



**Thursday 4 June 2015 – Afternoon**

**GCSE ECONOMICS**

**A593/01** The UK Economy and Globalisation

Candidates answer on the Question Paper.

**OCR supplied materials:**

- Stimulus material (A593/01/SM)

**Other materials required:**

- Calculators may be used

**Duration:** 1 hour 30 minutes



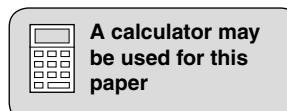
Candidate forename		Candidate surname	
Centre number		Candidate number	

**INSTRUCTIONS TO CANDIDATES**

- Refer to the Stimulus Material in the 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.
- Answer **all** the questions.
- 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.
- 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 **80**.
- The quality of your written communication will be taken into account in the marking of your answer to question 5.
- This document consists of **16** pages. Any blank pages are indicated.



**2**

Answer **all** questions.

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

Use Fig. 1 in answering the following question:

**1 (a)** What is meant by specialisation?

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..... [1]

**(b) (i)** Identify the value of UK exports of services to France in 2011.

..... [1]

**(ii)** Identify the value of services imported into the UK from Sweden in 2011.

..... [1]

**2 (a)** In the table below, place a tick (✓) against **two** components of the current account of the balance of payments.

Components	Tick (✓)
Trade in goods	
Bank loans between countries	
Trade in services	
The purchase of factories overseas	

**(b)** Using calculations, compare the UK's balance of trade in Accommodation and Food Services with the UK's balance trade in Information and Communication Services in 2011. Show your working.

..... [4

[4]

4

- (c) The UK has a deficit on the current account of the balance of payments.

Explain **two** possible reasons why the UK may have a deficit on the current account of the balance of payments.

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[6]

Use Fig. 4 in answering the following question.

- 3 (a) (i) Explain what is meant by 'negative externality'.

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..... [2]

- (ii) Identify **two** possible negative externalities which might result from increased world trade.

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..... [2]

- (b) Explain what is meant by global interdependence.

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..... [2]

- (c) Fig. 4 states that some economists have advised governments to use protectionist policies rather than free trade policies.

In the table below, place a tick (✓) against **two** methods of protectionism which countries could use.

Methods	Tick (✓)
Embargoes	
Joining a customs union	
Quotas	
Reducing tariffs	

[2]

Evaluate whether or not the benefits of globalisation are greater than the costs for the UK economy.

[8]

Use Figs 5 and 6 in answering the following question.

4 (a) (i) What is the full name of the WTO?

W..... T ..... O ..... [1]

(ii) Explain how the WTO promotes free trade.

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(b) In Fig. 6 the Indian Commerce Minister states that a collapse in the WTO talks could be “disastrous for the world economy”.

Analyse how a fall in a country’s export trade might affect that country’s economy.

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Use Figs 7, 8 and 9 in answering the following question.

- 5 (a) Using Fig. 7 compare the level of National Income per capita in Benin with the level of National Income per capita in the UK.

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..... [2]

- (b) Using Fig. 7 calculate the total level of National Income in Benin. Show your working.

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- (c) (i) Using Fig. 8 compare the number of people in poverty in Nigeria in 1980 with the number of people in poverty in Nigeria in 2010.

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- (ii) Explain what is meant by the term 'absolute poverty'.

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(d) Fig. 9 refers to the level of poverty in Nigeria.

Evaluate the likely effectiveness of **two** different policies a government might introduce to reduce poverty.

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[8]

10

Use Figs 10 and 11 in answering the following question.

6 (a) (i) Explain what is meant by foreign aid.

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..... [2]

(ii) Other than 'Aid for Trade', give an example of foreign aid.

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..... [1]

(b) Discuss **two** factors which limit developing countries benefiting from globalisation.

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[8]

- \*7** Using information in the case study and your own knowledge of economics, evaluate the effectiveness of international trade as a method of supporting economic growth in developing countries. **[12]**

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**END OF QUESTION PAPER**



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