OCR
Oxford Cambridge and RSA

Thursday 8 June 2017 – 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 6.
*   This document consists of **16** pages. Any blank pages are indicated.

> A calculator may be used for this paper

OCR is an exempt Charity

Turn over

2

Answer **all** questions.

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

Use Fig. 1 in answering the following questions.

1 (a) (i) Other than China or India, identify **one** country which has seen its ranking in the global economy improve between 1990 and 2014.

.... **[1]**

(ii) Identify **one** country which has seen its ranking in the global economy remain the same between 1990 and 2014.

.... **[1]**

(b) What do the letters GDP stand for?

G .... D .... P .... **[1]**

3

Use Fig. 2 in answering the following question.

2 In the table below, tick (✓) the **three** statements which are correct.

Statement	Tick (✓)
In 2014, the UK had a balance of trade in goods surplus with the United States	
By 2014, the United States was a bigger source of UK imports of goods than the Netherlands	
In 2014, Switzerland became one of the top five sources of UK imports of goods	
By 2014, the UK had a balance of trade in goods surplus with Germany	
By 2014, China had become the second largest source of UK imports of goods	
By 2014, Ireland was no longer in the top five markets for UK exports of goods	

[3]

Turn over

4

Use Figs 3 and 4 in answering the following questions.

3 **(a)** Using Fig. 3, calculate China's balance of trade in goods with South Korea in 2014. Show your working.

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.... **[3]**

(b) Using Figs 3 and 4, calculate and compare the balance of trade in goods with the United States for China **and** for India in 2014.

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.... **[4]**

(c) Many countries have a balance of trade deficit with China. Evaluate **one** protectionist method and **one** other method that a government could use to reduce a balance of trade deficit.
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Use Fig. 5, 6, 7, 8 and 9 in answering the following questions.

4 **(a)** Many economists believe that Zambia has an absolute advantage over many countries in the production of copper.

State and explain **two** benefits of such an absolute advantage to Zambia.

Benefit 1 ....

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Benefit 2 ....

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[4]

(b) Using Figs 5 and 6 compare the trends in Zambian exports to the UK and China between 2000 and 2014.

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.... **[4]**

(c) (i) Fig. 7 shows the production (supply) and usage (demand) of copper between 2009 and 2014.

The diagram below shows the market for copper in **2011**.

On the diagram below:

• draw and label a new demand curve to show the effect of the change in global usage of copper that took place **between 2011 and 2012**

• label the changes in the price and quantity of copper sold **between 2011 and 2012**.
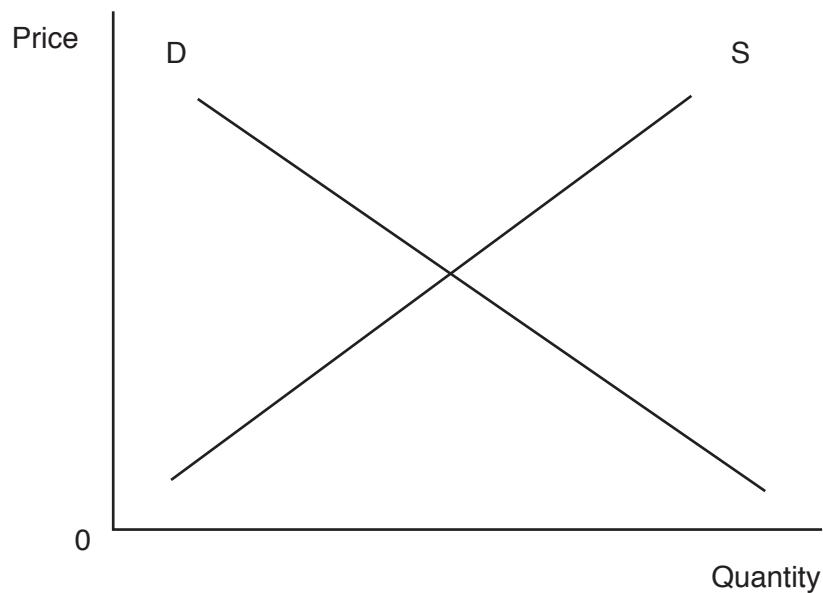
[3]

(c) (ii) Using Fig. 7, explain the effects of the changes in demand and supply of copper **between 2012 and 2014** on the market for copper.

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.... **[3]**

Turn over

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(d) Fig. 8 states that the Zambian currency was down 45% in the past year.

Evaluate the likely impact of the falling value of its currency on Zambia's balance of trade.

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.... **[8]**

(e) Fig. 9 shows the prices of four commodities from 1990 to 2014. State **two** similar features of the prices of **all four** commodities during that time.

Similarity 1 ....

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Similarity 2 ....

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Use Figs 10 and 11 in answering the following questions.

5   (a) Explain **one** reason why it is important for the UK to improve its productivity.

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.... **[2]**

     (b) Other than productivity and investment in education and training, state and explain **one** factor
          that influences an economy's competitiveness.

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(c) Evaluate the importance to an economy of the government investing more in education and training.

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Use Figs 12 and 13 in answering the following questions.

6 (a) In the table below, identify the correct meaning of 'a multinational company' by putting a tick (✓) in the box next to it.

Meaning	Tick (✓)
A multinational company has its headquarters in one country and only produces and sells its products in that one country	
A multinational company has its headquarters in one country and produces and sells its products in more than one country	
A multinational company has its headquarters in one country and only invests in its production in that one country	

[1]

(b) 'The costs of multinational companies to host countries exceed the benefits.' Do you agree with this statement? Give reasons for your answer. **[8]**

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7 Using the information in the case study and your own knowledge of economics, evaluate the extent to which a fall in China's rate of economic growth will affect the economies of other countries.

[12]

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END OF QUESTION PAPER

16

ADDITIONAL ANSWER SPACE

If additional space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margin(s).

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