

# THE MAKING OF A GLOBAL WORLD

## Syllabus

- *The Pre-modern World.*
- *The Nineteenth Century (1815-1914).*
- *The Inter-War Economy.*
- *Rebuilding a World Economy: The Post-War Era*



## Learning Outcomes

- *Show that globalization has a long history and point to the shifts within the process.*
- *Analyze the implication of globalization for local economies.*
- *Discuss how globalization is experienced differently by different social groups.*

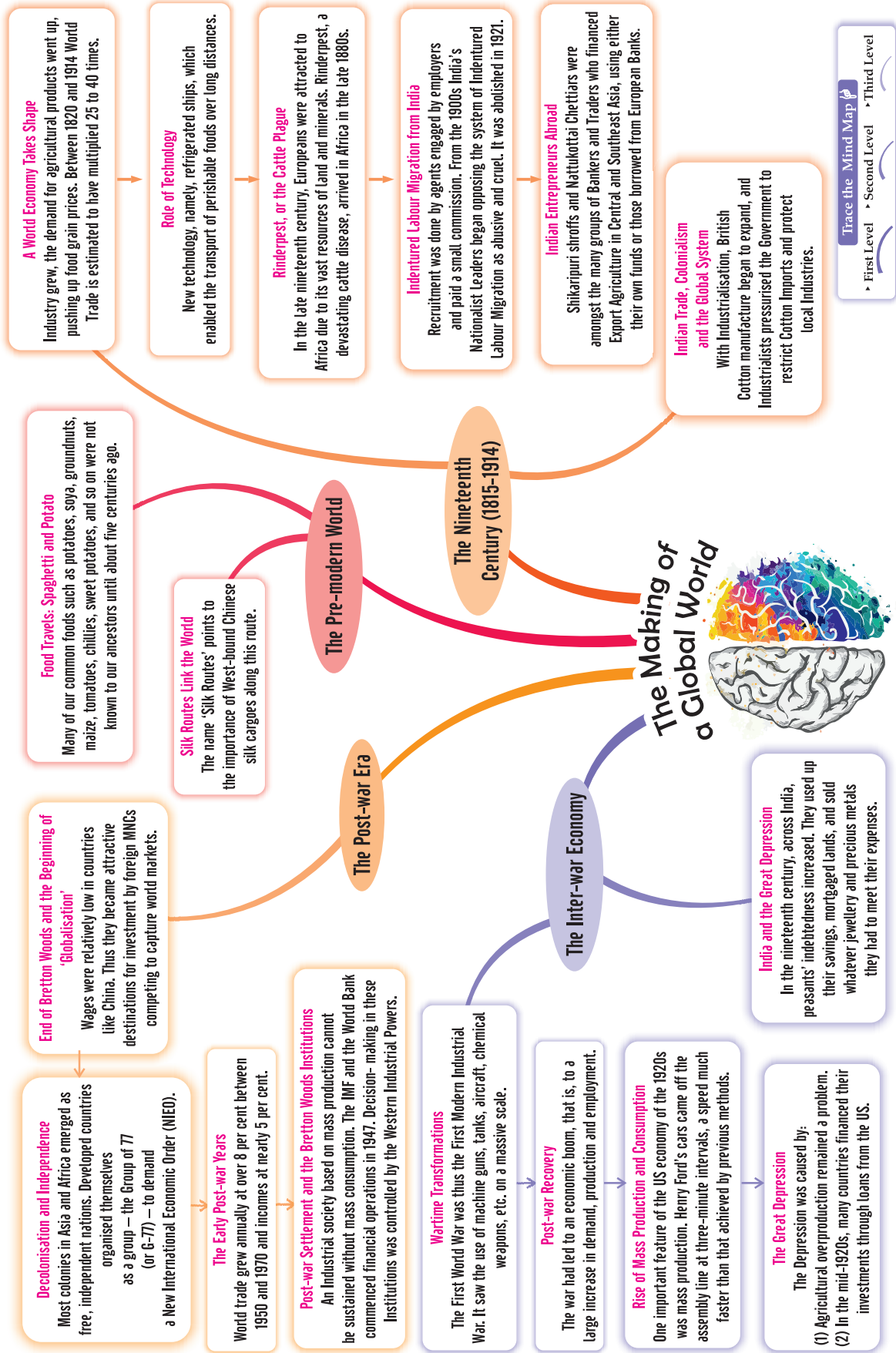


## Revision Notes

### The Pre-Modern World and the Nineteenth Century

#### The Pre-Modern World

- Globalisation refers to an Economic System that has emerged since the last 50 years.
- From ancient times, travellers, traders, priests and pilgrims travelled vast distances for knowledge, opportunity, spiritual fulfilment or to escape persecution.
- The Silk Routes are a good example of pre-modern trade and cultural links between distant parts of the world.
- The name 'Silk Routes' points to the importance of West-bound Chinese silk cargoes along this route.
- Trade and cultural exchange always went hand in hand.
- Traders and travellers introduced new crops to the lands that they travelled.
- Europe's poor began to eat better and live longer with the introduction of the humble Potato.
- Ireland's poorest peasants became so dependent on potatoes that when disease destroyed the potato crop in the mid-1840s, hundreds of thousands died of starvation.
- European sailors found a sea route to Asia and also successfully crossed the western ocean to America.
- Precious metals, particularly silver, from mines located in present day Peru and Mexico also enhanced Europe's wealth and financed its trade with Asia.
- The Portuguese and Spanish conquest and Colonisation of America was decisively underway by the mid-sixteenth century.



- The most powerful weapon of the Spanish conquerors was the germs such as those of smallpox that they carried on their person.
- Due to their long isolation, America's original inhabitants had no immunity against these diseases that came from Europe. Smallpox, in particular proved to be fatal.
- Until the 19<sup>th</sup> century, poverty and hunger were common in Europe. Cities were crowded and deadly diseases were widespread.
- In the 18<sup>th</sup> century, China and India were among the world's richest countries. They were also pre-eminent in Asian trade.
- However, from the 15<sup>th</sup> century, China is said to have restricted overseas contacts and retreated into isolation.
- China's reduced role and the rising importance of the America gradually moved the centre of world trade Westwards.
- Europe now emerged as the centre of world trade.

