

**ADVANCED SUBSIDIARY GCE UNIT  
 ECONOMICS**

**2883/AB**

The National and International Economy  
**FRIDAY 8 JUNE 2007**

Afternoon

Time: 1 hour

Additional materials: Separate question paper.  
 Candidates answer in this designated  
 Answer Booklet.



Candidate  
 Name

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Centre  
 Number

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Candidate  
 Number

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**INSTRUCTIONS TO CANDIDATES**

- Write your name, Centre number and candidate number in the boxes above.
- Answer **all** the questions.
- Write your answers in the spaces provided on this separate answer booklet.
- The spaces should be sufficient for your answers but if you require more space use the lined page at the end of this booklet and number your answers carefully.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The quality of your written communication will be taken into account in marking your answer to the question labelled with an asterisk(\*)

For Examiner's Use	
Total Mark	

This document consists of **7** printed pages and **1** lined page.

(a) Define:

(i) unemployment (line 2);

.....  
.....  
.....  
.....[2]

(ii) aggregate demand (line 3).

.....  
.....  
.....  
.....[2]

(b) Using Fig. 1:

(i) state the budget position at the income level Y;

.....  
.....  
.....  
.....[2]

(ii) explain the relationship shown between real GDP and tax revenue.

.....  
.....  
.....  
.....  
.....  
.....  
.....[3]

(c) Growth in the Vietnamese economy has benefited its people.  
Explain:

(i) **two** possible causes of economic growth;

- 1. ....  
.....  
.....  
.....  
.....  
.....  
.....
  - 2. ....  
.....  
.....  
.....  
.....  
.....  
.....
- .....[6]

(ii) **two** benefits of economic growth.

- 1. ....  
.....  
.....  
.....
  - 2. ....  
.....  
.....  
.....
- .....[4]

(d) (i) Explain whether exports are a leakage from or an injection into the circular flow of income.

.....  
.....  
.....  
.....[2]

(ii) Explain **two** possible reasons why UK firms might be able to export more to Vietnam.

1. ....  
.....  
.....  
.....  
.....  
.....  
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.....  
.....[4]

(e) (i) Give **two** examples of monetary policy measures.

1. ....  
.....  
.....  
2. ....  
.....  
.....[2]





A series of 25 horizontal dotted lines spanning the width of the page, providing a template for handwritten answers.

If you use the following lined pages or additional sheets to complete an answer to any question, the question number must be clearly shown.

Lined area for writing an answer, consisting of 25 horizontal dotted lines.

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