

The Making of a Global World

Complete Revision Guide & Question Bank

30 MCQs • 20 Fill in the Blanks • Matching Column • 20 FAQs
Short Answer Questions • 10 Long Answer Questions

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Chapter at a Glance

Section 1	Pre-Modern World — Silk Routes, Food Travels, Disease & Conquest
Section 2	19th Century — Trade, Labour, Capital; Rinderpest; Indentured Labour
Section 3	Inter-war Economy — WWI, Great Depression, Mass Production
Section 4	Post-war Era — Bretton Woods, Decolonisation, Modern Globalisation

Section A — Multiple Choice Questions (MCQs)

Choose the most appropriate answer for each question below. Each question carries one mark.

1. What were the Silk Routes primarily used for?

- A) Military campaigns only
- B) Trade, ideas, and cultural exchange
- C) Migration of Europeans
- D) Spreading Christianity alone

Answer: B) Trade, ideas, and cultural exchange

2. From which continent did potatoes, tomatoes, and chillies originally come?

- A) Asia
- B) Africa
- C) The Americas
- D) Europe

Answer: C) The Americas

3. Which disease helped the Spanish conquerors defeat the American Indians?

- A) Cholera
- B) Plague
- C) Malaria
- D) Smallpox

Answer: D) Smallpox

4. What were the three main 'flows' of the 19th-century economy?

- A) Gold, Silver, Bronze
- B) Trade, Labour, Capital
- C) Ships, Railways, Telegraphs
- D) Food, Clothing, Shelter

Answer: B) Trade, Labour, Capital

5. The Corn Laws in Britain were abolished primarily to:

- A) Protect British farmers
- B) Allow cheap food imports
- C) Increase military spending
- D) Promote wool trade

Answer: B) Allow cheap food imports

6. Rinderpest was a disease that affected:

- A) Wheat crops
- B) Cotton plants
- C) Cattle (livestock)
- D) Human beings

Answer: C) Cattle (livestock)

7. Where did Indian indentured labourers mostly go in the 19th century?

- A) China and Japan
- B) USA and Canada
- C) Caribbean islands, Mauritius, Fiji
- D) South Africa only

Answer: C) Caribbean islands, Mauritius, Fiji

8. Which famous author is a descendant of Indian indentured labourers?

- A) Rabindranath Tagore
- B) V.S. Naipaul
- C) Salman Rushdie
- D) Arundhati Roy

Answer: B) V.S. Naipaul

9. The system of indentured labour was finally abolished in:

- A) 1905
- B) 1914
- C) 1921
- D) 1947

Answer: C) 1921

10. Henry Ford was famous for introducing:

- A) Steam engines
- B) The assembly line for mass production
- C) Refrigerated ships
- D) The telegraph

Answer: B) The assembly line for mass production

11. The Great Depression began in the year:

- A) 1914
- B) 1921
- C) 1929
- D) 1939

Answer: C) 1929

12. The Bretton Woods Conference took place in:

- A) 1939
- B) 1941
- C) 1944
- D) 1950

Answer: C) 1944

13. Which two institutions were established at the Bretton Woods Conference?

- A) WTO and WHO
- B) IMF and World Bank
- C) UNESCO and UNICEF
- D) NATO and UN

Answer: B) IMF and World Bank

14. Under the Bretton Woods system, the US dollar was fixed at:

- A) \$10 per ounce of gold
- B) \$25 per ounce of gold
- C) \$35 per ounce of gold
- D) \$50 per ounce of gold

Answer: C) \$35 per ounce of gold

15. During 1950–1970, world trade grew at approximately:

- A) 2% annually
- B) 5% annually
- C) 8% annually
- D) 12% annually

Answer: C) 8% annually

16. The group of developing nations that demanded a New International Economic Order was called:

- A) G-8
- B) G-20
- C) G-77
- D) G-7

Answer: C) G-77

17. Refrigerated ships revolutionised trade in which product?

- A) Silk
- B) Grain
- C) Meat
- D) Spices

Answer: C) Meat

18. The Berlin Conference of 1885 was about:

- A) Ending WWI
- B) Dividing Africa among European powers
- C) Forming the League of Nations
- D) Setting up the Gold Standard

Answer: B) Dividing Africa among European powers

19. Before the Corn Laws were repealed, British landlords wanted them to:

- A) Open trade with India
- B) Keep domestic food prices high
- C) Reduce agricultural taxes
- D) Encourage emigration

Answer: B) Keep domestic food prices high

20. Which country became the world's largest overseas lender by 1923?

- A) Britain
- B) France

- C) Germany
- D) USA

Answer: D) USA

21. The Irish Potato Famine of the 1840s was caused by:

- A) A severe drought
- B) A disease that destroyed the potato crop
- C) A war with Britain
- D) High food taxes