### **The Nineteenth Century:**

- Economic, political, social, cultural and technological factors interacted in complex ways to transform societies and reshape external relations.
- Economists identify three types of movement or 'flows' within International Economic Exchanges.
  - The flow of Trade.
  - The flow of Labour.
  - The Movement of capital .
- Due to increase in population from the late 18<sup>th</sup> century, the demand for food grains in Britain had increased.
- Since, there was pressure from landed groups, the government also restricted the import of corn.
- The laws allowing the government to do this were commonly known as the 'Corn Laws'.
- Railways were needed to link the agricultural regions to the ports.
- New harbours had to be built and people had to settle on the lands which meant building homes and settlements.
- All these activities in turn required capital and labour. Capital flowed from financial centres such as London.
- The demand for labour in places where labour was in short supply—as in America and Australia, led to more migration.
- By 1890, a Global Agricultural Economy had taken shape.
- The British Indian Government built a network of irrigation canals to transform semi-desert wastes into fertile agricultural lands that could grow wheat and cotton for export. The railways, steamships, the telegraph were important inventions without which we cannot imagine the transformed nineteenth-century world.
- Colonisation stimulated new investments and improvements in transport.
- The trade in meat offers a good example of this connected process. Till the 1870s, animals were shipped live from America to Europe and then slaughtered when they arrived there.
- Better living conditions promoted social peace within the country and support for imperialism abroad.
- Trade flourished and markets expanded in the late nineteenth century.
- Britain and France made vast additions to their overseas territories in the late nineteenth century. Belgium and Germany became new Colonial Powers.
- In the 1880s, a fast-spreading disease of Cattle Plague or Rinderpest had a terrifying impact on the African local economy. It was carried by infected cattle imported from British Asia to feed the Italian soldiers invading Eritrea in East Africa. Entering Africa in the East, Rinderpest moved west 'like forest fire'. The loss of cattle destroyed African livelihoods.
- In the late 19<sup>th</sup> century, Europeans were attracted to Africa due to its vast resources of land and minerals. But there was a shortage of labour willing to work for wages. Employers used many methods to recruit and retain labour.
- Heavy taxes were imposed which could be paid only by working for wages on plantations and mines.
- In the 19<sup>th</sup> century, hundreds of thousands of Indian and Chinese labourers went to work on plantations, in mines, and in road and railway construction projects around the world.
- In India, indentured labourers were bonded labourers who were transferable to any country on contract for a specific amount of wage and time. Most of the labourers were from Uttar Pradesh, Bihar, Central India and certain districts of Tamil Nadu.
- The 19<sup>th</sup> century indenture has been described as a 'New System of Slavery'.
- From the 1900s, India's nationalist leaders began opposing the system of Indentured Labour Migration as abusive and cruel. It was abolished in 1921.
- Shikaripuri Shroff and Nattukottai Chettiyars were amongst the many groups of bankers and traders who financed Export Agriculture in Central and South-east Asia.
- Indian Traders and Moneylenders also followed European colonisers into Africa.
- With the advent of industrialisation, British cotton manufacture began to expand and industrialists pressurised the government to restrict cotton imports and protect local industries.
- Tariffs were imposed on cloth imports into Britain. Consequently, the inflow of fine Indian cotton began to decline.
- Indigo used for dyeing cloth was another important export for many decades. British manufactures flooded the Indian Market.

- The value of British Exports to India was much higher than the value of British imports from India. Thus, Britain had a 'Trade Surplus' with India.
- Britain used this surplus to balance its trade deficits with other countries – that is, with countries from which Britain was importing more than it was selling to.

## The Inter-War and Post-War Economy

### The Inter War Economy:

- The First World War (1914-18) was mainly fought in Europe but its impact was felt around the world due to widespread economic and political instability.
- This war was thus, the First Modern Industrial War. It saw the use of machine guns, tanks, aircraft, chemical weapons, etc., on a massive scale.
- Most of the killed and maimed were men of working age and these deaths and injuries reduced the able-bodied workforce in Europe.
- Britain borrowed large sums of money from the US Banks as well as the US public which transformed the US from being an "International Debtor to an International Creditor".
- Britain was the world's leading economy in the pre-war period but had to face a prolonged crisis. In the meanwhile, industries had developed in India and Japan.
- After the war, Britain found it difficult to recapture its earlier position of dominance in the Indian Market and to compete with Japan internationally.
- The war had led to an economic boom, that is, to a large increase in demand, production and employment.
- Before the war, Eastern Europe was a major supplier of wheat in the world market but during the war its supply disrupted and wheat production in Canada, America and Australia expanded immensely.
- But after the war, production in Eastern Europe revived and created a glut in wheat output. Grain prices fell, rural incomes declined and Farmers fell deeper into debt.
- One important feature of the US economy of the 1920s was Mass Production. A well-known pioneer of mass production was the Car Manufacturer, Henry Ford.
- The T-Model Ford was the world's first mass-produced car.
- Mass production lowered costs and prices of engineered goods and there was an increase in the purchase of refrigerators, washing machines, radios, gramophone players, all through a system of 'hire purchase'.
- Large investments in housing and household goods seemed to create a cycle of higher employment and incomes, rising consumption demand, more investment and yet, more employment and incomes.

### The Great Depression:

- By 1929 the world plunged into a depression called -The Great Depression of 1929.
- During this period most parts of the world experienced catastrophic declines in production, employment, incomes and trade.
- The depression was caused by a combination of several facts of agricultural overproduction.
- Many countries financed their investments through loans from the US. The withdrawal of the US loans affected much of the rest of the world.
- With the fall in prices and the prospect of a depression the US Banks had also slashed domestic lending and called back loans.
- The Great Depression's wider effects on society, politics and international relations, and on peoples' minds, proved more enduring.
- Since Colonial India had become an exporter of agricultural goods and importer of manufactures, the depression immediately affected Indian trade.
- Peasants and farmers suffered more than urban dwellers though agricultural prices fell sharply, the Colonial Government refused to reduce revenue demands.
- This resulted in the increase of indebtedness of the Indian peasants who used up their savings, mortgaged lands, and sold whatever jewellery and precious metals they had to meet their expenses.
- The famous economist John Maynard Keynes thought that Indian gold exports promoted global economic recovery.

### The Post War Era:

- The Second World War broke out merely after two decades of the First World War and brought enormous death and destruction.
- It was fought between the Axis powers (mainly Nazi Germany, Japan and Italy) and the Allies (Britain, France, the Soviet Union and the US).
- The war caused an immense amount of economic devastation and social disruption.

- There were two impacts that influenced post-war reconstruction. The first was the US's Emergence as the dominant economic, political and military power in the Western world and the second was the dominance of the Soviet Union.
- **Economists and politicians drew two key lessons from Inter-war economic experiences:**
  - (i) An Industrial Society based on mass production cannot be sustained without mass consumption.
  - (ii) The second lesson related to a country's economic links with the outside world.
- The main aim of the Post-war International Economic System was to preserve economic stability and full employment in the Industrial World.
- **The Bretton Woods conference established:**
  - (i) The International Monetary Fund (IMF) to deal with external surpluses and deficits of its member nations.
  - (ii) The International Bank for Reconstruction and Development (popularly known as the World Bank) was set up to finance post-war reconstruction.
- The Post-War International Economic System is also often described as the Bretton Woods system which inaugurated an era of unprecedented growth of trade and incomes for the Western Industrial Nations and Japan.
- When the Second World War ended, large parts of the world were still under European colonial rule but in the next two decades most colonies in Asia and Africa emerged as Free, Independent Nations.
- The IMF and the World Bank were designed to meet the financial needs of the Industrial Countries.
- Most developing countries did not benefit from the fast growth that the Western economies experienced in the 1950s and 1960s therefore, they organized themselves as a group—the Group of 77 (or G-77)—to demand a New International Economic Order (NIEO).
- By the NIEO they meant a system that would give them real control over their natural resources, more development assistance, fairer prices for raw materials and better access for their manufactured goods in developed countries' markets.
- The Industrial World was hit by unemployment that began rising from the mid-1970s and remained high until the early 1990s.
- From the late 1970s., MNCs also began to shift production operations to low-wage Asian countries, China being one of them.
- China became an attractive destination for investment by foreign MNCs, competing to capture world markets.
- The relocation of industries to low-wage countries stimulated world trade and capital flows.



