PEARSON EDEXCEL IAL ECONOMICS · YEC11

ECONOMICS



EXAM QUESTION PACK

UNIT 4: CAUSES AND EFFECTS OF GLOBALISATION

SCORE	PERCENTAGE
/102	%

STEMUP

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Q1.

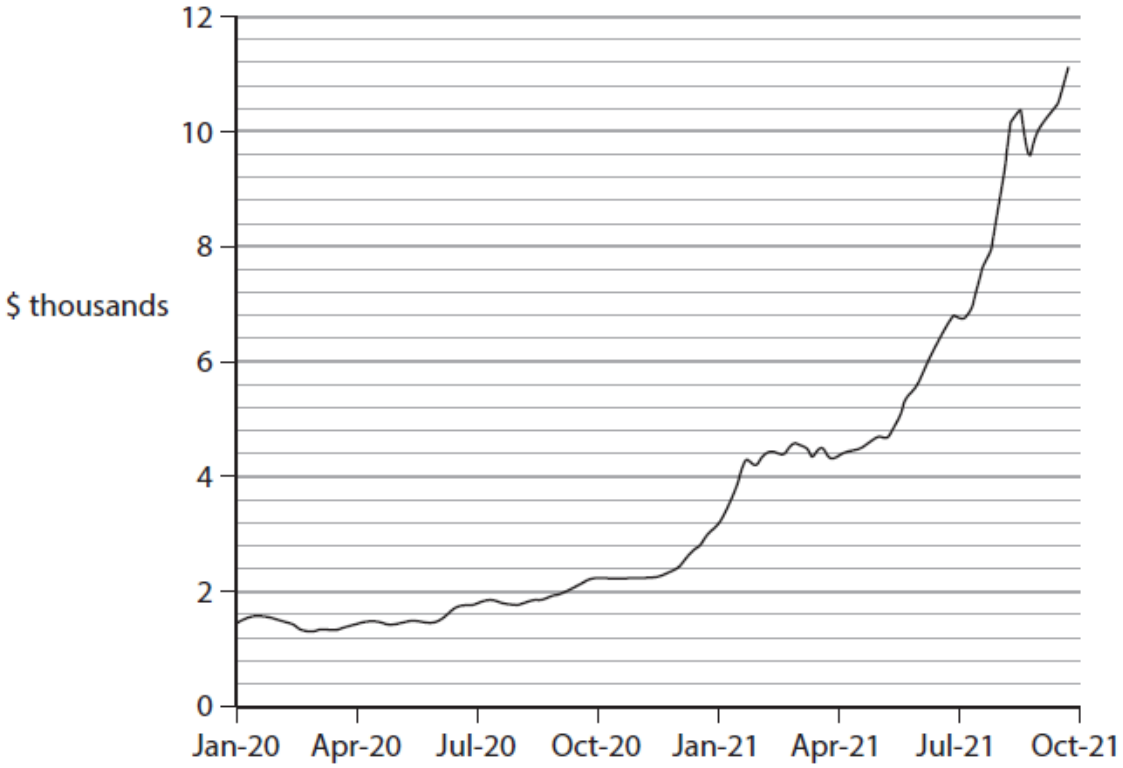
With reference to Figure 1 and the first paragraph of Extract A, analyse two causes of the increase in the rate of inflation.

(Total for question = 6 marks)

Q2.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

The chart shows average global container shipping costs, in $ thousands, between January 2020 and October 2021.



Ceteris paribus, which **one** of the following is most likely to result from this trend in global container shipping costs?

☒ **A** Costs of production for businesses will fall

☒ **B** Global inflationary pressures will not change

☒ **C** Patterns of world trade will not change

☒ **D** Trade as a proportion of world GDP will fall

(Total for question = 1 mark)

Q3.

Between 1970 and 2020 growth in international trade, a key measure of globalisation, increased significantly.

Evaluate whether the benefits of globalisation outweigh the costs. Refer to a country of your choice in your answer.

(Total for question = 20 marks)

Q4.

Between Q1 2020 and Q4 2021 the average annual rate of inflation in New Zealand increased from 2.5% to 5.4%.

Calculate the change in the rate of inflation between Q1 2020 and Q4 2021. You are advised to show your working.

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(Total for question = 2 marks)

Q5.

In the first quarter of 2022 the USA and Australia both experienced inflows of foreign direct investment (FDI) of $67 billion and $59 billion respectively.

Evaluate the potential economic benefits to a developed country of FDI inflows.

(Total for question = 20 marks)

Q6.

Study Figures 1, 2 and 3 and Extract A in the Source Booklet before answering this question.

With reference to Figure 2 and Extract A, examine **two** likely economic benefits to Vietnam of FDI inflows.

(Total for question = 8 marks)

Q7.

Study Figures 1, 2 and 3 and Extract A in the Source Booklet before answering this question.

With reference to Figure 1 and the second paragraph of Extract A, calculate the value of FDI in Vietnam in 2023. You are advised to show your working.

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(Total for question = 2 marks)

Q8.

Between 2000 and 2022 globalisation was a significant factor that led to an increase in average incomes in Indonesia. However, income inequality within the country also increased during the same period.

Evaluate reasons why globalisation may lead to an increase in income inequality within a country. Refer to a country of your choice in your answer.

(Total for question = 20 marks)

Q9.

Between 1980 and 2020 it was estimated that total global shipping container volumes increased from 100 million tonnes to 2 billion tonnes.

Evaluate factors that have contributed to increased globalisation in the last 50 years.
Refer to examples of countries in your answer.

(Total for question = 20 marks)

Q10.

The table shows Sweden's GDP per capita between 2015 and 2017.

Year	GDP per capita
2015	$55 395
2016	$56 473
2017	$56 935

If 2016 is the base year, the index number for 2017 is:

☒ **A** 100.0

☒ **B** 100.8

☒ **C** 101.9

☒ **D** 102.8

(Total for question = 1 mark)

Q11.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

Which **one** of the following factors has contributed to increased globalisation in the last 50 years?

☒ **A** An increase in the cost of transport

☒ **B** An increase in the cost of communications

☒ **C** A reduction in tariffs and quotas

☒ **D** A reduction in the number of trading blocs

(Total for question = 1 mark)

Q12.

Answer the question with a cross in the box you think is correct ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

Globalisation has been associated with an increase in real GDP per capita in many countries. However, some economists consider that there are costs associated with globalisation.

Ceteris paribus, which **one** of the following is a possible cost of globalisation on the global economy?

☒ **A** Lower prices and higher consumer surplus

☒ **B** Lower rates of unemployment

☒ **C** Higher long-run average costs for transnational companies

☒ **D** Higher external costs arising from increased trade

(Total for question = 1 mark)