Answer: B) A disease that destroyed the potato crop

22. The term 'Hosay' carnival in Trinidad is a cultural blend from:

- A) African and European traditions
- B) Indian Muslim tradition (Muharram)
- C) Chinese and Fijian culture
- D) Portuguese and Spanish customs

Answer: B) Indian Muslim tradition (Muharram)

23. India's trade surplus in the 19th century mainly helped:

- A) Indian farmers directly
- B) Britain settle its trade deficits globally
- C) Fund the Indian Railways
- D) Develop Indian industries

Answer: B) Britain settle its trade deficits globally

24. 'Chutney music' is an example of cultural fusion from:

- A) West Africa
- B) Indo-Caribbean communities
- C) Australia
- D) Mauritius

Answer: B) Indo-Caribbean communities

25. Which crop did Bengal's jute growers depend on, and whose price crashed during the Great Depression?

- A) Cotton
- B) Tea
- C) Raw jute
- D) Indigo

Answer: C) Raw jute

26. The Bretton Woods fixed exchange rate system eventually collapsed because of:

- A) China's economic rise
- B) The Great Depression
- C) US overseas spending weakening the dollar
- D) India's independence

Answer: C) US overseas spending weakening the dollar

27. Which invention was most important in helping transport perishable food over long distances in the 19th century?

- A) The steam engine
- B) The telegraph
- C) Refrigeration on ships
- D) The canal system

Answer: C) Refrigeration on ships

28. Between 1800 and 1870, India's share in cotton textile exports fell from 30% to approximately:

- A) 20%
- B) 10%
- C) Less than 3%
- D) 5%

Answer: C) Less than 3%

29. Approximately how many people died in World War II?

- A) 9 million
- B) 20 million
- C) 40 million
- D) 60 million

Answer: D) 60 million

30. Which of the following best describes 'floating exchange rates'?

- A) Rates fixed by the government permanently
- B) Rates fixed by the IMF annually
- C) Rates determined by market demand and supply
- D) Rates based on gold reserves only

Answer: C) Rates determined by market demand and supply

Section B — Fill in the Blanks

Fill in each blank with the correct word or phrase. Answers are provided in brackets for revision.

1. The ancient trade routes that connected Asia, Europe, and North Africa were known as the _____.

Answer: Silk Routes

2. Potatoes, tomatoes, and chillies came to Europe and Asia from _____ after Christopher Columbus's voyages.

Answer: the Americas

3. The Spanish conquered the Americas not just with guns but also with the _____ virus.

Answer: smallpox

4. The three main economic flows of the 19th century were trade, labour, and _____.

Answer: capital

5. The _____ in Britain were laws that restricted the import of cheap foreign grain.

Answer: Corn Laws

6. The cattle disease called _____ killed about 90% of African livestock in the 1890s.

Answer: Rinderpest

7. Indian workers who went abroad on contract in the 19th century were called _____ labourers.

Answer: indentured

8. Henry Ford introduced the _____ to produce cars quickly and cheaply.

Answer: assembly line

9. The Great Depression began in the year _____.

Answer: 1929

10. The Bretton Woods Conference of 1944 established the IMF and the _____.

Answer: World Bank

11. Under the Bretton Woods system, one ounce of gold was fixed at _____ US dollars.

Answer: \$35

12. The group of 77 developing nations demanded a _____ to gain fairer terms in global trade.

Answer: New International Economic Order (NIEO)

13. Refrigerated ships made it possible to transport _____ cheaply from New Zealand and Argentina to Europe.

Answer: meat

14. The Nobel Prize-winning author _____ is a descendant of Indian indentured labourers.

Answer: V.S. Naipaul

15. The Irish Potato Famine of the 1840s killed millions because the Irish poor were completely dependent on _____.

Answer: the potato

16. The system of indentured labour was abolished in the year _____.

Answer: 1921

17. During 1950–1970, world trade grew at approximately _____ per cent annually.

Answer: 8

18. The Bengal jute growers suffered heavily during the Great Depression because raw jute prices fell by more than _____.

Answer: 60%

19. The conference held in Berlin in 1885 divided _____ among European colonial powers.

Answer: Africa

20. After the collapse of the Bretton Woods fixed exchange rate system, countries switched to _____ exchange rates.

Answer: floating

Section C — Matching Column A with Column B

Match each item in Column A with the correct item in Column B.

