PEARSON EDEXCEL IAL ECONOMICS · YEC11

ECONOMICS



EXAM QUESTION PACK

UNIT 4: GROWTH AND DEVELOPMENT IN DEVELOPING, EMERGING AND DEVELOPED ECONOMIES

SCORE	PERCENTAGE
/302	%

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Q1.

Study Figures 1 and 2 and Extracts A and B in the Source Booklet.

With reference to Figure 1 and Extract A, analyse **two** economic benefits of the growth in the number of
tourists to Mauritius.

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(Total for question = 6 marks)

Q2.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to Extract A, analyse **two** benefits of Indonesia's increasing population to its economy.

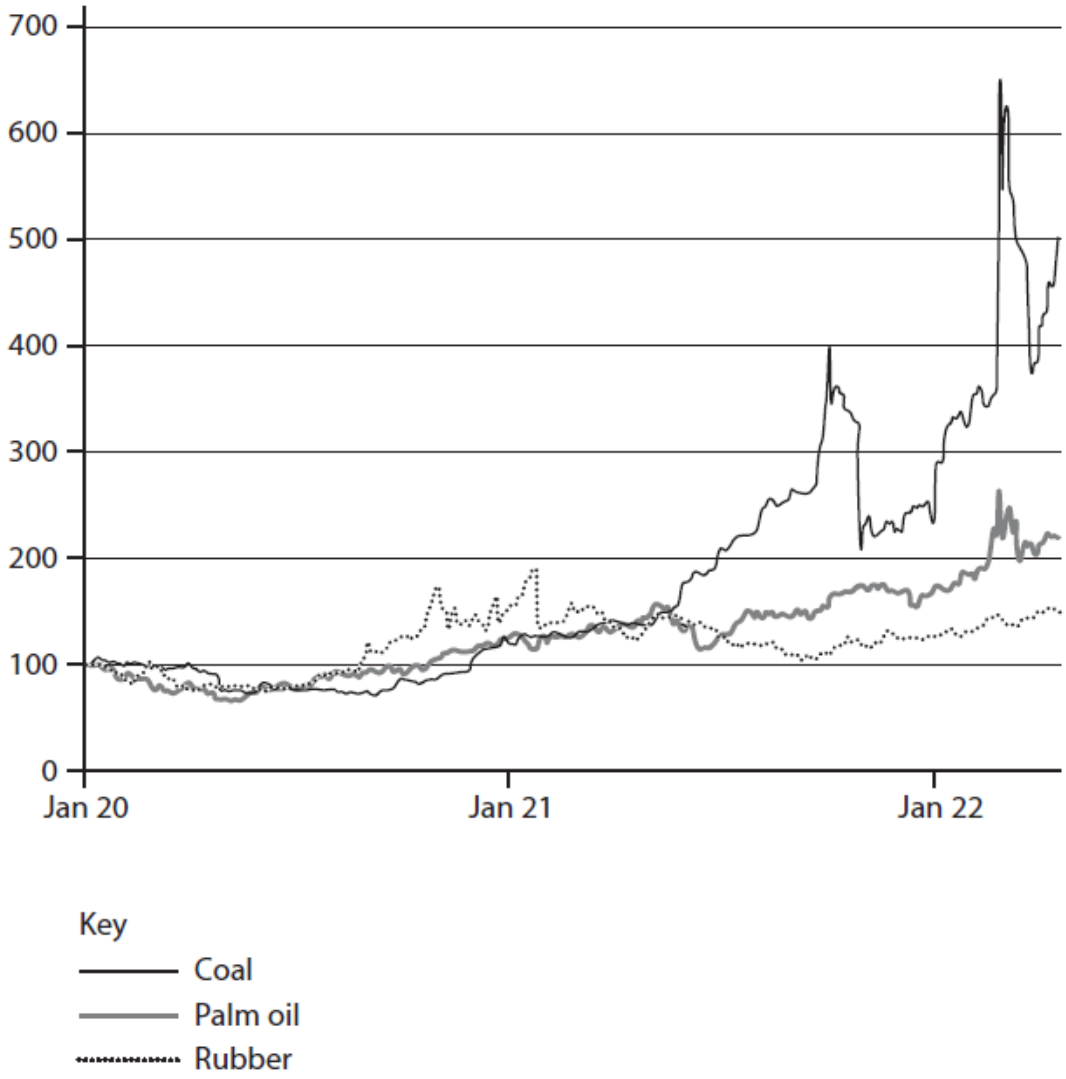
(Total for question = 6 marks)

