act** (c) FEMA Act (d) None of these
- 22) Liberalization means
 (a) Reducing number of reserved industries from 17 to 80
(b) Liberating the industry, trade and economy from unwanted restrictions
 (c) Opening up of economy to the world by attaining international competitiveness (d) Free determination of interest rates
- 23) Globalization can create problems for business because.
(a) it can result in more competition
 (b) it increases vulnerability to the political risk and uncertainty when operating abroad
 (c) it means that they can increase price (d) none of the above

24)

List I	List II
i) IMF	1) Liberalization, privatization and Globalization
ii) NEP	2) International Bank for Reconstruction and Development
iii) LPG	3) New Economic polic
iv) IBRD	4) International Monetary Fund

- (a) (b) **(c)** (d)
- | | | | |
|------------------|------------------|-------------------------|------------------|
| (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) |
| 1 2 3 4 | 3 4 2 1 | 4 3 1 2 | 2 1 4 3 |

25)

List I	List II
i) Industrial Licensing	1) 1991
ii) Invest limit of small industries	2) Human resources and technology
iii) Foreign Exchange reforms	3) Rs.1crore
iv) Export and import transactions	4) Six specific industries

- (a) (b) (c) **(d)**
- | | | | |
|------------------|------------------|------------------|-------------------------|
| (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) |
| 2 3 1 4 | 1 2 3 4 | 3 4 2 1 | 4 3 1 2 |

- 26) _____ refers to laws or rules being liberalized or relaxed by a government.
(a) Liberalization (b) Privatization (c) Globalization (d) All of these
- 27) Currently, only _____ industries are under compulsory licensing.
 (a) two (b) three (c) four **(d) five**
- 28) _____ industry has been liberalised.
(a) Drugs and pharmaceuticals (b) Hazardous chemicals (c) Tobacco products (d) Defence equipment
- 29) _____ often leads to a shift in the balance of an economy.
 (a) Trade liberalization **(b) Trade privatization** (c) Trade globalisation (d) None of these
- 30) _____ means firms will face greater competition from abroad.
 (a) Impact liberalization **(b) Trade liberalization** (c) Globalization (d) Privatization
- 31) _____ is the latest outcome of liberalization.
 (a) Exchange (b) Increase in employment **(c) Foreign collaboration** (d) None of these
- 32) _____ means permitting the private sector to set up industries which were previously reserved for the Public Sector.
 (a) Liberalization **(b) Privatization** (c) Globalisation (d) None of these
- 33) _____ started selling shares of PSUs to Public and Financial institution
(a) Indian Government (b) State Government (c) Central Government (d) None of these
- 34) _____ ownership makes bold management decisions due to their strong foundation at international level
(a) Private (b) Public (c) Both (d) None
- 35) _____ means, to send or bring money back to one's own country
 (a) Trade policy (b) Promotion (c) Tariffs **(d) Repatriate**
- 36) _____ brings an end to the difference between domestic and international markets.
 (a) Liberalization **(b) Globalization** (c) Privatization (d) None of these
- 37) _____ advancement paves way for a company to enter foreign market
(a) Technological (b) Foreign exchange (c) Brain drain (d) Foreign institutions
- 38) Globalisation widens the gap between _____ and _____
 (a) employers,employees (b) employment, unemployment **(c) rich, poor** (d) Capitalism, socialism
- 39) Match the following.
- | | |
|----------------|--|
| Liberalization | (i) Regard to foreign investment |
| Privatization | (ii) General Agreement on Trade in service |
| Globalization | (iii) Law or rules being relaxed by Government |
| GATS | (iv) Government to Private sector |
- (a)**

A	B	C	D
iii	vi	ii	

 (b)

A	B	C	D
i	ii	iii	iv

 (c)

A	B	C	D
iiii	i	iv	

 (d)

A	B	C	D
i	ii	iv	iii
- 40) Pick out the odd one
 (a) Liberalization (b) Privatization (c) Globalization **(d) New Economic policy**
- 41) Assertion (A) : Liberalization has opened up new business opportunities abroad and increased foreign direct investment.
 Reason (R) : Increase in the efficiency of Government understandings.

- (a) Both (A) and (R) are true and (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
- 42) Which is not correctly matched
- (a) FDI - Foreign Direct Investment (b) WTO - World Trade Organization
- (c) LPG - Liberalization, Privatization and Globalization **(d) Foreign Exchange reforms - 1993**
- 43) Non-liberalized industries are _____
- (a) Tobacco products (b) Chemicals (c) Electronic **(d) All the these**
- 44) The new economic policy are _____
- (a) Liberalization (b) Privatization (c) Globalization. **(d) All the above**
- 45) GATT is _____
- (a) General Agreements on Trade and Tariff** (b) General Aggressive on Trade and Tariff
- (c) General Account of Trade and Tariff (d) General Assembly on Trade and Trend