Column A	Column B
1. Silk Routes	A. Established IMF and World Bank
2. Smallpox	B. Ancient trade network linking Asia, Europe & Africa
3. Corn Laws	C. Cattle plague that devastated Africa in the 1890s
4. Rinderpest	D. Biological weapon used by Spanish conquerors
5. Henry Ford	E. Group of developing nations demanding NIEO
6. V.S. Naipaul	F. Nobel laureate descended from Indian migrants
7. Bretton Woods (1944)	G. Assembly line and mass production of cars
8. G-77	H. British laws restricting cheap grain imports
9. Indentured Labour	I. 'New system of slavery' — 5-year labour contracts
10. Great Depression	J. 1929 — worldwide economic collapse

Answers to Matching:

1 → B | 2 → D | 3 → H | 4 → C | 5 → G | 6 → F | 7 → A | 8 → E | 9 → I | 10 → J

Section D — Frequently Asked Questions (FAQs)

These are the most commonly asked questions in CBSE board examinations. Read each answer carefully — the language is kept simple and clear.

Q1. What were the Silk Routes? Why were they important?

The Silk Routes were a network of ancient trade paths that connected Asia, Europe, and North Africa. They existed even before the Christian era and continued to thrive until the 15th century. They were important because they carried not only goods like silk, spices, and precious metals, but also ideas, religions, and unfortunately diseases. India was a crucial hub on these routes, connecting Arabia and Rome on one side and Southeast Asia and China on the other.

Q2. How did food items travel across the world in the pre-modern period?

Food items travelled across the world through trade routes and explorations. For example, noodles are believed to have travelled from China to Italy, where they became spaghetti. More significantly, after Christopher Columbus reached the Americas, crops such as potatoes, tomatoes, chillies, groundnuts, maize, and soya beans gradually spread to Europe and Asia. Before Columbus, Europeans had never seen or tasted a potato!

Q3. How did disease help European conquerors defeat the American Indians?

When European conquerors arrived in the Americas, they unknowingly brought diseases like smallpox. The American Indians had lived in isolation for centuries and had no immunity to these germs. Entire communities were wiped out by smallpox even before the Europeans could fight them directly. This is sometimes called 'biological warfare.' The Spanish were largely immune to smallpox, so the disease gave them a devastating advantage over the American Indians.

Q4. What were the three main economic flows in the 19th century? Explain briefly.

The three main economic flows were: (1) Trade — the movement of goods such as wheat, cotton, and coal across countries; (2) Labour — the movement of people to find work, such as European emigrants going to the Americas or Indian labourers going to the Caribbean; and (3) Capital — the flow of money for investment, for instance, London-based financiers investing in railways in Argentina or India. These three flows were closely connected and together shaped the 19th-century global economy.

Q5. What were the Corn Laws in Britain? What happened when they were abolished?

The Corn Laws were British laws that restricted the import of cheap foreign grain. British landlords lobbied the government to keep these laws so that domestic grain prices stayed high and their incomes were protected. When these laws were finally abolished, cheap grain poured into Britain from countries like America, Russia, and Australia. Food became cheaper, which was good for workers. However, British farmers could not compete with cheaper imports, so many lost their livelihoods and either moved to cities or emigrated abroad.

Q6. What was the Rinderpest, and how did it affect Africa?

Rinderpest was a fast-spreading cattle disease that entered Africa in the 1890s. It is believed to have come from infected cattle imported from British India and reached East Africa. Within just five years, it had spread from East Africa all the way to the Cape. Approximately 90% of all African cattle died. Since African livelihoods depended heavily on cattle, the loss was devastating. Colonial employers took advantage of this crisis by imposing heavy taxes that could only be paid through wage labour, effectively forcing Africans into colonial workplaces.

Q7. What was the indentured labour system? Who were the indentured labourers?

The indentured labour system was a type of contract-based labour that historians have called 'a new system of slavery.' Workers, mainly from eastern UP, Bihar, central India, and Tamil Nadu, were recruited by agents and sent on five-year contracts to work on plantations, in mines, and on construction projects in places like the Caribbean islands, Mauritius, Fiji, and Malaya. They were often misled about the nature and conditions of the work. The living and working conditions were extremely harsh, and workers had very few rights.

Q8. What role did Henry Ford play in the US economic recovery of the 1920s?

Henry Ford introduced the assembly line system of mass production at his Detroit car factory. Inspired by Chicago's meat-processing factories, he organised workers to perform one specific task repeatedly on a moving conveyor belt. This produced a car every three minutes! To prevent workers from quitting, he doubled daily wages to 5 dollars. The Ford model spread across the USA and Europe. By 1929, over five million cars were being produced annually. The prosperity from mass production created demand for refrigerators, washing machines, and radios, fuelling a huge consumer boom.

Q9. What caused the Great Depression of 1929? What were its main effects?

The Great Depression was caused by a combination of factors. Agricultural overproduction led to a surplus that crashed farm prices. In 1928, the USA began withdrawing its overseas loans, causing banks in Europe and elsewhere to fail. The British pound collapsed. In the USA itself, banks slashed lending, businesses collapsed, and unemployment soared. By 1933, over 4,000 banks had closed. The effects were global — agricultural prices fell sharply, trade halved, and millions lost their jobs and homes. It was the worst economic crisis the world had seen.

