

# ATOMIC ENERGY CENTRAL SCHOOLS

## Worksheet

### Economics (Class-X)

#### Chapter-4 Globalization and the Indian Economy

#### (Module 2/5)

Choose the correct option

1	Which one of the following refers to investment a. The money spent on religious money b. The money spent on social customs c. the money spent to buy assets such as land d. the money spent on household goods
2.	MNCs keep in mind certain factors before setting up production. Identify the INCORRECT option- a. Availability of cheap skilled and unskilled labour b. Nearness to the market c. Presence of a large number of local competitors d. Favorable government policies.
3.	The most common route for investment by MNCs in countries around the world is to a. set up new factories b. Buy existing local companies c. Form partnership with local companies d. None of these
4.	Which one of the following is a major benefit of joint production between a local company and a MNC? a. MNC can bring latest technology in the production. b. MNC can control the increase in the price c. MNC can buy the local company

	d. MNC can sell the product under its brand name.
5.	Investment made by MNCs is called----- a. Direct investment b. Indirect investment c. Foreign investment d. Additional investment
6.	Which of the following is a MNC? a. Nokia b. Honda c. Pepsi d. All of these
7.	Which is the primary purpose of a MNC to establish its branch in another country? a. To reduce the cost of production b. To increase the expenditure c. To develop other country d. For charity

Answer the following questions-

1. Which are the things MNCs keep in mind before setting up their production in foreign countries?
2. Differentiate between investment and foreign investment.
3. Mention the main ways or routes in which MNCs set up or control production in other countries.
4. Mention two benefits that local companies get when they set up joint production with a MNC.