

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**Monday 22 May 2023 – Afternoon**

**A Level Economics**

**H460/02 Macroeconomics**

**Time allowed: 2 hours  
plus your additional time allowance**

**YOU MUST HAVE:  
the Resource Book**

**YOU CAN USE:  
a scientific or graphical calculator**

**Please write clearly in black ink.**

**Centre number**

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**Candidate number**

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**First name(s)** \_\_\_\_\_

**Last name** \_\_\_\_\_

**READ INSTRUCTIONS OVERLEAF**



## **INSTRUCTIONS**

**Use black ink. You can use an HB pencil, but only for graphs and diagrams.**

**Write your answer to each question in the space provided. If you need extra space use the lined pages at the end of this booklet. The question numbers must be clearly shown.**

**Answer ALL the questions in Section A, ONE question in Section B and ONE question in Section C.**

## **INFORMATION**

**The total mark for this paper is 80.**

**The marks for each question are shown in brackets [ ].**

**Quality of extended response will be assessed in questions marked with an asterisk (\*).**

## **ADVICE**

**Read each question carefully before you start your answer.**

## SECTION A

Read the stimulus material in the Resource Book and answer ALL parts of Question 1.

- 1 (a) Using information from the stimulus material, calculate the balance on the UK's primary and secondary income in 2019.

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[2]

- (b) Using information from the stimulus material, identify TWO causes of an increase in the money supply.

1 

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2 

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[2]

**(c) Explain how a change in working hours is likely to affect productivity.**

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[2]

**(d) Using FIG. 1, explain the relationship between international competitiveness and GDP per capita.**

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[4]

- (e) Using information from the stimulus material, evaluate whether the size of Rwanda's multiplier is likely to have increased between 2010 and 2019.**

[illegible]

- (f) Using information from the stimulus material, evaluate whether the changes in Rwanda's price level between 2010 and 2019 is likely to have harmed Rwandan households and firms. [12]**

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## SECTION B

Answer Question 2 OR Question 3.

**EITHER**

- 2\* Consumer expenditure rose in the USA in 2019. In that year, US unemployment fell to a 50-year low of 3.5%.**

**Evaluate, with the use of an appropriate diagram(s), whether an increase in consumer expenditure will always reduce a country's unemployment rate. [25]**

**OR**

- 3\* Between July 2018 and August 2020, the value of the Turkish lira fell from 4.73 lira to 1 US dollar to 7.32 lira to 1 US dollar. The Turkish central bank spent much of its foreign currency reserves in attempt to stop the decline in the country's exchange rate.**

**Evaluate, with the use of an appropriate diagram(s), whether a central bank should try to stop a decline in a country's exchange rate. [25]**

**Question No. \_\_\_\_\_**

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[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

## **SECTION C**

**Answer Question 4 OR Question 5.**

**EITHER**

- 4\* Since 1978, more than 800 million people have been lifted out of poverty in China. In this period, the Chinese government has made increasing use of supply side policy measures.**

**Evaluate the effectiveness of using supply side policy measures to reduce poverty. [25]**

**OR**

- 5\* In 2020, the Saudi Arabian government tripled Value Added Tax from 5% to 15%. It did not change the country's corporate tax rate.**

**Evaluate whether a government should rely more on indirect or direct taxation as a source of revenue. [25]**

**Question No. \_\_\_\_\_**

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[illegible]

[illegible]



[illegible]

[illegible]

[illegible]

**ADDITIONAL ANSWER SPACE**

**If additional space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margin(s).**











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