

Please check the examination details below before entering your candidate information

Candidatesurname					Othernames			
Pearson Edexcel		CentreNumber			CandidateNumber			
International GCSE		<input type="text"/>			<input type="text"/>			
Time 1 hour 30 minutes		Paper reference		4EC1/02				
Economics								▲ ▲
Level 1/2								
PAPER 2: Macroeconomics and the Global Economy								
You do not need any other materials.							TotalMarks	

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- Calculators may be used.
- You are advised to **show all your working out** with **your answer clearly identified** at the **end of your solution**.

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.
- Good luck with your examination.

Turn over ►

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Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 (a) Which type of unemployment occurs when the demand for a product is only at certain times of the year? (1)

- A Structural
- B Cyclical
- C Seasonal
- D Voluntary

(b) Which **one** of the following terms refers to a tax on imported goods? (1)

- A Subsidy
- B Tariff
- C Fine
- D Pollution permit

(c) What is meant by the term recession? (2)

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(d) What is meant by the term dumping?

(2)

Figure 1 shows the government revenue and expenditure in rupees crore for India in 2019–2020.

	Indian rupees crore (Rs)
Total revenue	2 080 201
Total expenditure	2 784 200

Figure 1

(e) Calculate the **fiscal surplus/deficit in Indian rupees crore (Rs)** for India in 2019–2020. You are advised to show your working.

(2)



In 2019, Hungary introduced a subsidy on new cars for families with three or more children.

- (f) Using the diagram below, draw the likely effects of the introduction of a subsidy on the equilibrium price and quantity of new cars for families with three or more children. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)

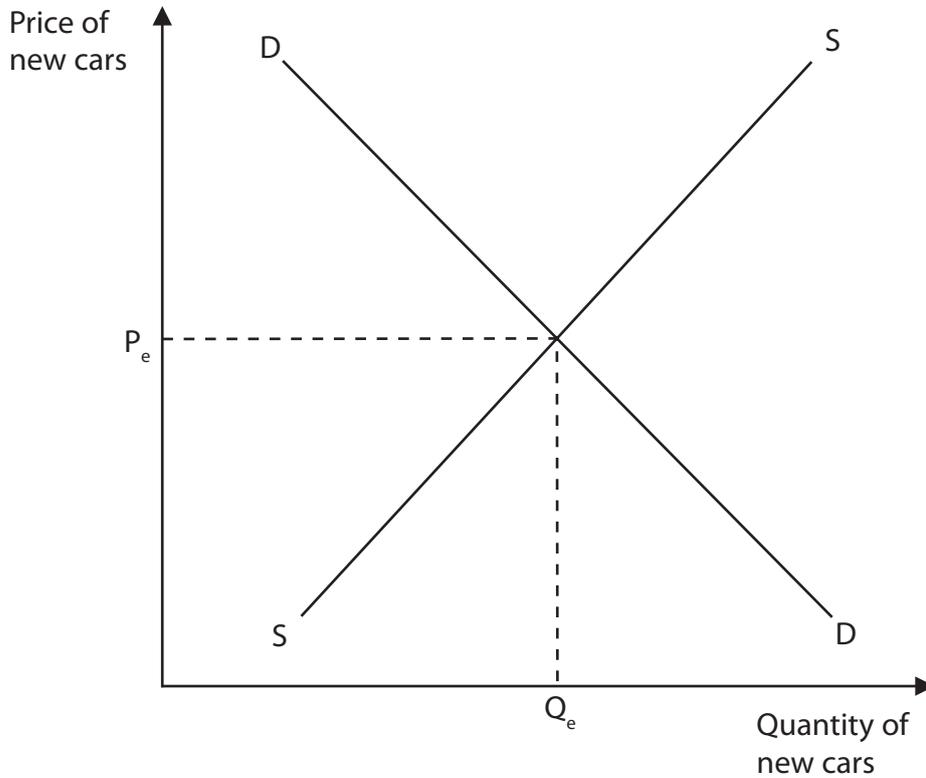


Figure 2

The UK has 13 national parks with the Lake District National Park being the largest and most popular. It had over 19.17 million visitors in 2018. Woodland covers over 12% of the national park.

- (g) Explain **one** benefit to the UK Government of providing parks.

(3)

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According to a survey from accounting firm EY, foreign direct investment (FDI) into Ireland increased by 52% in 2018.

(h) With reference to the data above and your knowledge of economics, analyse the benefits of FDI for a country such as Ireland.

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(Total for Question 1 = 20 marks)



2 (a) An appreciation in a country's exchange rate is most likely to lead to which **one** of the following? (1)

- A An increase in exports and a decrease in imports
- B A decrease in exports and a decrease in imports
- C An increase in exports and an increase in imports
- D A decrease in exports and an increase in imports

(b) Which **one** of the following is likely to result in poverty? (1)

- A High literacy rates
- B Low GDP per capita
- C Low rates of tax
- D High employment rates

(c) State **one** effect on the balance of payments of improved quality of foreign goods. (1)

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(d) What is meant by the term free trade? (2)

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In the first quarter of 2019 the unemployment rate in Argentina increased by 1% to 10.1%. This was the highest level in 13 years.

(e) Explain **one** impact of rising unemployment on consumer confidence for a country such as Argentina.

(3)

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Approximately 12% of goods traded globally are via international e-commerce. Tens of millions of small and mid-size firms worldwide have become exporters by joining e-commerce marketplaces such as Alibaba and Amazon.

(f) Explain **one** reason why the reduced cost of communication has helped to increase globalisation.

(3)

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(Total for Question 3 = 20 marks)



4 Zhang Li had 8 000 Yuan (¥) in her savings account. The annual interest rate for this savings account was 2.25%.

(a) Calculate how much **interest, in Yuan (¥)**, Zhang Li received in one year. You are advised to show your working.

(2)

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In July 2019, China's annual inflation rate increased to 2.8%. This was the highest rate since February 2018.

(b) With reference to the data above and your knowledge of economics, analyse the impact of inflation on individuals in a country such as China.

(6)

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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS



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