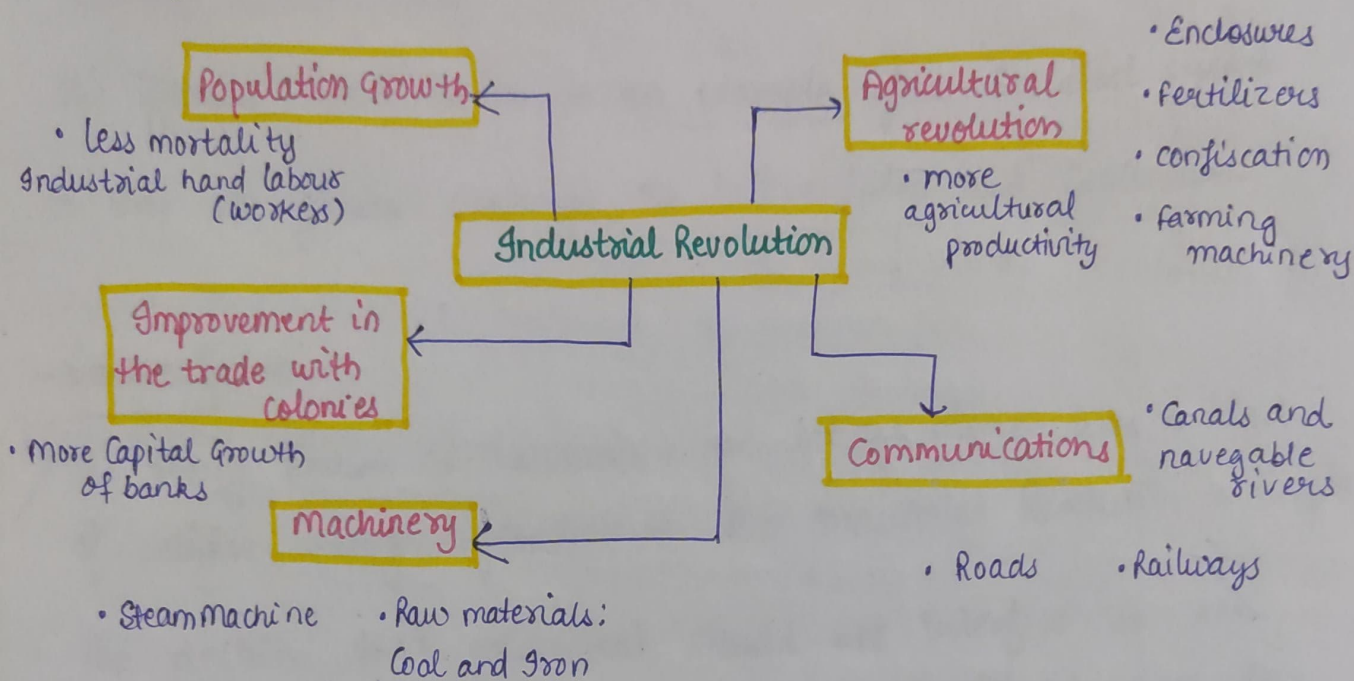


Q. Explain the meaning of following terms:

Industrial Revolution

A rapid major change in an economy (of England) marked by the general introduction of power driven machinery or by an important change in the prevailing types and methods of use of such machines



Capitalism

It is defined as an economic system in which the means of production, trade, an industry are owned and controlled by private individuals or corporations for profit. Also known as the Free Market Economy.

- It is the first stage in the history of the world to coincide with the phenomenon of industrialisation in its full blown form together, the new economic institutions (the banking insurance) and the new technology that transform the world.

Socialism

Socialism is a populist economic and political system based on the public ownership (also known as collective or common ownership) of the means of production. These means include the machinery, tools, and factories used to produce goods that aim to directly satisfy human needs.

The former Soviet Union is an example of a socialist system.

It was the greatest challenge to laissezfaire and Capitalism.

laissezfaire

The theory known as laissezfaire or let us alone was a kind of religion among capitalists of the Industrial Revolution in England.

- The doctrine that government should not interfere in the commercial affairs i.e. the businessman should be free to look after his own interests. Only the unwritten law of supply and demand should determine the size of his profits.

The famous Economist Adam Smith voiced this idea in 1776 in his book "The Wealth of Nations", and had many supporters too.

Industrialisation and Capitalism brought benefits as well as hardships to man. The greatest challenge to laissezfaire, and to capitalism itself, has come from the idea of socialism, which grew in the beginning as a reaction against the evils of capitalism.