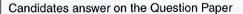


# ADVANCED GCE ECONOMICS

The Global Economy

F585



### **OCR Supplied Materials:**

Clean copy of stimulus material

Other Materials Required:

Calculators may be used

**Duration:** 2 hours



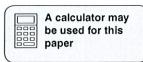
Candidate Forename	Candidate Surname	
Centre Number	Candidate Number	

#### **INSTRUCTIONS TO CANDIDATES**

- Refer to the stimulus material given in a separate booklet. You must not bring your original copy into the
  examination
- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- · Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer all the questions.
- · Do not write in the bar codes.
- The spaces should be sufficient for your answers but if you require more space use the lined pages 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.
- You will be assessed on the quality of your written communication in question 3. All answers should be in continuous prose.
- This is a synoptic paper. You will, therefore, gain credit for demonstrating in your answers how individual
  aspects of the subject can be used to explain and evaluate economic issues and problems raised by the
  stimulus material.
- You are advised to use diagrams to develop your responses where appropriate.
- The total number of marks for this paper is 60.
- This document consists of 16 pages. Any blank pages are indicated.



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## Answer all questions.

(a)	Describe what is meant by the 'economic cycle'.	
		[4]

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(b)	Analyse the circumstances in which a slowdown in the rate of economic growth fears of a recession in the UK <b>or</b> in the US.	may raise
		<u>,</u>
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2	(a)	India has become the world's leading exporter of IT services. Show how the principle of comparative advantage might be used to explain this.	
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			See.
			[4

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(b)	Analyse the significance for developing countries of changes in the terms of trade.
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	[6]



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Discuss the impact of foreign direct investment (FDI) on a developing economy such as Vietn and India.	
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