## Know the Terms

- **Globalisation:** Globalisation is generally associated with economy as the free movement of capital, goods, technology, ideas and people across the globe. Globalisation in a broader sense also includes cultural exchanges between different countries of the world.
- **Silk Route:** The route taken by traders to carry silk cargoes from China to the West, which affected cultures of China, Central Asia and the West.
- **Cowrie:** A Hindi word meaning 'Sea shells'. These were used in the ancient world as a form of currency.
- **Coolies:** Indian indentured labourers were referred to as coolies in the Caribbean Islands.
- **Corn Laws:** British laws which imposed restrictions on the Import of Corn.
- **Dissenter:** One who refuses to accept established beliefs and practices.
- **Indentured labour:** A bonded labourer under contract to work for an employer for a specific amount of time, to pay off his passage to a new country or home.
- **Industrial War:** Economic activities concerned with the processing of raw materials and manufacture of goods in factories, e.g., the use of Machine guns, Tanks, Aircraft, Chemical weapons, etc.
- **Hire Purchase:** A system by which a buyer pays for a thing in regular instalments while enjoying the use of it.
- **The Great Depression:** A drastic decline in the world economy resulting in mass unemployment and widespread poverty that began around 1929 and lasted till the mid-1930s.
- **Bank Loan:** An amount of money loaned at interest by a Bank to a borrower, usually on collateral security, for a certain period of time.
- **Allies:** Before the First World War, Britain, France and Russia later joined by U.S.A. formed an alliance and fought together in the First World War.
- **Central Powers:** An alliance formed by Germany, Austria, Hungary and Ottoman Turkey, who fought together in the First World War.
- **Axis Powers:** Germany, Italy and Japan were known as Axis Powers during the Second World War.
- **El Dorado:** The fabled city of gold.

- **Exchange Rates:** They link national currencies for the purposes of International trade. There are broadly two kinds of exchange rates, namely, fixed exchange rate and floating exchange rate.
- **Fixed Exchange Rates:** The rates which are officially fixed by the government and do not vary with change in demand and supply of Foreign Currency.
- **Flexible or Floating Exchange Rates:** These rates fluctuate depending on demand and supply of Foreign Currencies in Foreign Exchanges Markets, in principle without interference by governments.
- **Tariff:** Tax imposed on a country's imports from the rest of the world. Tariffs are levied at the point of entry, i.e., at the Border or at the Airport.
- **Hosay:** A riotous carnival in Trinidad (for Imam Hussain) where workers of all races and religions joined to celebrate.
- **Plantation:** Estate for cultivation of cash crops such as tea, coffee, cotton, tobacco, sugarcane, etc.
- **MNCs:** Multinational Corporations (MNCs) are large companies that operate in several countries at the same time.
- **IMF:** It is also termed as International Monetary Fund, The Bretton Woods Institution. It was established to deal with external surpluses and deficits of its member nations.
- **IBRD:** It is abbreviated as the International Bank for Reconstruction and Development (popularly known as the World Bank). It was set up to finance Post-war reconstruction.
- **G-77:** G-77 or Group of 77 refers to the seventy seven developing countries that did not benefit from the fast growth western economies experienced in 1950s and 1960s.

## **Know the Dates**

- **3000 BCE:** An active coastal trade linked the Indus Valley Civilization with present day West Asia.
- **15<sup>th</sup> Century:** Existence of Silk Routes.
- **Mid 16<sup>th</sup> Century:** Portuguese and Spanish conquest and Colonisation of America.
- **1845 - 1849:** Potato Famine in Ireland. During this famine, around 1,000,000 people died of starvation in Ireland.
- **1885:** The big European powers met in Berlin to complete the carving up of Africa between them.
- **1890:** Global agricultural economy took shape.
- **1890s:** Rinderpest (Cattle Plague) had a terrifying impact on livelihoods of the African people and the local economy.
- **1892:** Rinderpest reached Africa's Atlantic coast.
- **1900s:** Indian nationalist leaders began opposing the system of Indentured Labour Migration as abusive and cruel.
- **1914-1918:** The First World War was fought.
- **1921:** Indentured labour was abolished.
- **1923:** America resumed exporting capital to the rest of the world and became the largest Overseas Lender.
- **1929-1935:** The Great Depression.
- **1939-1945:** The Second World War was fought.
- **July, 1944:** The United Nations Monetary and Financial Conference was held at Bretton Woods in New Hampshire, USA.
- **1947:** The IMF and the World Bank commenced financial operations.
- **1949:** The Chinese Revolution.
- **The Late 1970s:** MNCs began to shift production operations to low-wage Asian countries.



## ✓ (A) OBJECTIVE TYPE QUESTIONS

1 Mark Each



### Stand Alone MCQs

(1 Mark Each)

1.

Column A		Column B	
(i)	Corn Laws	(a)	Detroit
(ii)	Rinderpest	(b)	America
(iii)	Small-pox	(c)	Britain
(iv)	Car Plant	(d)	Africa

(A) (i)-(d), (ii)-(c), (iii)-(a), (iv)-(b)

(B) (i)-(c), (ii)-(d), (iii)-(b), (iv)-(a)

(C) (i)-(d), (ii)-(c), (iii)-(b), (iv)-(a)

(D) (i)-(b), (ii)-(a), (iii)-(d), (iv)-(c)

Ans. Option (B) is correct.

#### Explanation:

(i) As the demand for food grains grew, the Britain Government restricted the Import of corn.

(ii) In 1890, a Cattle plague or Rinderpest spread terrifyingly in Africa.

(iii) European conquest was a result of the smallpox germs that Spanish carried on their person and because of their long isolation, Americans had no immunity against these diseases.

(iv) Henry Ford adapted the assembly line of a Chicago slaughter house to his new car plant in Detroit.

2.

Column A		Column B	
(i)	Indian	(a)	Pottery
(ii)	Chinese	(b)	Pasta
(iii)	Italian	(c)	Cowries
(iv)	Arab Traders	(d)	Spaghetti

(A) (i)-(d), (ii)-(c), (iii)-(a), (iv)-(b)

(B) (i)-(c), (ii)-(d), (iii)-(b), (iv)-(a)

(C) (i)-(c), (ii)-(a), (iii)-(d), (iv)-(b)

(D) (i)-(b), (ii)-(a), (iii)-(d), (iv)-(c)

Ans. Option (C) is correct.

#### Explanation:

(i) Cowries or seashells were used as a currency in India.

(ii) Chinese pottery moved through the Silk route to Europe and Asia.

(iii) Ready foodstuff came from China to West which was known as Spaghetti.

(iv) In chain of ready Food stuff, Pasta came from Italy through Arab Traders.

3. Arrange the following in the correct sequence:

(i) The Second World War.

(ii) The Great Depression.

(iii) The Chinese Revolution.

(iv) The IMF and the World Bank commenced financial operations.

Options:

(A) (i) - (iii) - (iv) - (ii)

(B) (iii) - (iv) - (ii) - (i)

(C) (iv) - (ii) - (i) - (iii)

(D) (ii) - (i) - (iv) - (iii)

Ans. Option (D) is correct.

#### Explanation:

(i) The Great Depression, 1929-1935.

(ii) The Second World War in 1939-1945.

(iii) The IMF and the World Bank commenced financial operations in 1947.

(iv) The Chinese Revolution, 1949.

4. Arrange the following in the correct sequence:

(i) Indentured Labour was abolished.

(ii) Rinderpest (Cattle Plague) had a terrifying impact on livelihoods of the African people and the local economy.

(iii) The First World War was fought.

