Modified Enlarged 24pt

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Monday 6 June 2022 – Morning

GCSE (9–1) Economics

J205/02 National and International Economics

Time allowed: 1 hour 30 minutes plus your additional time allowance

YOU CAN USE:
a scientific or graphical calculator

Please write clearly in black ink.

Centre number | | | | | |

Candidate number | | | | |

First name(s) _____

Last name _____

READ INSTRUCTIONS OVERLEAF

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INSTRUCTIONS

Use black ink.

Write your answer to each question in the space provided. If you need extra space use the lined pages at the end of this booklet. The question numbers must be clearly shown.

Answer ALL the questions.

INFORMATION

The total mark for this paper is 80.

The marks for each question are shown in brackets [ ].

Quality of extended response will be assessed in questions marked with an asterisk (*).

ADVICE

Read each question carefully before you start your answer.

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SECTION A

Answer ALL the questions in this section.

Write your answer for each question in the box provided.

1 The claimant count is a method of measuring

A distribution of income

B economic growth

C inflation

D unemployment

Your answer ☐ **[1]**

2 Which of the following options ONLY contains items classified as wealth? [1]

A Interest, profit, shares

B Profit, property, rent

C Property, savings, shares

D Rent, savings, state benefits

Your answer ☐

3 Which of the following would NOT be a possible cause for an uneven distribution of income within an economy? [1]

A Age

B Gender

C Sustainability

D Wealth

Your answer ☐

4 **The diagram opposite shows the female unemployment rates in Italy and the UK. Which of the following statements MUST be true? [1]**

A **Fewer females were unemployed in the UK in 2019 than in 2006**

B **More females were unemployed in Italy than in the UK between 2006 and 2019**

C **The UK's female unemployment rate is always higher than Italy's**

D **The UK's labour market for females has performed better than Italy's**

Your answer ☐

Female Unemployment Rates (%) for the United Kingdom and Italy 2006–2019
15.0
12.5
10.0
7.5
5.0
2.5
0.0
Percentage (%)
Italy
United Kingdom
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Year

5 The government recently reduced the level of state benefits to improve incentives for people to work. However, this policy has led to an increase in poverty among unemployed people. This is an example of which policy cost? [1]

A Externalities

B Resistance to policies

C Time lags

D Unintended effects

Your answer ☐

6 Which of the following is the MOST likely consequence for UK CONSUMERS of a fall in the UK exchange rate? [1]

A An increase in the rate of inflation

B An increase in the standard of living

C An increase in overseas tourism

D An increase in unemployment

Your answer ☐

7 Which of the following would be classified as being unemployed? [1]

A A father who chooses to stay at home to look after a child

B A full-time student who sometimes works in a café

C A pensioner who is looking for part-time work

D A young adult who has just left university without a job

Your answer ☐

8 A budget deficit means that

A imports into a country exceed its exports

B tax revenue is less than government spending

C the current account will be in surplus

D the government has no money left to spend

Your answer ☐ [1]

9 Which of the following leads to a positive externality? [1]

A A subsidy

B A tax

C A vaccination

D An export

Your answer ☐

10

Taxable income	Tax rate
Up to £12 500	0%
£12 501 to £50 000	20%
£50 001 to £150 000	40%

The table provides information about the UK's income tax system. Calculate the approximate percentage of taxable income paid in tax by someone earning £45 000. [1]

A 14%

B 20%

C 29%

D 72%

Your answer ☐

11 **Jane lives in a UK seaside holiday resort. When the resort is busy, she works selling ice creams on the seafront. The rest of the year she is unemployed. This type of unemployment is**

A **cyclical**

B **frictional**

C **seasonal**

D **structural**

Your answer ☐ **[1]**

12 The government decides to increase spending on public transport. Which of the following could be considered an opportunity cost of this decision? [1]

A A decrease in direct taxation

B A decrease in spending on education

C A decrease in the budget deficit

D A decrease in unemployment

Your answer ☐

13 One of the driving factors of globalisation is improvements in transportation. Which of the following explains this driving factor? [1]

A Container ships have reduced average costs

B Improved environmental sustainability

C Increased use of call centres

D Lower tariff barriers on imports

Your answer ☐

14 Which of the following is a cost of development for workers in a less developed country? [1]

A Increased foreign investment

B Increased use of machinery

C Less choice of domestic brands

D Migration of skilled workers

Your answer ☐

15 There is an increase in the rate of taxation on interest earned from savings. Which of the following is MOST likely to happen? [1]

