Modified Enlarged 24pt

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Monday 19 May 2025 – Afternoon

A Level Economics

H460/02 Macroeconomics

Time allowed: 2 hours
plus your additional time allowance

YOU MUST HAVE:
the Resource Booklet

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. You can use an HB pencil, but only for graphs and diagrams.

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 in Section A, ONE question in Section B and ONE question in Section C.

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.

SECTION A

Read the stimulus material in the Resource Booklet and answer ALL parts of Question 1.

1

(a) Using information from the stimulus material in the Resource Booklet, identify TWO reasons for imposing export tariffs.

1. _____

_____

2. _____

_____

[2]

(b) Using Fig. 1 in the Resource Booklet, explain how Bolivia's level of development compared to Argentina's level of development in 2021.

_____

_____

_____

_____ **[2]**

(c) **Calculate Bolivia's index of average import prices in 2021.**

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_____

_____

_____ **[2]**

(d) **Using Fig. 2 and the stimulus material in the Resource Booklet, explain the relationship between the inflation rate and current account balance of the selected countries in 2021.**

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_____ **[4]**

(e) Using information from the stimulus material in the Resource Booklet, evaluate whether Bolivia should keep a fixed exchange rate. [8]

(f)* Using information from the stimulus material in the Resource Booklet, evaluate whether Bolivia's income tax revenue is likely to increase in the future. [12]

SECTION B

Answer Question 2 OR Question 3.

2* In February 2023, the Bank of England raised the base rate of interest from 3.5% to 4%. There were concerns that this could reduce the country's economic growth rate.

Evaluate, with the use of an appropriate diagram(s), whether there is a conflict between the two economic objectives of low inflation and full employment. [25]

OR

3* In January 2023, Japan had an unemployment rate of 2.4%. It was considered to be achieving full employment.

Evaluate, with the use of an appropriate diagram(s), whether achieving full employment will benefit an economy. [25]

Question _____

SECTION C

Answer Question 4 OR Question 5.

4* The Central African Republic has a very uneven distribution of income and a low Human Development Index (HDI) value.

Evaluate whether a very uneven distribution of income will result in a country having a low HDI value. [25]

OR

5* In 2023 the BRICS (Brazil, Russia, India, China and South Africa) overtook the G7 countries in their share of world GDP.

Evaluate whether the UK government should increase trade restrictions on the BRICS. [25]

Question _____

END OF QUESTION PAPER

EXTRA ANSWER SPACE

If you need extra space use these lined pages. You must write the question numbers clearly in the margin.

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