(iv) Potato Famine in Ireland.

Options:

(A) (iv) - (ii) - (iii) - (i)

(B) (iii) - (i) - (ii) - (iv)

(C) (i) - (iv) - (iii) - (ii)

(D) (ii) - (iii) - (iv) - (i)

Ans. Option (A) is correct.

#### Explanation:

(i) Potato Famine in Ireland from 1845 to 1849.

(ii) Rinderpest (Cattle Plague) had a terrifying impact on livelihoods of the African people and the local economy in late 1880s.

(iii) The First World War was fought from 1914 to 1918.

(iv) Indentured Labour was abolished in 1921.

5. In Trinidad what was referred as Hosay?

(A) Annual Muharram procession marking a Carnival.

(B) Christmas celebration

(C) Easter festival

(D) New Year celebration

Ans. Option (A) is correct.

Explanation: In Trinidad, the annual Muharram procession was transformed into a riotous carnival called 'Hosay' in which workers of all races and religions joined.

6. Until 18<sup>th</sup> century, which two countries were considered the Richest in the World? U A

- (A) China and Japan      (B) England and France  
(C) India and China      (D) England and Italy

Ans. Option (C) is correct.

AI 7. Why were the Europeans attracted the most to Africa? U R

- (A) By its natural beauty.  
(B) By the opportunities for investment.  
(C) For its vast land resources and mineral wealth.  
(D) For recruitment of labour.

Ans. Option (C) is correct.

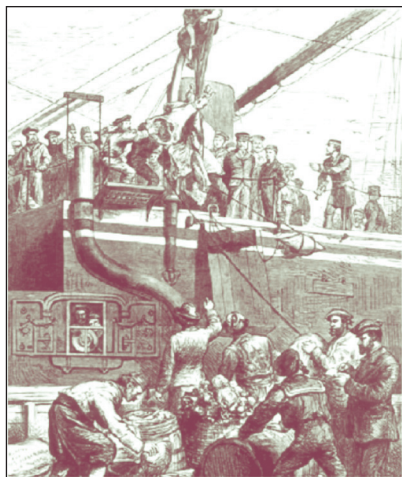
8. Most Indian Indentured workers came from: R A

- (A) Eastern Uttar Pradesh  
(B) North-Eastern States  
(C) Jammu & Kashmir  
(D) None of the above

Ans. Option (A) is correct.

**Explanation:** In the mid-nineteenth century Eastern UP faced decline in Cottage Industries land rents rose, lands were cleared for mines and plantations that affected the lives of the poor. Thus, they were forced to migrate in search of work.

AI 9. Study the picture and answer the question that follows: R U



Which of the following aspects best signifies this image of ship "Alexandra"?

- (A) Irish emigrants waiting to board the ship.  
(B) Meat being loaded on the ship.  
(C) Emigrants leaving for the US.  
(D) Transport to the gold mines.

Ans. Option (B) is correct.

**Explanation:** Till the 1870s, animals were shipped live from America to Europe but live animals took up a lot of ship space and also became unfit to eat. Hence, meat became an expensive luxury for European poor.



Which of the following options best signifies the above picture? R U

- (A) A distant view of Surat and its river  
(B) New Orleans  
(C) Transvaal Gold Mines  
(D) Stalingrad in Soviet Russia

Ans. Option (A) is correct.

**Explanation:** In the seventeenth and early eighteenth centuries, Surat remained the main centre of overseas trade in the western Indian Ocean.

11. Study the below given information and identify the correct option in reference to it from among the given options: RU

Consider the jute producers of Bengal. They grew raw jute that was processed in factories for export in the form of gunny bags. But as gunny exports collapsed, the price of raw jute crashed more than 60 per cent. Peasants who borrowed in the hope of better times or to increase output in the hope of higher incomes faced ever lower prices, and fell deeper and deeper into debt. Thus, the Bengal jute growers' lament:

Grow more jute, brothers, with the hope of greater cash. Costs and debts of jute will make your hopes get dashed. When you have spent all your money and got the crop off the ground, ... traders, sitting at home, will pay only Rs 5 a maund.

- (A) The Great Depression  
(B) India and the Great Depression  
(C) Post-War Recovery  
(D) Rise of mass production and consumption

Ans. Option (B) is correct.

12. Study the below given information and identify the correct option in reference to it from among the given options:

The Silk Routes are a good example of vibrant pre-modern trade and cultural links between distant parts of the world. The name 'Silk Routes' points to the importance of West-bound Chinese silk cargoes along this route. Historians have identified several silk routes, over land and by sea, knitting together vast regions of Asia, and linking Asia with Europe and northern Africa. They are known to have existed since before the Christian Era and thrived almost till the fifteenth century. But Chinese pottery also travelled through the same route, as did textiles and spices from India and Southeast Asia. In return, precious metals – gold and silver – flowed from Europe to Asia.



Trade and cultural exchange always went hand in hand. Early Christian Missionaries almost certainly travelled this route to Asia, as did Early Muslim Preachers a few centuries later. Much before all this, Buddhism emerged from eastern India and spread in several directions through intersecting points on the Silk Routes. UR

- (A) Pre-modern Trade and cultural links
- (B) Trade and cultural exchange
- (C) Silk Routes link the world
- (D) Chinese Silk cargoes

Ans. Option (C) is correct.

13. Find the incorrect option from the following: RU

- (A) Rinderpest arrived in Africa in the late 1880s.
- (B) Rinderpest moved like forest fire in Africa.
- (C) The loss of cattle due to this destroyed African livelihoods.
- (D) Colonial Government forced the Africans into the labour market.

Ans. Option (A) is correct.

*Explanation:* Rinderpest or cattle plague arrived in Africa in the late 1880s.

14. Find the incorrect option from the following: RA

- (A) The Great Depression began around 1929 and lasted till the mid-1930s.
- (B) During this period most parts of the world experienced catastrophic declines in production, employment, incomes and trade.
- (C) The exact timing and impact of the depression varied across countries.
- (D) But in general, agricultural regions and communities were the best affected.

Ans. Option (D) is correct.

*Explanation:* But in general, agricultural regions and communities were the **worst** affected.



### Assertion and Reason Based MCQs (1 Mark Each)

**Directions :** In the following questions, A statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:

- (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 and R is true.

1. **Assertion (A):** The Silk Routes are a good example of pre-modern trade and cultural links between distant parts of the world. UA

**Reason (R):** The name 'Silk Routes' points to the importance of West-bound Chinese silk cargoes along this route.

Ans. Option (A) is correct.

2. **Assertion (A):** The First World War was a war like no other before. R

**Reason (R):** The First World War was mainly fought in Europe.

Ans. Option (D) is correct.

*Explanation:* The First World War was a war like no other before because this involved the world's leading Industrial nations, even though it started in Europe but it engulfed almost the entire world.

3. **Assertion (A):** Most Indentured labour in India came from present day Eastern UP, Bihar, Central India and dry districts of Tamil Nadu. RA

**Reason (R):** In mid 19<sup>th</sup> century, the regions of Eastern UP, Bihar, Central India and Tamil Nadu were affected due to inflation in prices after First World War.

Ans. Option (C) is correct.

*Explanation:* In the mid-nineteenth century, Eastern UP faced decline in cottage industries decline, land rents rose, lands were cleared for mines and plantations that affected the lives of the poor. Thus, they were forced to migrate in search of work.