Q3.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

Southeast Asian economies

Figure 1 Index of global prices for selected commodities, January 2020 to April 2022 (January 2020=100)



Extract A Economic outlook 2022

Economies around the world are facing the threat of stagflation: a period of high inflation and low economic growth. This is a result of increasing global prices for fuel, food and other commodities. Many central banks have raised base interest rates in response to this inflationary pressure. For example, the European Central Bank increased its base interest rate from 0% to 1.25% between January and September 2022.

However, Southeast Asia is one region that is likely to avoid stagflation. Southeast Asia is a region situated south of mainland China. It comprises 11 countries that include Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

In countries such as Indonesia, Vietnam and Malaysia, the rate of increase in Gross Domestic Product (GDP) is higher than the rate of inflation. This increase in economic growth rates is partly as a result of an increase in the number of tourists visiting these countries. Each of these Governments have relaxed border controls that were introduced during the global health crisis. For example, between February 2022 and May 2022 the number of tourists increased by 1 050% in Indonesia and by 8 629% in Vietnam.

The majority of Southeast Asian countries are experiencing a steady growth in their exports. The rising prices of fuel, food and other commodities have benefited countries that export them in large quantities, for example, coal (Indonesia), rubber (Malaysia), and palm oil (Indonesia and Malaysia). These countries have experienced an improvement in their terms of trade.

By contrast, in Thailand and Singapore, the rate of inflation is rising faster than the GDP growth rate. Both countries are experiencing low rates of economic growth. In Thailand, inflation is reducing real incomes. In Singapore, the economic growth rate is low because of the slowdown in China's economy. China is Singapore's main trading partner.

Some countries in the region are highly exposed to external shocks in the global economy. For example, the Philippines relies on imports of rice and overall it is a net importer of food and fuel.

In Malaysia and Indonesia maximum prices have been imposed on certain commodities. This has helped to control the rising rate of inflation. Governments in other parts of the region are also considering the implementation of price controls. The President of the Philippines promised to decrease the price of rice by imposing a maximum price.

Analyse why Thailand **and** Singapore 'are experiencing low rates of economic growth' (Extract A, line 22).

(Total for question = 6 marks)

Q4.

In 2021 there was a significant increase in the number of joint ventures between local businesses and transnational companies in many developing countries.

Evaluate the likely benefits to a developing country of joint ventures between local businesses and transnational companies as a means of promoting *economic development*.

(Total for question = 20 marks)

Q5.

Study Figures 1 and 2 and Extracts A and B in the Source Booklet.

With reference to Figure 1, calculate the percentage change in the number of tourists between 2012 and 2017.
You are advised to show your working.

