

2. What are the main features of Economic Reforms of 1991?

The main features of economic reforms in 1991 were liberalisation, privatisation and globalisation. (Learn Q7, Q8 and Q9)

3. Those public sector undertakings which are making profits should be privatised. Do you agree with this view? Why?

No, I do not agree with this view. Even though disinvestment would increase the revenue of the government, the profit making industries should be retained in the public sector since they raise resources from the capital market which govt. can use for the development of PSUs and the infrastructure.

The assets of the profit making industries if undervalued might lead to a substantial loss to the government if sold to the private sector.

The government should retain the strategic industries to avoid emergence of any monopoly in the private sector.

4. Do you think the 'navaatna' policy of the government helps in improving the performance of the public sector undertakings in India? How?

Yes, the granting of 'navaatna' status resulted in better performance of the public sector companies. The managerial and