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**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
GENERAL CERTIFICATE OF SECONDARY EDUCATION**

A593

ECONOMICS

The UK Economy and Globalisation

TUESDAY 14 JUNE 2011: Morning

DURATION: 1 hour 30 minutes

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer on the question paper.

OCR SUPPLIED MATERIALS:

Stimulus material

OTHER MATERIALS REQUIRED:

Calculators may be used

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- **Write your name, centre number and candidate number in the boxes on the first page. Please write clearly and in capital letters.**
- **Use black ink. 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.**

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 80.**
- **You will be awarded marks in question 7 for the quality of your written communication.**

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Answer ALL questions.

Using your knowledge of economics and with reference to the given Figures, answer the following questions in the spaces provided.

1 Use Figs. 1 and 2 in answering the following questions.

(a) Where do most of the UK's exports go?

_____ [1]

(b) Where do the fewest imports come from?

_____ [1]

(c) Explain what is meant by an export.

_____ [2]

(d) Tick TWO statements which correctly give an example of an import to the UK.

STATEMENTS	TICK
Sony sells a Playstation 3 in the UK which is made in Japan	
Speedo, a UK firm, sells swimming costumes in France	
Daniel goes on holiday to Disneyworld in America	
An exchange student from Germany comes to stay with Gemma	

[2]

2 Use Figs. 3 and 4 in answering the following questions.

(a) Name TWO countries which are members of the European Union (EU).

1. _____

2. _____ [2]

(b) Put a tick next to the country, which has the euro as its currency.

COUNTRY	TICK
France	
Switzerland	
UK	

[1]

(c) Explain what is meant by the term 'free trade'.

_____ [2]

(d) Should the UK continue to be a member of the EU? Give reasons for your answer.

[8]

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3 Use Fig. 5 in answering the following questions.

(a) Describe the changes in the pound to euro exchange rate between November 2008 and January 2009.

[3]

(b) State TWO factors which may cause the demand for pounds sterling to fall.

1. _____

2. _____ [2]

(c) Explain how changes in the pound to the euro exchange rate might affect the UK's current account on the balance of payments.

4 Use Figs. 6 and 7 in answering the following questions.

(a) Which TWO newspaper headlines suggest that international trade is benefiting the UK? Place a tick against the correct headlines.

HEADLINE	TICK
A	
B	
C	
D	

[2]

(b) The newspaper headline D states “UK trade deficit worsens again”. Explain what is meant by the term ‘trade deficit’.

[2]

(c) International trade benefits everyone. Do you agree? Give reasons for your answer.

[8]

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5 Use Figs. 8 and 9 in answering the following questions.

(a) Tick TWO correct statements about the WTO.

STATEMENTS	TICK
The WTO removes all tariffs and quotas from international trade	
The WTO sells goods and services to individual countries	
The WTO creates trade agreements between countries	
The WTO helps settle trade disputes between countries	

[2]

(b) Explain what is meant by the term ‘subsidy’.

[2]

(c) With the aid of a demand and supply diagram, explain how a subsidy from the US government to US cotton growers would help make US cotton growers more competitive and undercut foreign competitors.

[8]

6 Use Figs. 10 and 11 in answering the following questions.

(a) (i) Which of the BRIC countries had the highest economic growth rate in 2008?

_____ [1]

(ii) Calculate the average growth rate for the BRIC countries in 2008. Show your working.

_____ [3]

(b) Brazil, Russia, India and China are predicted to become major world economies. Do you agree? Give reasons for your answer.

[10]

7 Using the information in the case study and your own knowledge of economics, discuss to what extent the growth of China and India will benefit the UK economy through international trade.

_____ [12]

[Paper Total: 80]

Additional pages. If you use this space, please number your answers clearly.

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