4. **Assertion (A):** Europe emerged as the centre of World Trade in the 19<sup>th</sup> century. RA

**Reason (R):** Till the eighteenth century, China and India were among the world's richest countries.

Ans. Option (B) is correct.

*Explanation:* Reduced importance of China and India in World trade and the emergence of Americas pushed the Centre of World Trade westwards.

5. **Assertion (A):** US quickly recovered after First World War. UR

**Reason (R):** US exports boosted European recovery and world trade over the next six years.

Ans. Option (C) is correct.

*Explanation:* The United States became a world leader in Industry, Economics and Trade after short time of War.

6. **Assertion (A):** World Bank and IMF were established after the Second World War. R

**Reason (R):** Second World War caused an immense amount of economic destruction and many parts of Europe and Asia were destroyed.

Ans. Option (A) is correct.



### Case-based MCQs (1 Mark Each)

1. Read the source given below and answer the questions that follow:

All through history, human societies have become steadily more interlinked. From ancient times, travellers, traders, priests and pilgrims travelled

vast distances for knowledge, opportunity and spiritual fulfilment, or to escape persecution. They carried goods, money, values, skills, ideas, inventions, and even germs and diseases. As early as 3000 BCE an active coastal trade linked the Indus valley civilisations with present-day West Asia. For more than a millennia, *cowries* (the Hindi *cowrie* or seashells, used as a form of currency) from the Maldives found their way to China and East Africa. The long-distance spread of disease-carrying germs may be traced as far back as the seventh century. By the thirteenth century it had become an unmistakable link.

**Answer the following MCQs by choosing the most appropriate option:**

- In ancient times who travelled vast distances for knowledge, opportunity and spiritual fulfilment?** UR  
(A) Travellers (B) Traders  
(C) Priests (D) All of them

**Ans. Option (D) is correct.**

- Besides goods, money, values, skills, ideas, inventions, they also carried:** R  
(A) gold (B) germs and diseases  
(C) silver (D) none of the above

**Ans. Option (B) is correct.**

- In English, meaning of Cowrie is:** RU  
(A) Seashells (B) Nutshells  
(C) Walnut shells (D) None of these

**Ans. Option (A) is correct.**

*Explanation:* Cowrie was used as a form of currency in Maldives, China and East Africa also besides India.

- The long-distance spread of disease-carrying germs may be traced between:** R  
(A) Sixth-twelfth Century  
(B) Eight-fourteenth Century  
(C) Seventh-thirteenth Century  
(D) Ninth-sixteenth Century

**Ans. Option (C) is correct.**

## II. Read the source given below and answer the questions that follow:

The Silk Routes are a good example of vibrant pre-modern trade and cultural links between distant parts of the world. The name 'silk routes' points to the importance of West-bound Chinese silk cargoes along this route. Historians have identified several silk routes, over land and by sea, knitting together vast regions of Asia, and linking Asia with Europe and northern Africa. They are known to have existed since before the Christian Era and thrived almost till the fifteenth century. But Chinese pottery also travelled the same route, as did textiles and spices from India and Southeast Asia. In return, precious metals – gold and silver – flowed from Europe to Asia. Trade and cultural exchange always went hand in hand. Early Christian missionaries almost

certainly travelled this route to Asia, as did early Muslim preachers a few centuries later. Much before all this, Buddhism emerged from eastern India and spread in several directions through intersecting points on the silk routes.

**Answer the following MCQs by choosing the most appropriate option:**

- The Silk routes are a good example of:** UR  
(A) Modern trade (B) Pre-modern trade  
(C) Ancient trade (D) Global trade

**Ans. Option (B) is correct.**

- Silk is a \_\_\_\_\_ product.** R  
(A) Japanese (B) Korean  
(C) American (D) Chinese

**Ans. Option (D) is correct.**

*Explanation:* The origin of silk in China since ancient times symbolises the royalty of Chinese people.

- What was exported from India through Silk route?** R  
(A) Oil (B) Petroleum  
(C) Textile and Spices (D) Herbs

**Ans. Option (C) is correct.**

*Explanation:* Oil and Petroleum was exported from Arab countries, while China exported herbs. India exported Textile and Spices.

- Early Christian Missionaries and \_\_\_\_\_ preachers travelled through this route to Asia.** RA  
(A) Christian (B) Sikh  
(C) Muslim (D) Buddhist

**Ans. Option (C) is correct.**

## III. Read the source given below and answer the questions that follow:

Population growth from the late eighteenth century had increased the demand for food grains in Britain. As urban centres expanded and industry grew, the demand for agricultural products went up, pushing up food grain prices. Under pressure from landed groups, the government also restricted the import of corn. The laws allowing the government to do this were commonly known as the 'Corn Laws'. Unhappy with high food prices, industrialists and urban dwellers forced the abolition of the Corn Laws.

After the Corn Laws were scrapped, food could be imported into Britain more cheaply than it could be produced within the country. British agriculture was unable to compete with imports. Vast areas of land were now left uncultivated, and thousands of men and women were thrown out of work. They flocked to the cities or migrated overseas.

**Answer the following MCQs by choosing the most appropriate option:**

- In eighteenth century the demand for food grains increased in Britain due to:** R  
(A) Less production (B) Population growth  
(C) Crop failure (D) Ancient techniques

**Ans. Option (B) is correct.**

*Explanation:* As the population increased, the demand for resources increased naturally.

2. Expansion of urban centres and growth of industries pushed up the prices of: UR

(A) Agricultural products  
(B) Defence products  
(C) Economy  
(D) Living

Ans. Option (A) is correct.

3. The Government restricted the Import of: R

(A) Medicines (B) Textiles  
(C) Corn (D) Cooking oil

Ans. Option (C) is correct.

**Explanation:** When the demand of food grains increased, Government restricted the import of corn, known as Corn Laws.

4. \_\_\_\_\_ were unhappy with high food prices. U

(A) Urban dwellers (B) Industrialists  
(C) Poor people (D) Both (A) and (B)

Ans. Option (D) is correct.

**AI IV. Read the source given below and answer the questions that follow:**

The trade in meat offers a good example of this connected process. Till the 1870s, animals were shipped live from America to Europe and then slaughtered when they arrived there. But live animals took up a lot of ship space. Many also died in voyage, fell ill, lost weight or became unfit to eat. Meat was hence, an expensive luxury beyond the reach of the European poor. High prices in turn kept demand and production down until the development of a new technology, namely, refrigerated ships, which enabled the transport of perishable foods over long distances.

Now animals were slaughtered for food at the starting point – in America, Australia or New Zealand – and then transported to Europe as frozen meat. This reduced shipping costs and lowered meat prices in Europe. The poor in Europe could now consume a more varied diet. To the earlier monotony of bread and potatoes many, though not all, could now add meat (and butter and eggs) to their diet. Better living condition promoted social peace within the country and support for imperialism abroad.

Answer the following MCQs by choosing the most appropriate option:

1. Example of connected process is trade in meat. Connection here refers to: UR

(A) Simple policies of the government  
(B) Cheap Prices  
(C) Role of Technology  
(D) All the above

Ans. Option (C) is correct.

2. Animals were shipped live from: U

(A) Germany to America  
(B) America to England  
(C) America to Europe  
(D) Europe to Asia

Ans. Option (C) is correct.