Q10. How did the Great Depression affect India?

India was heavily affected because it was a colonial economy that exported agricultural goods and imported manufactured products. Between 1928 and 1934, both imports and exports nearly halved. Wheat prices in India fell by 50%. Bengal's jute growers were particularly devastated as raw jute prices fell by more than 60%. The colonial government refused to reduce revenue demands, so peasants suffered enormously. On the other hand, India's gold exports helped Britain's recovery. Mahatma Gandhi launched the Civil Disobedience Movement in 1931, at the height of this economic crisis.

Q11. What were the key outcomes of the Bretton Woods Conference (1944)?

The Bretton Woods Conference of July 1944 established the framework for the post-war global economy. Its key outcomes were: (1) The creation of the IMF (International Monetary Fund) to manage trade imbalances between countries; (2) The creation of the World Bank to finance post-war reconstruction; (3) A system of fixed exchange rates, where all national currencies were pegged to the US dollar, which was itself fixed to gold at 35 dollars per ounce. The USA had effective veto power over decisions in both institutions.

Q12. Why is the period 1950–1970 called the 'Golden Age' of capitalism?

This period is called the 'Golden Age' because it saw exceptional economic growth across the world. World trade grew at an average rate of 8% per year. Incomes increased by nearly 5% annually. Unemployment in most industrialised countries remained below 5%. Living standards improved significantly in Western countries. This stable and prosperous era was made possible by the Bretton Woods system, which maintained stable exchange rates and allowed governments to manage their economies effectively.

Q13. Who were the G-77, and what did they demand?

The G-77, or Group of 77, was a coalition of developing countries that had recently gained independence from colonial rule. They felt that the IMF and World Bank were designed for industrialised nations and did

not address the needs of poorer countries. The G-77 demanded a New International Economic Order (NIEO). Their demands included: real control over their own natural resources, fairer prices for their raw materials, greater development assistance, and better access to the markets of developed countries.

Q14. How did technology transform the global economy in the 19th century?

Three technologies were most transformative. Railways connected farms to ports, making it possible to move large quantities of grain cheaply and quickly. Steamships reduced the time and cost of ocean transport. The telegraph allowed rapid communication across continents, so merchants could receive prices and place orders instantly. Most importantly, refrigerated ships meant that perishable goods like meat, butter, and fruit could be transported over long distances without spoiling, dramatically expanding global food trade.

Q15. What was India's role in the multilateral world trade settlement system of the 19th century?

India had a trade surplus with Britain — it exported more to Britain than it imported. This surplus played a crucial role in the global economy. Britain used India's surplus to settle its trade deficits with other countries. In other words, the money Britain earned from India helped Britain pay for its imports from the USA and other nations. India's surplus also helped Britain pay the salaries of British officials in India and meet other 'home charges.' Without India, Britain's global financial position would have been far weaker.

Q16. What is meant by 'the world shrank' in the context of the 16th century?

When historians say 'the world shrank,' they mean that the physical distances between places became less significant because travel and communication became faster. In the 16th century, European sailors discovered sea routes to Asia and crossed the Atlantic to reach the Americas. Suddenly, goods, people, and ideas could travel between continents that had previously been almost completely isolated from each other. What once took years of slow overland travel now took months by sea. The world felt smaller because it was more connected.

Q17. How did WWI change the economic position of the USA?

Before World War I, the USA was actually an international debtor — it owed money to other countries. During the war, European nations like Britain borrowed heavily from American banks to finance the conflict. This completely reversed the USA's financial position. By the end of the war, the USA had become the world's largest creditor — meaning other countries now owed money to the USA. By 1923, the USA was the world's largest overseas lender, reflecting its new dominance in global finance.

Q18. What happened to the Bretton Woods system, and why did it collapse?

The Bretton Woods fixed exchange rate system began to weaken from the late 1960s onwards. The USA's heavy overseas spending — especially on the Vietnam War — weakened its financial position. The US dollar could no longer maintain its fixed value against gold. As confidence in the dollar fell, the fixed exchange rate system eventually collapsed. Countries then switched to floating exchange rates, where the value of currencies is determined by market forces of supply and demand rather than being fixed by governments.

Q19. What was the cultural contribution of Indian indentured labourers abroad?

Despite the hardships they faced, Indian indentured labourers made significant cultural contributions in their new homelands. In Trinidad, the Indian Muharram procession evolved into the 'Hosay' carnival, in which people of all races and religions participate. Rastafarianism, associated with musicians like Bob Marley, reflects cultural links with Indian migrants. 'Chutney music,' a creative blend of Indian and Caribbean musical traditions, emerged as a unique art form. These are examples of cultural fusion — when different traditions mix to create something new and beautiful.

Q20. Why did Mahatma Gandhi launch the Civil Disobedience Movement in 1931?

