

Tuesday 31 January 2012 – Morning

A2 GCE ECONOMICS

F585/01 The Global Economy



Candidates answer on the Question Paper.

OCR supplied materials:

- Clean copy Stimulus Material

Other materials required:

- Calculators may be used

Duration: 2 hours



Candidate forename					Candidate surname				
--------------------	--	--	--	--	-------------------	--	--	--	--

Centre number						Candidate number			
---------------	--	--	--	--	--	------------------	--	--	--

INSTRUCTIONS TO CANDIDATES

- Refer to the Stimulus Material in a separate booklet. You must **not** bring your original copy into the examination.
- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. If additional space is required, you should use the lined pages at the end of this booklet. The question number(s) must be clearly shown.
- Answer **all** the questions.
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- This document consists of **16** pages. Any blank pages are indicated.
- You will be assessed on the quality of your written communication in question 3. All answers should be in continuous prose.



**A calculator may
be used for this
paper**

Answer **all** questions.

1 (a) Define what is meant by the:

- (i) 'national income multiplier';

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

- (ii) 'accelerator'.

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

- (b) With reference to Fig. 1.1, analyse how the interaction of the national income multiplier and the accelerator might, in part, explain the severity and length of the UK recession 2008 Q2 to 2009 Q3.

. [6]

- (c) Comment on the possible consequences for UK economic growth of the Coalition Government's deficit reduction plan.

[10]

[10]

- 2 (a) "The Department for International Development (DfID) stated that it would use additional expenditure to ... focus aid where it is needed most." (Extract 3)

With reference to Fig. 3.2, state and explain **two** ways in which UK ODA was **not** focused on where it was needed most in 2007.

1.

.....

.....

.....

.....

.....

.....

2.

.....

.....

.....

.....

.....

.....

[4]

- (b) Analyse **two** reasons why economic growth, such as that experienced by China and India, may not raise the level of development.

. [6]

- (c) Comment on the extent to which market-friendly reforms, such as those adopted by India in 1991, help to promote development.

[10]

. [10]

- 3** Discuss the extent to which global trade and balance of payments imbalances, such as those mentioned in Extract 5, are a threat to global economic stability.

Additional pages. When using this space please make sure your answers are numbered carefully.

PLEASE DO NOT WRITE ON THIS PAGE



Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, First Floor, 9 Hills Road, Cambridge CB2 1GE.

OCR is part of the Cambridge Assessment Group; Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.