



General Certificate of Secondary Education
2014

Centre Number

71

Candidate Number

Economics

Paper 2

[G9272]

TUESDAY 3 JUNE, AFTERNOON



TIME

1 hour 45 minutes.

INSTRUCTIONS TO CANDIDATES

You should answer all questions in the spaces provided in this question and answer booklet. If you do not have enough space to complete your answer, extra lined pages are provided at the back of the booklet.

Answer **all** questions in **Section A**.

Answer **both** questions in **Section B**.

Answer **one** question from questions **6, 7, 8 and 9** in **Section C**.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Your quality of written communication will be taken into account in assessing your answers to **all parts** of the question you choose to answer from **Section C**.

ADVICE TO CANDIDATES

You should take into account the maximum marks available when deciding how much time to spend on each question.

For Examiner's
use only

Question Number	Marks
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Section A

1

2

3

Section B

4

5

Section C

Total Marks	
----------------	--

1 The pound depreciated against the euro last month.

(a) What is meant by an exchange rate?

[2]

[2]

(i) UK exporters of manufactured goods?

[2]

[2]

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(a) What is meant by inflation?

[2]

(b) Give **one** possible cause of inflation.

[2]

(c) Give **one** effect of inflation on households.

[2]

Examiner Only	
Marks	Remarks

3

Bank of England Base Rate

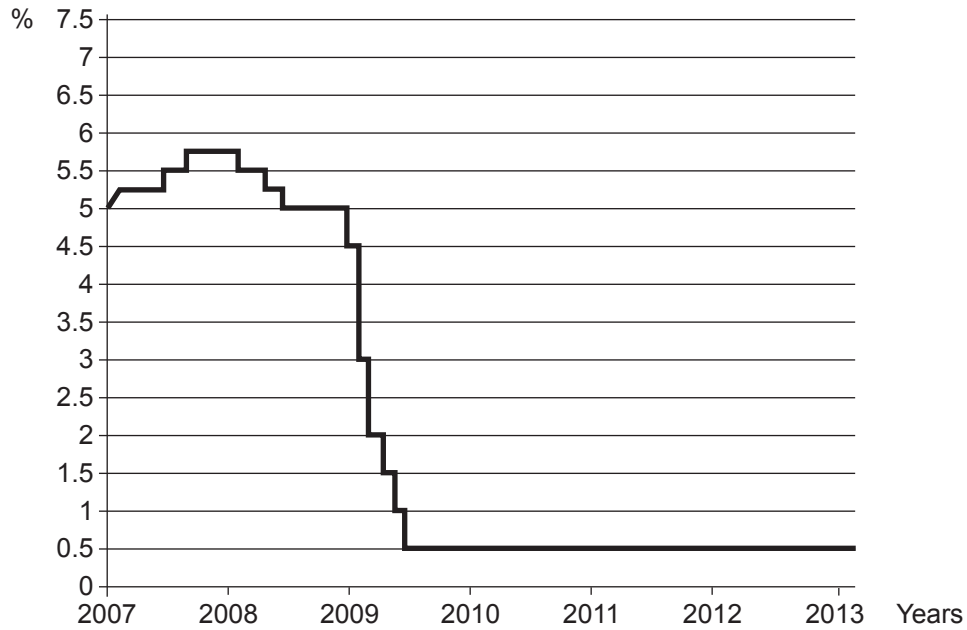


Fig. 1

- (a) By how much did the Bank of England base rate change between the start of 2007 and 2012?

[2]

- (b) Give **one** advantage and **one** disadvantage of low interest rates.

Advantage

[2]

Disadvantage

[2]

Section B

Answer **both** questions in this section.

- 4 Carefully study the information below and answer the questions that follow.

In November 2012, there were 2.5 million unemployed people in the UK. Youth unemployment, those under the age of 25, accounted for approximately one million of the total number of unemployed.

Unemployment in the UK 2007–2012

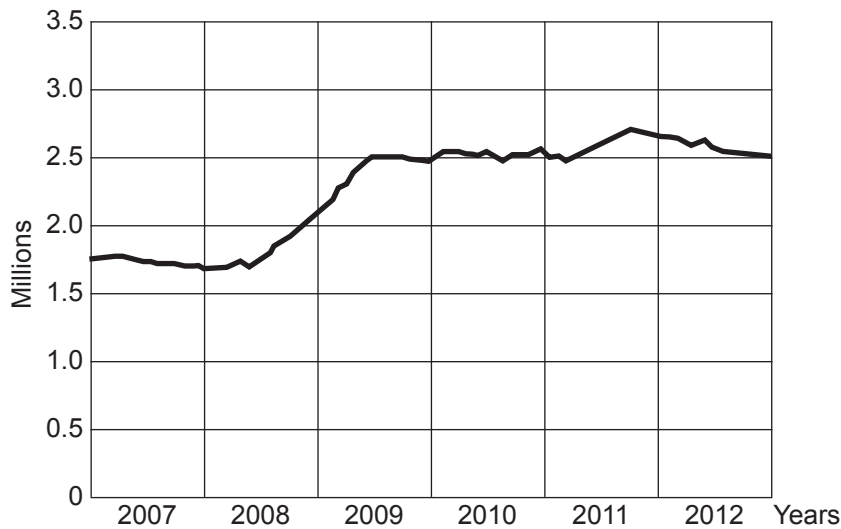


Fig. 2

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- (a) What is meant by unemployment?

[2]

- (b) Describe what happened to unemployment between January 2007 and December 2012.

[4]

- (c) Explain **two** possible causes of unemployment.

1.

[2]

2.

[2]

- (d) Explain **two** costs to the economy of high unemployment.

1.

[2]

2.

[2]

Examiner Only	
Marks	Remark



Fig. 3

What is driving up food prices?

Many of the world's leading food producing countries have been affected by poor weather conditions, leaving stocks low. In India, for example, there are fears that low rainfall will reduce the output of rice and sugar.

Pressure on the world's limited resources

In just over 60 years the world's population has exploded from 2.5 billion in 1950 to an estimated 7 billion in 2011. However, the problem is not just that there are more people on the planet. Many people are generally getting wealthier particularly in countries where economic growth has been high such as Brazil, Russia, India and China (BRIC countries). This is putting even greater pressure on the world's limited resources.

Source: Adapted from Dambisa Moya Winner Take All 2012

- (a)** Describe what happened to food prices between 2002 and 2013.

[illegible]

[4]

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2. _____

[4]

10

[illegible]

Examiner Only	
Marks	Remark

(a) Explain what is meant by consumer debt.

[e]8638

[illegible]

Examiner Only	
Marks	Remark

[illegible]8638

[6]

[6]

[Turn over

[illegible]8638

[illegible]

Examiner Only	
Marks	Remark

(a) Explain how countries benefit from international trade.

[e]8638

[illegible]

[illegible]

[illegible]

Continuation page (Use this page if you need extra space to complete your answers.)

[illegible]

Examiner Only	
Marks	Remarks

THIS IS THE END OF THE QUESTION PAPER

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