Gandhi launched the Civil Disobedience Movement in 1931 at a time when India was suffering greatly from the effects of the Great Depression. Wheat prices had fallen by 50%, jute farmers were devastated, and peasants were deeply in debt. Yet the colonial government continued to collect high revenues from farmers with no reduction. Gandhi used the famous Salt March to challenge British authority and mobilise millions of Indians who were suffering economic hardship. The movement was thus both a political and an economic protest against colonial rule.

Section E — Short Answer Questions (Answer in about 35 words)

Keep your answer brief, accurate, and to the point. These are 2-mark questions.

Q1. What were the Silk Routes?

The Silk Routes were ancient trade networks linking Asia, Europe, and North Africa. They carried goods like silk, spices, and metals, as well as ideas, religions, and diseases. They existed before the Christian era and thrived until the 15th century.

Q2. Name any four food items that came to the Old World from the Americas.

Potatoes, tomatoes, chillies, and groundnuts (peanuts) all originated in the Americas. They reached Europe and Asia only after Christopher Columbus's voyages, roughly 500 years ago. Before this, Europeans had never tasted these foods.

Q3. What was 'biological warfare' in the context of the conquest of the Americas?

European conquerors carried the smallpox virus to the Americas. The American Indians had no immunity to it. Entire communities were wiped out by the disease, making Spanish conquest far easier than it would have been through armed force alone.

Q4. Why were the Corn Laws introduced in Britain?

British landlords pressured the government to restrict cheap grain imports. The Corn Laws kept domestic grain prices high, protecting landlords' incomes. When they were abolished, cheap food imports arrived, benefiting workers but ruining British farmers.

Q5. What was the Rinderpest disease, and what was its impact on Africa?

Rinderpest was a cattle plague that entered Africa in the 1890s from British Asia. It killed about 90% of African cattle, destroying livelihoods. Colonial employers then used this crisis to force Africans into paid labour on European farms and mines.

Q6. What was indentured labour? Why has it been called 'a new system of slavery'?

Indentured labour involved workers signing 5-year contracts to work abroad. Conditions were extremely harsh, rights were minimal, and agents often deceived workers. Because of the brutal conditions and lack of freedom, historians compare it to slavery.

Q7. What was the assembly line introduced by Henry Ford?

Henry Ford's assembly line organised factory workers to perform one specific task repeatedly on a moving conveyor belt. This produced a car every three minutes, dramatically reducing costs and making cars affordable for ordinary people. It revolutionised manufacturing worldwide.

Q8. What was the Great Depression of 1929?

The Great Depression was a severe worldwide economic crisis that began in 1929 and lasted until the mid-1930s. Agricultural prices collapsed, banks failed, trade shrank, and unemployment soared. It was caused by overproduction, falling prices, and the withdrawal of US loans from Europe.

Q9. What were the main aims of the Bretton Woods system?

The Bretton Woods system aimed to ensure stable exchange rates and promote economic growth. It established the IMF to manage trade imbalances and the World Bank for post-war reconstruction. The US dollar was fixed to gold, providing a stable international monetary framework.

Q10. Who were the G-77, and what is NIEO?

G-77 was a group of 77 developing nations that felt excluded from the benefits of globalisation. They demanded a New International Economic Order (NIEO) — fairer prices for raw materials, control over natural resources, development aid, and better market access in developed countries.

Q11. How did refrigerated ships change global trade?

Before refrigerated ships, live animals were transported to Europe — many died on the way, making meat very expensive. Refrigerated ships allowed meat to be slaughtered, frozen, and shipped cheaply from New Zealand and Argentina, making it affordable even for poorer Europeans.

Q12. What is the difference between fixed and floating exchange rates?

In a fixed exchange rate system, the government sets and maintains a currency's value against another currency or gold. In a floating system, the market determines currency values through supply and demand. The Bretton Woods system used fixed rates; the world today uses floating rates.

Q13. What was the Ireland Potato Famine? What lesson does it teach?

The Ireland Potato Famine of the 1840s occurred when the potato crop was destroyed by disease. The Irish poor, totally dependent on potatoes, starved in their millions. It teaches the dangerous consequences of depending on a single crop or food source.

Q14. How did World War I transform the financial position of the USA?

Before WWI, the USA was an international debtor. During the war, European nations borrowed heavily from American banks. By the war's end, the USA had become the world's largest creditor, with other countries owing it enormous sums. By 1923, it was the biggest overseas lender.

Q15. What cultural forms did Indian indentured labourers create abroad?

Indian indentured labourers created remarkable cultural forms abroad. The 'Hosay' carnival in Trinidad evolved from the Muharram procession. 'Chutney music' blended Indian and Caribbean traditions. Rastafarianism also reflects Indian cultural connections. V.S. Naipaul is a famous literary descendant.

