OXFORD CAMBRIDGE AND RSA EXAMINATIONS

GCSE

A593/01

ECONOMICS

The UK Economy and Globalisation

THURSDAY 9 JUNE 2016: Afternoon

DURATION: 1 hour 30 minutes
plus your additional time allowance

MODIFIED ENLARGED

Candidate forename		Candidate surname	

Centre number						Candidate number				

Candidates answer on the Question Paper.

OCR SUPPLIED MATERIALS:
Stimulus material (A593/01/SM)

OTHER MATERIALS REQUIRED:
Calculators may be used

A CALCULATOR MAY BE USED FOR THIS PAPER

READ INSTRUCTIONS OVERLEAF

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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 on the first page. 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.

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.

Any blank pages are indicated.

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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) In the table below, tick (✓) the TWO statements which are correct. [2]

STATEMENT	TICK (✓)
In 2011 global exports of fuels and mining fell by 2%	
In 2007 global real GDP grew by 4%	
In 2003 global exports of agricultural products grew by 1%	
In 2010 global exports of manufactures grew by 18%	

(b) Compare the growth of global real GDP with the growth of global exports of manufactures between 2005 and 2011.

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_____ **[4]**

Use Fig. 2 in answering the following questions.

2 (a) In the table below, tick (✓) the THREE statements which are correct. [3]

STATEMENT	TICK (✓)
The growth rate of Japan is always higher than the growth rate in global output	
The growth rate of China is always the highest of the developing economies	
The growth rate of the United States is always higher than the growth rate of Japan	
The growth rate of Ethiopia is always the highest in Sub-Saharan Africa	
The growth rate of Italy is always the lowest in the Eurozone	
The growth rate of Mexico is always below the growth rate of Tanzania	

(b) Calculate the predicted annual average real GDP growth rate of Ethiopia between 2014 and 2016. Show your working.

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_____ **[2]**

(c) (i) **State and explain ONE advantage of a high rate of economic growth to a developing economy such as Sierra Leone.**

_____

_____

_____

_____ **[2]**

(ii) **State and explain ONE disadvantage of a high rate of economic growth to a developing economy such as Sierra Leone.**

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_____ **[2]**

Use Figs 3 and 4 in answering the following questions.

3 (a) Other than economic growth, state and explain TWO benefits of inward Chinese investment to developing economies.

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2 _____

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_____ **[4]**

(b) State and explain TWO costs of poor infrastructure to developing economies.

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2 _____

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_____ **[4]**

(c) Explain what is meant by the term 'relative poverty'.

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_____ **[2]**

(d) Using the concept of opportunity cost, explain ONE possible effect on a developing economy of having a high debt burden.

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_____ **[3]**

(e) Discuss the extent to which debt relief can increase the rate of economic growth in developing economies.

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_____ **[10]**

Use Fig. 5 in answering the following questions.

4 (a) Calculate the total amount spent on Fairtrade products in the UK IN 2012. Show your working.

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_____

_____ **[3]**

(b) The information on pages 12–13 of the case study states that farmers who grew non-Fairtrade products might be poorer because UK consumers were buying more Fairtrade products.

The diagram below shows the market for NON-FAIRTRADE products.

On the diagram below:

draw and label a new demand curve to show the effect of a rise in the demand for Fairtrade products

label the changes in the price and quantity of non-Fairtrade products sold

show the income of non-Fairtrade farmers BEFORE the change in demand

show the income of non-Fairtrade farmers AFTER the change in demand. [5]

(c) Discuss whether or not developing economies have benefited from producing and selling Fairtrade products.

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_____ [8]

Use Figs 6, 7, 8 and 9 in answering the following questions.

5 (a) (i) Other than the UK, identify ONE country which is a member of the European Union but NOT a member of the Eurozone.

_____ **[1]**

(ii) Other than Germany, Italy, Spain and Lithuania, identify ONE country which is a member of the Eurozone.

_____ **[1]**

(b) In Fig. 7 it states: "Some Lithuanians fear price rises ….".

Discuss how rising prices of basic foodstuffs might affect the distribution of income in Lithuania.

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[6]

(c) Analyse how changes in the euro to the dollar exchange rate might affect the competitiveness of French exports to the United States after May 2014.

_____

_____ [6]

6 Using the information in the case study and your own knowledge of economics, evaluate the case for the UK joining the Eurozone.

[12]

END OF QUESTION PAPER

ADDITIONAL ANSWER SPACE

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

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