

Unit II : Chapter 3 → Liberalisation,
Privatisation and Globalisation : An appraisal

One mark questions:

1. Why were reforms introduced in India?
India was facing a severe financial crisis and was forced to borrow from international organisations like IMF and World Bank. Economic reforms were introduced due to the pressure from these organisations as a condition to avail loan from them.
2. How many countries are members of the WTO?
149 countries are members of WTO.
3. What are the sources of government revenue?
The sources of government revenue are taxation and income of the public sector enterprises.
4. What is the most important function of RBI?
The most important function of Reserve Bank of India (RBI) is to regulate the financial sector.
5. What is the meaning of Economic Policy?
Economic Policy refers to a plan of action prepared by the government for the development of the country.
6. Name the three main components of the new economic reforms in 1991?
The three main components of the new economic reforms are liberalisation, privatisation,