Section F — Long Answer Questions (5-mark / Board Level)

Write detailed answers. Use headings and points where appropriate. These answers are written in simple, clear British English.

Q1. Explain how the Silk Routes connected the ancient world. What was traded, and why were they historically significant?

What were they?

The Silk Routes were a network of overland and sea trade paths that connected Asia, Europe, and North Africa. They existed even before the Christian era and remained active until the 15th century.

What was traded?

The name 'Silk Routes' comes from the Chinese silk that was carried westwards. However, much more travelled these routes — textiles, spices, precious metals like gold and silver, and Chinese pottery. Alongside goods, Buddhist missionaries, Muslim preachers, and Christian traders carried their ideas and religions. Diseases also spread along these routes.

India's role

India was a central hub. Indian textiles, spices, and indigo were in high demand globally. India connected Arabia and Rome to the west with Southeast Asia and China to the east.

Historical significance

The Silk Routes demonstrate that globalisation is not a modern invention. Peoples and civilisations have always been interconnected through trade, ideas, and culture. They are the earliest evidence of a truly global world.

Q2. Describe the impact of European conquest and diseases on the indigenous peoples of the Americas.

The arrival of Europeans

From the 16th century, European sailors and soldiers arrived in the Americas. They were armed with superior weapons — guns, swords, and cannons. However, their most devastating weapon was not made of iron; it was invisible.

Biological warfare

The Europeans carried diseases such as smallpox, measles, and influenza. The indigenous American Indian populations had lived in isolation for centuries and had no immunity to these germs. The diseases spread with terrible speed, wiping out entire communities before the Spanish had even fought them.

Conquest made easy

Smallpox killed far more American Indians than Spanish guns did. Great empires like the Aztec and Inca were weakened not just by military force but by the devastating loss of population to disease. The Spanish were largely immune to smallpox, giving them a decisive advantage.

Precious metals

Once conquest was complete, the Spanish extracted vast quantities of silver from Peru and Mexico. Legends of El Dorado, a city of gold, inspired many further expeditions. These precious metals flowed to Europe and transformed global trade.

Lesson

This episode illustrates how disease, power, and economics combined to reshape the entire world. It is a dark chapter that demonstrates the human cost of colonial ambition.

Q3. Explain the three flows of the 19th-century economy. How did they transform the world?

Introduction

By the 19th century, the world economy had become highly interconnected through three main types of movement, or 'flows': trade, labour, and capital. These flows were closely linked — none could exist without the others.

1. Trade

Goods moved on an unprecedented scale. Wheat from Russia, Canada, and Australia fed European cities. Cotton from India and America supplied British mills. Coal and manufactured goods moved in the opposite direction. Between 1820 and 1914, world trade grew by 25 to 40 times.

2. Labour

Approximately 50 million people emigrated from Europe to the Americas and Australia during the 19th century. Indian and Chinese labourers went to plantations and mines in the Caribbean, Mauritius, and Southeast Asia. Labour moved wherever land was available and wages were better.

3. Capital

Money flowed from financial centres like London to build railways in Argentina, India, and Australia, and to open up new farmlands. Without this investment, the expansion of trade and settlement would not have been possible.

Transformation

Together, these three flows created a truly global agricultural economy by 1890. A loaf of bread eaten in London might contain wheat grown in Punjab, transported by a Punjab Canal Colony railway, shipped to Britain on a steam vessel, and financed by a London bank. The world was now deeply interdependent.

Q4. Assess the role of technology in shaping the 19th-century global economy.

Introduction

Technology did not simply happen — it was driven by the economic and political forces of colonialism, industrialisation, and the demand for new markets. Three technologies were particularly transformative.

1. Railways

Railways connected farms to ports. In India, the Punjab Canal Colonies were linked to ports by railway, allowing wheat and cotton to be exported efficiently. In Argentina and the USA, vast new farmlands became productive once railways reached them.

2. Steam-powered ships

Steamships reduced ocean crossing times significantly and could carry far greater cargo than sailing vessels. They made it economical to ship bulky goods like grain and coal across oceans.

3. Refrigeration

Perhaps the most remarkable innovation was the refrigerated ship. Before refrigeration, live animals had to be shipped to Europe, and many died en route. Refrigerated ships allowed meat to be slaughtered in New Zealand or Argentina, frozen, and delivered cheaply to European ports. Poor Europeans could now afford meat — improving living standards significantly.

4. The telegraph

The telegraph allowed merchants and banks to communicate across continents almost instantly, coordinating prices, orders, and financial transactions in real time.

Conclusion

Technology and colonialism worked together. Colonial governments built infrastructure — railways, harbours, telegraph lines — to extract resources efficiently. Technology was not neutral; it served economic and imperial purposes.

Q5. What was the indentured labour system? Describe its origins, conditions, and cultural consequences.