**Explanation:** Till the 1870s, animals were shipped live from America of Europe and then slaughtered when they arrived there

3. \_\_\_\_\_ enabled the transport of perishable foods over long distances. R

(A) Ships (B) Big voyages  
(C) Refrigerated Ships (D) Steamers

Ans. Option (C) is correct.

4. America, Australia and New Zealand were the \_\_\_\_\_ point for the export of meat to Europe. R

(A) Starting (B) Mid  
(C) Ending (D) None of the above

Ans. Option (A) is correct.

**V. Read the source given below and answer the questions that follow:**

The Second World War broke out a mere two decades after the end of the First World War. It was fought between the Axis powers (mainly Nazi Germany, Japan and Italy) and the Allies (Britain, France, the Soviet Union and the US). It was a war waged for six years on many fronts, in many places, over land, on sea and in the air.

Once again death and destruction was enormous. At least 60 million people, or about 3% of the world's 1939 population, are believed to have been killed, directly or indirectly, as a result of the war. Millions more were injured.

Unlike in earlier wars, most of these deaths took place outside the battlefields. Many more civilians than soldiers died from war-related causes. Vast parts of Europe and Asia were devastated, and several cities were destroyed by aerial bombardment or relentless artillery attacks. The war caused an immense amount of economic devastation and social disruption. Reconstruction promised to be long and difficult.

Answer the following MCQs by choosing the most appropriate option:

1. The difference between First World War and Second World War was: R

(A) Two decades (B) One decade  
(C) Three decades (D) Four decades

Ans. Option (A) is correct.

**Explanation:** First World War 1914-1918.  
Second World War 1939 -1945.

2. The Second World War was fought for \_\_\_\_\_ years on many fronts, in many places, over land, sea and air. R

(A) five years (B) two years  
(C) six years (D) ten years

Ans. Option (C) is correct.

**Explanation:** Second World War 1939-1945 (6 years).

3. In 1939 about \_\_\_\_\_ of world population were at least \_\_\_\_\_ million people, who were killed in Second World War. R

(A) 5%, 50 (B) 6%, 60  
(C) 3%, 30 (D) 3%, 60

Ans. Option (D) is correct.

4. Vast parts of \_\_\_\_\_ were devastated. [R]  
 (A) Europe and Asia (B) Africa and Asia  
 (C) Europe and Africa (D) Africa and America

Ans. Option (A) is correct.

[AI] VI. Read the sources given below and answer the questions that follow:

Rinderpest arrived in Africa in the late 1880s. It was carried by infected cattle imported from British Asia to feed the Italian soldiers invading Eritrea in East Africa. Entering Africa's in the east, Rinderpest moved west 'like forest fire', reaching Africa's Atlantic coast in 1892. It reached to Cape (Africa's southernmost tip) five years later. Along the way rinderpest killed 90% of the cattle.

The loss of cattle destroyed Africa's livelihoods. Planters, mine owners and Colonial Governments now successfully monopolised what scarce cattle resources remained, to strengthen their power and to force Africans into the labour market. Control over the scarce resource of cattle enabled European colonisers to conquer and subdue Africa.

Similar stories can be told about the impact of Western conquest on other parts of the nineteenth-century world.

Answer the following MCQs by choosing the most appropriate option:

1. Rinderpest arrived in Africa in the late \_\_\_\_\_. [R]  
 (A) 1980s (B) 1780s  
 (C) 1880s (D) 1870s

Ans. Option (C) is correct.

2. It was carried by infected \_\_\_\_\_. [R]  
 (A) Cows (B) Hens  
 (C) Goats (D) Cattle

Ans. Option (D) is correct.

3. Rinderpest reached in the Cape after \_\_\_\_\_ years. [R]  
 (A) One (B) Five  
 (C) Three (D) Four

Ans. Option (B) is correct.

4. The loss of cattle destroyed livelihoods of \_\_\_\_\_. [R]  
 (A) Indians (B) Americans  
 (C) Asians (D) Africans

Ans. Option (D) is correct.

## ✓ (B) SUBJECTIVE QUESTIONS



### Very Short Answer Type Questions (1 Mark Each)

- Ans. (a) Axis power: Germany, Italy, and Japan.  
 (b) Allied power: France, Britain, USSR, USA and China.

- 1 Name the two hostile groups of Second World War. [R] [OD Set-I, 2020]  
 2 Analyse the contribution of fast transport in globalisation. [UA] [Delhi & OD, 2019]



### Topper Answer, 2019

Ans.

Fast transport contributed greatly in the process of globalisation by carrying large amount of goods to far off location in less time. They have lead to the integration of the markets.

- 3 What do 'Silk Routes' refer to? [R] [O.E.B.]

Ans. Network of routes connecting Asia with Europe and Northern Africa.

- 4 Who discovered the continent of America? [R] [O.E.B.]

Ans. Christopher Columbus.

- 5 Who was a well-known pioneer of mass production? [R] [O.E.B.]

Ans. Henry Ford.

- 6 What do we call the law that allowed the British Government to restrict the import of corn? [A] [O.E.B.]

Ans. Corn Laws.

- 7 Who are referred to as the Bretton Woods twins? [R] [A] [O.E.B.]

Ans. The International Monetary Fund (IMF) and the World Bank.

- 8 What is referred to as El Dorado? [R] [A] [O.E.B.]

Ans. An imaginary city of gold situated in South America.





(3 Marks Each)

**AI** 1. Explain any three effects of population growth in England in the late eighteenth century.

[R] [A] [Delhi Set-I, 2020]

- Ans.** (i) Food could now be imported into England.  
(ii) Demand of food grains increased as urban centers expanded.  
(iii) Due to pressure from land groups, government restricted import of corn by enacting Corn Laws.

**AI** 2. Why did Europeans flee to America in the nineteenth century, Explain. [U] [CBSE SQP, 2019-20]

**Ans.** Europeans fled to America in the 19<sup>th</sup> century because:

- (i) Until the 19<sup>th</sup> century, poverty and hunger were common in Europe.
- (ii) Cities were crowded and deadly diseases were widespread.
- (iii) Religious conflicts were common and religious dissenters were persecuted.
- (iv) Scrapping of Corn Laws, led to inability of British agriculture to compete with imports.
- (v) Thousands of people were left unemployed due to agricultural land lying uncultivated. So, people migrated in thousands, crossed oceans to find employment and a better future
- (vi) In America, plantations were growing cotton and sugar for the European market. These plantations were worked on by slaves.

(Any three) (1×3=3)

[CBSE SQP Marking Scheme, 2020]

### COMMONLY MADE ERROR

- ➔ Students forget to mention the name of deadly diseases like small-pox, etc.

### ANSWERING TIP

- ➔ It is important to mention about the economic and health factors.

**AI** 3. Describe the impact of 'Rinderpest' on people's livelihoods and local economy in Africa in 1890s?

[R] [Delhi & OD, 2018]

OR

Write a note to explain the effects of the coming of Rinderpest to Africa. [R]

**Ans.** Impact of Rinderpest:

- (i) Rinderpest killed 90% of cattle in Africa.
- (ii) The loss of cattle destroyed African livelihoods.
- (iii) Planters, Mine Owners and Colonial Government successfully monopolized what scarce cattle resources remained to strengthen their power and to force Africans into Labour Market.

- (iv) Control over the cattle resources enabled European colonisers to conquer and subdue Africa.

(Any three) (1×3=3)

[CBSE Marking Scheme, 2018]

### COMMONLY MADE ERROR

- ➔ Students should directly write about colonisation of Africa without mentioning about Rinderpest.