A Capital expenditure will increase

B Income distribution will improve

C Individuals will save more

D Workers will move abroad

Your answer ☐

16

Date	Exchange rate (£1)
1st January 2016	$1.47
1st January 2017	$1.23
1st January 2018	$1.35
1st January 2019	$1.27
1st January 2020	$1.33

The table shows the exchange rate of the UK pound (£) against the US dollar ($). Which of the following statements is correct? [1]

A Exports from the UK to the US became more expensive between 2016 and 2017

B Exports from the UK to the US became more expensive between 2019 and 2020

C Exports from the US to the UK became less expensive between 2018 and 2019

D Exports from the US to the UK became more expensive between 2017 and 2018

Your answer ☐

17 Increased GDP per capita is used to show improved development of a country because

A it means there will no longer be any need for state provision

B markets will have become more competitive

C more opportunities for work are likely to exist

D no other measure of development is available

Your answer ☐ **[1]**

18 Which of the following is a possible cost if a government increases taxation to reduce a negative externality? [1]

A A decrease in government revenue

B An increase in government revenue

C Growth in unofficial markets

D Less spending on healthcare

Your answer ☐

19 Which of the following is NOT a policy to correct an externality?

A Free trade agreement

B Legislation

C Regulation

D State provision

Your answer ☐ **[1]**

20 The government is concerned about the level of monopoly power in the UK social media industry. Any policy introduced to reduce this monopoly power would be an example of

A fiscal policy

B monetary policy

C supply side policy

D trade policy

Your answer ☐ **[1]**

SECTION B

Answer ALL the questions in this section.

21 (a) Using the CHART in EXTRACT 1 in the Resource Booklet, state in which YEAR:

1 prices were at their lowest level.

_____

2 the CPI was at its lowest level.

_____

[2]

(b) Using EXTRACT 1 in the Resource Booklet, explain what happened to the purchasing power of money in Chile between 2007 and mid-2009.

_____

_____

_____

_____ **[2]**

(c) **Using the information in EXTRACT 1 in the Resource Booklet, analyse how monetary policy was used in Chile in 2014 to protect savers and consumers.**

[6]

(d) (i) State TWO causes of inflation.

1 _____

2 _____

[2]

(ii) In 2019, the inflation rate in Chile was 2.6% and the nominal rate of interest on government debt was 1.6%. Calculate the REAL rate of interest being paid by the government. Show your working.

Answer _____ [2]

(iii)* **Evaluate the consequences of inflation for the government.**

Use the information given in EXTRACT 1 in the Resource Booklet and your own knowledge.

[6]

22 (a) Using the table in EXTRACT 2 in the Resource Booklet, state TWO trends in university enrolment in Burkina Faso and China between 2010 and 2019.

_____

_____

_____

_____ [2]

(b) In 2019, the population of Burkina Faso reached 20.3 million and GDP amounted to US$15.7 billion. Calculate its GDP per capita in 2019. Show your working.

Answer _____ [2]

(c) **Using the information in EXTRACT 2 in the Resource Booklet, analyse how education is one of the factors determining economic growth in Burkina Faso and China.**

[6]

(d) (i) In addition to spending on education and healthcare, state TWO other ways in which a government could increase the rate of economic growth.

1 _____

2 _____

[2]

(ii) Explain ONE way in which government spending on healthcare directly benefits the economy.

_____

_____

_____

_____ [2]

(iii)* **Evaluate the extent to which economic growth brings social and economic benefits to a less developed economy.**

Use the information given in EXTRACT 2 in the Resource Booklet and your own knowledge. [6]

23 (a) Using the chart in EXTRACT 3 in the Resource Booklet, explain the trend in the UK's current account deficit between 2011 and 2019.

_____

_____

_____ **[2]**

(b) Using the table in EXTRACT 3 in the Resource Booklet, explain how Germany's current account position differs from that of the UK and the USA.

_____

_____

_____

_____ **[2]**

(c) **Analyse, with the use of a demand and supply diagram, how the widening in the UK's current account deficit between 2011 and 2013 could have changed the exchange rate for the pound (£) against the US dollar ($).**

[6]

(d) (i) Apart from lower prices, state TWO other benefits that imports bring to consumers.

1 _____

2 _____

[2]

(ii) The chart in EXTRACT 3 in the Resource Booklet shows that the UK's current account deficit increased from £30 000m in 2011 to £80 000m in 2018. Calculate the percentage change in the deficit between 2011 and 2018.

Answer _____ [2]

(iii)* **Evaluate the extent to which the UK government should try to eliminate the current account deficit.**

Use the information given in EXTRACT 3 in the Resource Booklet and your own knowledge. [6]

END OF QUESTION PAPER

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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