Origins

After the abolition of slavery in 1833, British plantation owners in the Caribbean, Mauritius, and Fiji needed a new source of cheap labour. They turned to India. Agents recruited workers mainly from poor regions — eastern UP, Bihar, central India, and Tamil Nadu — on five-year contracts.

Who went and why

Workers went because of extreme poverty, drought, and landlessness. However, agents frequently misled them about the destination, the nature of the work, and the conditions they would face.

Conditions — harsh and exploitative

On arrival at plantations, workers discovered reality was very different from what they had been promised. They lived in cramped quarters, worked extremely long hours, and had almost no legal rights. Those who tried to run away were severely punished. Historians rightly call it 'a new system of slavery.'

Resistance and creativity

Despite the hardships, indentured workers found ways to preserve and adapt their culture. They modified religious festivals — Muharram became 'Hosay' carnival in Trinidad. They blended Indian music with local Caribbean styles to create 'Chutney music.' These acts of creativity were also acts of resistance and survival.

End of the system

Indian nationalist leaders campaigned vigorously against indentured labour. The system was finally abolished in 1921. Famous descendants of indentured labourers include Nobel laureate V.S. Naipaul and West Indian cricketers like Shivnarine Chanderpaul.

Q6. What were the causes and consequences of the Great Depression of 1929?

Introduction

The Great Depression, which began in 1929 and lasted until the mid-1930s, was the worst economic crisis the modern world had experienced. It began in the USA but quickly spread globally.

Cause 1 — Agricultural overproduction

During and after WWI, Canada, USA, Australia, and Eastern Europe had all massively increased food production. By the late 1920s, there was a huge surplus of grain. Prices began to fall. Farmers produced even more to compensate, making the surplus worse. Farm incomes collapsed.

Cause 2 — Withdrawal of US loans

Many European countries had borrowed heavily from the USA during the 1920s. In 1928, the USA began pulling back its overseas loans. European banks, which depended on this credit, began to fail. Britain's pound sterling collapsed.

Consequences in the USA

Over 4,000 American banks closed by 1933. More than 110,000 companies went bankrupt in 1932 alone. Millions lost their jobs, their farms, and their homes. Unemployment became catastrophic.

Consequences in India

India's trade (both imports and exports) nearly halved between 1928 and 1934. Wheat prices fell 50%. Bengal's jute farmers saw raw jute prices fall by over 60%. The colonial government continued to collect heavy taxes, deepening rural distress. India's gold was exported to help Britain's recovery, bringing no benefit to ordinary Indians.

Political consequences

The Depression fuelled political extremism in Europe, contributing to the rise of fascism and ultimately to WWII. In India, Gandhi launched the Civil Disobedience Movement in 1931 partly in response to the economic suffering of the rural poor.

Q7. What were the main features and achievements of the Bretton Woods system?

Background

After the devastation of WWII, world leaders were determined to create an international economic system that would prevent a repeat of the chaos of the inter-war years — the Great Depression, financial instability, and economic nationalism.

The Conference (July 1944)

Representatives of 44 nations met in Bretton Woods, New Hampshire, USA. They agreed on a new framework for the global economy.

Key institutions created

The International Monetary Fund (IMF) was created to manage trade imbalances and provide short-term financial assistance to countries in difficulty. The International Bank for Reconstruction and Development (World Bank) was established to finance the reconstruction of war-damaged economies.

Fixed exchange rates

All national currencies were pegged (fixed) to the US dollar. The dollar itself was fixed to gold at \$35 per ounce. This provided stability and predictability in international trade.

Achievements — the Golden Age

The Bretton Woods system presided over an era of exceptional economic growth from 1950 to 1970. World trade grew at 8% annually. Incomes rose nearly 5% annually. Unemployment stayed below 5% in most industrial countries. This 'Golden Age' lifted living standards dramatically in the West.

Limitations

The system was designed by and for industrial nations. Developing countries felt it did not address their needs. The USA had an effective veto over IMF and World Bank decisions, reflecting the political inequalities of the post-war world.

Q8. Describe India's position in the global economy in the 19th century. How did colonialism shape it?

India as a trading nation

Historically, India was a major exporter of fine cotton textiles to Europe and West Asia. Indian merchants and trading communities like the Chettiars and Shroffs operated across Southeast Asia, Arabia, and East Africa.

Impact of British industrialisation

When Britain industrialised, its manufacturers pressured the government to protect their markets. Heavy import duties were placed on Indian cloth entering Britain. As a result, India's share of cotton textile exports fell from 30% in 1800 to less than 3% by the 1870s.

Shift to raw materials

India was forced into a new role — exporting raw materials and importing manufactured goods. Raw cotton exports rose from 5% to 35%. India also produced and exported indigo (for dye) and opium, which Britain sold to China to finance its own imports.