### ANSWERING TIP

- ➔ Students should mention the relation between Rinderpest and colonisation of Africa by European colonies, step by step.

**AI** 4. Describe the economic conditions of Britain after the 'First World War'.

[A] [CBSE Compartment Set I, II, III, 2018]

OR

Explain the impact of the First World War on the British economy. [A] [Board Term-I, 2016-17]

OR

Explain the three impacts of the First World War on the British economy. [A] [Board Term-I, 2015]

**Ans.** Economic conditions of Britain after the First World War:

After the First World War, Britain found it difficult to recapture its earlier position. Britain was burdened with huge external debts. The war had led to an economic boom, a large increase in demand, production and employment. When the war boom ended, production contracted and unemployment increased. At the same time, the government reduced bloated war expenditures to bring them into line with peace time revenues. These debts led to huge job losses. Many agricultural economists were also in crisis. (Note: If candidate write in points, it is also to be considered.) 3

[CBSE Marking Scheme, 2018]

5. Mention any three effects of the British Government's decision for the abolition of the Corn Laws. [A] [Board Term-I, 2016-17]

OR

Write a note to explain the effects of the British Government's decision to abolish the Corn Laws. [R]

**Ans.** (i) Food could be imported into Britain at a much cheaper rate than it would be produced within the country.

- (ii) British agriculture was unable to compete with imports. Vast areas of land were left uncultivated and people started migrating to cities or other countries.



- (iii) As food prices fell, consumption in Britain rose. Faster industrial growth in Britain also led to higher incomes and therefore, more food imports.
- (iv) Around the world—in Eastern Europe, Russia, America and Australia—lands were cleared and food production expanded to meet the British demand. (Any three) (1 × 3 = 3)

[CBSE Marking Scheme, 2016]

6. Why did the Industrialists and people living in cities of Britain forced the government to abolish Corn Laws in the 18<sup>th</sup> Century? Give two reasons. [A] [Board Term-I, 2016-2017]

Ans. (i) Population growth from the late 18<sup>th</sup> century had increased the demand for food grains in Britain pushing up the prices. Under pressure from Farmers, the Government restricted the Import of Corn. These laws were commonly known as the 'Corn Laws'.

- (ii) On the other hand, the Industrialists and people living in cities forced the Government to abolish the Corn Laws. (1½ × 2 = 3)

[CBSE Marking Scheme, 2016]

[AI] 7. In what ways did food items offer scope for long distance cultural exchange? Explain.

[U] [Board Term-I, 2016-17]

OR

"Food offers many examples of long distance cultural exchange." Justify this statement. [HOTS] [U]

Ans. (i) Traders and Travellers introduced new crops to the lands they travelled.

- (ii) It is believed that noodles travelled West from China to become Spaghetti.
- (iii) Arab traders took pasta to Sicily, an Island now in Italy in 5<sup>th</sup> century.
- (iv) Many of our common foods such as potatoes, soya, groundnut, maize, tomatoes, chillies, sweet potatoes and so on were not known to our ancestors. (Any three) (1 × 3 = 3)

[CBSE Marking Scheme, 2016]

8. How had Indian trade been beneficial for the British during seventeenth century? Explain

[U] [OD Set-I, 2020]

Ans. Trade with Indians was greatly beneficial to the British in the 17<sup>th</sup> century. Various other products like cotton, silk, indigo dye, salt, pepper and tea were also traded. All these items were in demand in Britain and their availability from India enhanced the quality of life for the British.

9. Elucidate any three factors that led to the Great Depression. [R] [A] [Board Term-I, 2016-17]

Ans. (i) Agricultural over-production remained a problem and it was made worse by falling agricultural prices.

- (ii) As prices slumped and agricultural incomes declined, farmers tried to expand production and bring a large volume of produce to the market but it pushed down prices.

(iii) In the mid-1920s, many countries financed their investments through loans from the US, it was extremely easy to raise loans in the US.

(iv) But in the first half of the 1920s, countries that depended crucially on US loan faced an acute crisis.

- (v) The withdrawal of the US loans affected the rest of the world in different ways. In Europe, it led to the failure of small major banks and the collapse of currencies such as the British Pound Sterling. (Any three) (1 × 3 = 3)

[CBSE Marking Scheme, 2016]

[AI] 10. "The Multinational Companies (MNCs) choose China as an alternative location for investment." Explain the statement.

[HOTS] [U] [Board Term-I, 2016-17]

Ans. (i) Since the Revolution in 1949, China gradually came in the field of world economy. It attracted the foreign MNCs because of its lowest economic structure.

- (ii) Wages were relatively low.
- (iii) China had the largest population besides labour. They also formed a large consumer base.

1 × 3 = 3 [CBSE Marking Scheme, 2016]

11. Explain the following:

- (i) G-77
- (ii) Great Depression of 1929. [R] [U] [Board Term I, 2015]

Ans. (i) G-77 Organisation was formed by the former colonies to demand a New International Economic Order.

- (ii) It was a period of serious decline in production, employment, income and trade. 1½ + 1½ = 3

[CBSE Marking Scheme, 2015]

12. 'China became an attractive destination for investment by foreign MNCs in the 19<sup>th</sup> and 20<sup>th</sup> centuries.' Justify the statement.

[A] [Board Term I, 2015]

Ans. China became an attractive destination for investment by foreign MNCs in the 19<sup>th</sup> and 20<sup>th</sup> centuries because:

- (i) Wages were relatively low in countries like China.
- (ii) This was because of the low cost structure of the Chinese economy, most importantly its low wages.
- (iii) TVs, Mobile phones and Toys seen in the shops seem to be made in China. 1 × 3 = 3

[CBSE Marking Scheme, 2015]

13. Mention three reasons for the creation of International Monetary Fund and the World Bank. [R] [A] [Board Term I, 2015]

Ans. (i) The International Monetary Fund and the World Bank were created to meet the financial needs of the Industrial countries.

- (ii) When Japan and Europe rapidly rebuilt economies, they became less dependent on the IMF and the World Bank.

- (iii) Thus, from the late 1950s the Bretton Woods Institutions, World Bank and IMF, began to turn their attention towards newly developing countries.
- (iv) The newly independent countries facing problems of poverty came under the guidance of international agencies dominated by the former colonial powers. (Any three)  $1 \times 3 = 3$   
[CBSE Marking Scheme, 2015]



## Long Answer Type Questions

(5 Marks Each)

- AI** 1. "Indian trade had played a crucial role in late nineteenth century world economy". Analyse the statement. **U** [Board Delhi Set-I, II, III, 2019]

**Ans. Indian trade had played a crucial role in the late nineteenth century:**

- By helping Britain to balance its deficits, India played a crucial role in the late nineteenth century world economy.
- Britain's trade surplus in India also helped pay the so called 'Home Charges'.
- British manufacturers flooded the Indian market.
- Increased food grain and raw material exports from India to Britain.
- The value of British exports to India was much higher than the value of British Import from India.

(Any five points to be explained.)  $(1 \times 5 = 5)$

[CBSE Marking Scheme, 2019]

**Detailed Answer:**

Indian trade played a crucial role in the late nineteenth century world economy.