The trade surplus role

Interestingly, India had a trade surplus with Britain — it exported more than it imported. Britain used India's surplus earnings to settle its trade deficits with other countries. India's export earnings also paid British

officials' salaries ('home charges').

Punjab Canal Colonies

In West Punjab, the British built irrigation canals, converting semi-desert wasteland into fertile farmland. Wheat and cotton were grown here for export. This shows how colonialism shaped Indian agriculture entirely for British economic benefit.

Conclusion

India was not a passive part of the world economy — it was a crucial cog. However, its role was defined by colonial interests, not its own. As Priya wisely noted, 'India was always part of the world economy; only the terms of its engagement kept changing.'

Q9. How did World War I affect the global economy? What changes did it bring about?

Scale of destruction

WWI (1914–1918) was the first truly modern industrial war. Machine guns, tanks, aircraft, and chemical weapons were all produced on a mass scale. Around 9 million people were killed and 20 million were injured. Economies across Europe were devastated.

New economic geography

Before the war, Britain was the world's leading economy. During the war, Britain borrowed heavily from US banks, accumulating massive debts. The USA moved from being an international debtor to becoming the world's largest creditor nation.

Disruption of global trade links

Countries that were fighting each other could not trade normally. Economic relationships that had been built over decades were severed. Japan and India developed their own industries to fill the gap left by European manufacturers, creating new competition after the war.

Social changes

With millions of men at the front, women entered the workforce in large numbers, taking on roles previously reserved for men. This shifted social norms permanently.

Post-war difficulties

When the war ended, the economic boom that wartime production had created quickly collapsed. By 1921, one in every five British workers was unemployed. Wheat-producing countries faced a massive oversupply as Eastern Europe resumed production, causing agricultural prices to plummet and rural incomes to collapse across the world.

Seeds of the Depression

The disruption caused by WWI — the debts, the agricultural crisis, and the instability — created the conditions that eventually led to the Great Depression of 1929.

Q10. Trace the story of the rise and fall of the Bretton Woods system and the emergence of modern globalisation.

Birth — 1944

The Bretton Woods system was born out of WWII. Leaders recognised that the instability of the inter-war period — the Great Depression and its consequences — had contributed to the war itself. They created a stable international monetary framework at Bretton Woods in 1944.

The Golden Age (1950–1970)

The system worked remarkably well for two decades. World trade grew at 8% per year. Incomes rose nearly 5% annually. The industrialised world enjoyed the 'Golden Age' of capitalism, with low unemployment and rising living standards.

Strains on the system

From the mid-1960s, the system came under pressure. The USA's heavy spending overseas — particularly on the Vietnam War — weakened its finances. The US dollar could no longer maintain its fixed value against gold. Confidence in the dollar began to erode.

Collapse

The fixed exchange rate system could not survive these pressures. In the early 1970s, the system collapsed. Countries switched to floating exchange rates, where currency values are determined by market supply and demand rather than government decree.

Rise of MNCs and new powers

From the 1950s and 60s, multinational corporations (MNCs) began operating globally. High import tariffs in many countries forced MNCs to manufacture locally. China, which had been isolated since its 1949 revolution, rejoined the world economy in the 1980s and 90s, attracting investment with its vast, low-wage workforce. India and Brazil also transformed rapidly.

Modern globalisation

Today's globalisation is the product of this long history — from the Silk Routes and colonial trade to the Bretton Woods era and its aftermath. India, once a colonial economy exporting raw materials, is now a major player in technology, services, and manufacturing. As this chapter teaches us, the world has always been connected — only the terms of that connection keep changing.

Quick Revision — Key Dates & Facts at a Glance

Date / Period	Event / Fact
3000 BCE	Indus Valley trade with West Asia begins — early globalisation
15th century	Silk Routes at their peak; Columbus reaches Americas (1492)
1840s	Ireland Potato Famine — millions die from starvation
1885	Berlin Conference — Africa divided among European powers
1890s	Rinderpest kills 90% of African cattle
1890	Global agricultural economy fully formed
1914–1918	World War I — USA becomes world's largest creditor
1920s	Henry Ford's assembly line — mass production era
1921	Indentured labour system abolished
1923	USA becomes world's largest overseas lender
1929	The Great Depression begins
1931	Gandhi's Civil Disobedience Movement (Depression context)
1939–1945	World War II — 60 million+ deaths
1944	Bretton Woods Conference — IMF and World Bank established
1950–1970	Golden Age — 8% annual trade growth; unemployment below 5%
Early 1970s	Bretton Woods system collapses; floating exchange rates begin
1980s–90s	China rejoins world economy; modern globalisation accelerates

All the best for your examinations! Remember — history is not just about dates and events; it is about understanding how the world became what it is today.

— Om Sikarwar | CLASS ORB.COM —