This statement can be analysed through the following facts:

- Trade Surplus:** Britain had a trade surplus with India, i.e., a situation under which the value of exports is more than the imports. Britain used this surplus to balance its trade deficit with other countries.
- Home charges:** Britain's trade surplus in India also helped to pay the so called 'Home Charges' that included private remittances home by British officials and traders, interest payments on India's external debts and pensions of the British officials in India.
- Major supplier of cotton:** India remained a major supplier of raw cotton to Britain which was required to feed the Cotton Textile Industry of Britain.
- Supplier of indentured workers:** Many indentured workers from Bihar, Uttar Pradesh, Central India migrated to other countries to work in Mines and Plantations.

## COMMONLY MADE ERROR

- Students sometimes do not mention all the points related to the question.

## ANSWERING TIP

- Read the content from your textbook and make brief points covering the entire concept.

- AI** 2. Describe the role of 'Technology' in transformation of the world in the nineteenth century.

**U** [Board OD Set-I, II, III, 2019]

**Ans. Role of Technology:**

- The railways, steamships and the telegraph, for example, were important inventions without which we cannot imagine the transformed nineteenth century world.
- Technology advances were often the result of larger social, political and economic factors.
- Colonization stimulated new investments.
- Improvement in transport.
- Larger ships helped to move food more cheaply.

[CBSE Marking Scheme, 2019] 5

**Detailed Answer:**

**Role of Technology in transformation of the World in the nineteenth century:**

- Transformation of the world economy:** Railways, steam ships and telegraph – were important inventions which transformed nineteenth-century world. Colonisation stimulated new investments and improvements in transport; faster railways, lighter wagons and larger ships helped to move food more cheaply and quickly from faraway farms to final markets.
- Impact on meat trade:** Till the 1870s, meat from America was shipped to Europe in the form of live animals which were then slaughtered in Europe. But live animals took up a lot of ship space and many of them also died in voyage, fell ill, lost weight or became unfit to eat. A new technology, namely, refrigerated ships enabled the transport of perishable foods over long distance. Now animals were slaughtered at the starting point and then transported to Europe as frozen meat. This reduced the shipping costs and lowered meat prices in Europe. The poor in Europe could now consume a more varied diet. Better living conditions promoted social peace within the country and support for Imperialism abroad.

## COMMONLY MADE ERROR

- Impact on meat trade is not explained in detail.

## ANSWERING TIP

- ➡ Name some inventions of nineteenth century in your answers.

### 3. Describe the impact of Great Depression on Indian economy. [A] [CBSE SQP, 2018-19]

**Ans. The Impact of Great Depression on Indian economy:**

- (i) India's exports and imports nearly halved between 1928 and 1934.
- (ii) As agricultural prices fell sharply internationally, as a result of this, prices plunged in India.
- (iii) Despite this, the colonial government refused to reduce revenue demands.
- (iv) Peasants' indebtedness increased. They used up their savings, mortgaged lands and sold their jewellery and precious metals.
- (v) India became exporter of metal.
- (vi) Town dwellers found themselves better off.
- (vii) Industrial investment grew. (Any five)  $1 \times 5 = 5$

[CBSE Marking Scheme, 2018]

### 4. Critically examine the expansion of trade facilities in the 19<sup>th</sup> century.

[U] [A] [Board Term-I, 2016-17]

**Ans. Expansion of trade facilities in the 19<sup>th</sup> century:**

- (i) In many parts of the world, these developments meant loss of freedom and livelihoods.
- (ii) In late 19<sup>th</sup> century, Europeans conquest brought about many destructive economic, social and ecological changes in the Colonies.
- (iii) In Africa, in the 1890s, a fast spreading disease of cattle plague or Rinderpest had a terrifying impact on people's livelihoods and the local economy.
- (iv) The example of indentured labour migration.
- (v) Great misery and poverty for others.
- (vi) New forms of coercion in Asia and Africa.

(Any five)  $1 \times 5 = 5$

[CBSE Marking Scheme, 2016]

### 5. After 19<sup>th</sup> century, how did the Indentured labourers discover their own ways of survival? Explain. [U] [A] [Board Term I, 2016-17]

**Ans. (i)** Initially, the indentured labourers found it difficult to adjust to the harsh living conditions of the plantation. But very soon they discovered new ways of survival.

**(ii)** They developed new forms of individual and collective self expression, blended art, cultural forms, old and new.

**(iii)** In Trinidad, the cultural Muharram procession was transformed into a riotous carnival called 'Hosay' in which workers of all races and religions joined.

**(iv)** The Protestant religion 'Rastafarianism' is also said to reflect social and cultural links with Indian migration to Caribbean.

**(v)** Chutney music popular in Trinidad and Guyana is another creative expression of the post indenture experience.  $1 \times 5 = 5$

[CBSE Marking Scheme, 2016]

### [AI] 6. Describe any five factors that led to the end of the Bretton Woods System and the beginning of globalisation. [R] [U] [Board Term-I, 2016-17]

**Ans. The important reasons behind the end of Bretton Woods system are:**

- (i) Decline in economic power of the USA.
- (ii) Change in the international financial system.
- (iii) Unemployment in industrialised countries.
- (iv) Shifting of production enterprises.
- (v) Changes in China.  $1 \times 5 = 5$

[CBSE Marking Scheme, 2016]

**Detailed Answer:**

**(i) Decline in economic power of the USA:**

**(a)** US dollar no longer commanded confidence in the world's principal currency.

**(b)** US dollar could not maintain its value in relation to Gold.

**(c)** Collapse of fixed exchange rates and introduction of floating exchange rates.

**(ii) Change in the International Financial System:**

**(a)** The International Monetary Fund and the World Bank were created to meet the financial needs of the industrial countries.

**(b)** International financial system changed and developing countries were forced to borrow from Western Commercial Banks.

**(c)** This led to periodic debt crisis in the developing world, increased poverty in Africa and Latin America.

**(iii) Unemployment in Industrialised Countries:**

**(a)** Industrial world was hit by unemployment.

**(b)** The number of unemployed started rising and people trudged long distances looking for any work they could find.

**(iv) Shifting of Production Enterprises:** MNCs shifted their production units to Asian countries because of cheap labour and low wages.

**(v) Changes in China:**

**(a)** China became an attractive destination for investment by foreign MNCs.

**(b)** China which had been cut off from the post-war world economy, since its revolution in 1949, has now come back into the fold of the world economy.

**(c)** Its new economic policies and the collapse of the Soviet Union has led to it. Low cost structure of the Chinese economy, its low wages, has flooded the world market with Chinese goods.

### COMMONLY MADE ERROR

- Students should not write very short answer. They should describe each point in detail.

### ANSWERING TIP

- The students need to describe the economic factors.

7. Explain any five factors that led to the Great Depression of 1929. [U] [Board Term-I, 2015]

OR

What do you know about the Great Depression?  
Write any two causes of it. [U]

**Ans.** The Great Depression began around 1929 and lasted till the mid 1930s. During this period, most parts of the world experienced decline in production, employment, incomes and trade. Agricultural regions and communities were amongst the most affected.

#### Causes of Great Depression:

- (i) Post-World War, economy of the world was fragile. Agricultural over production was a problem. As prices slumped, farm produce rotted.
- (ii) Many countries financed loans from the US.
- (iii) US overseas lenders panicked at the sign of financial crisis.
- (iv) Thus, banks were bankrupt and were forced to close down in Europe and in the US because they were unable to recover investments, collect loans and repay depositors.
- (v) American capitalists stopped all loans.