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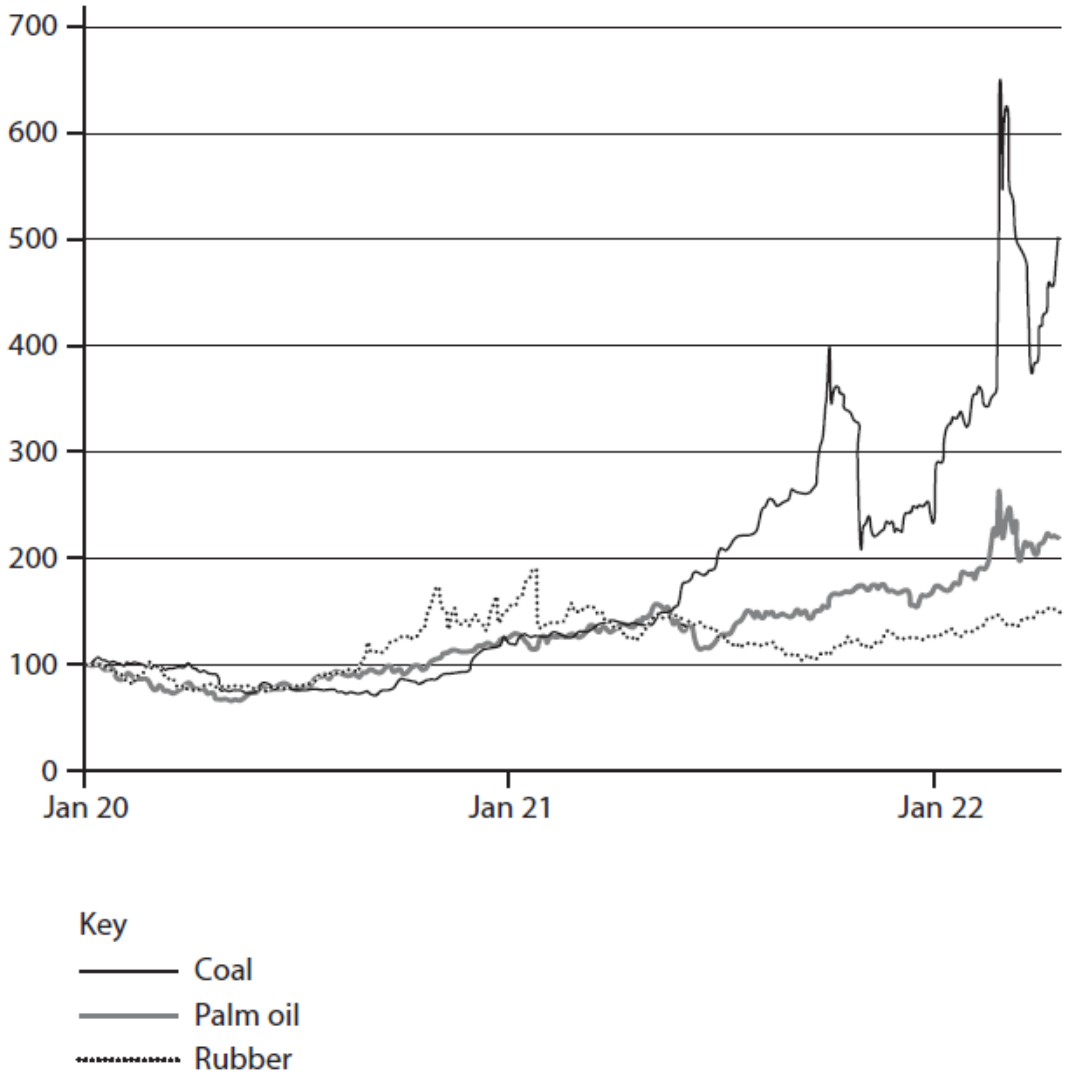
(Total for question = 2 marks)

Q6.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

Southeast Asian economies

Figure 1 Index of global prices for selected commodities, January 2020 to April 2022 (January 2020=100)



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Some countries in the region are highly exposed to external shocks in the global economy. For example, the Philippines relies on imports of rice and overall it is a net importer of food and fuel.

In Malaysia and Indonesia maximum prices have been imposed on certain commodities. This has helped to control the rising rate of inflation. Governments in other parts of the region are also considering the implementation of price controls. The President of the Philippines promised to decrease the price of rice by imposing a maximum price.

With reference to Figure 1, calculate the increase in the price of coal between January 2020 and April 2022. You are advised to show your working.

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(Total for question = 2 marks)

Q7.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to the information provided, examine **two** problems arising from the dependence on copper for the Zambian economy.

(Total for question = 8 marks)

Q8.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

Discuss economic factors, apart from primary product dependency, that may constrain Zambia's economic growth.

(Total for question = 14 marks)

Q9.

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 is a *non-economic* factor that might constrain the rate of economic growth and economic development of a country?

☒ **A** A poorly educated workforce

☒ **B** Volatile commodity prices

☒ **C** Capital flight

☒ **D** High levels of corruption

(Total for question = 1 mark)

Q10.

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

Explain what is meant by a 'foreign currency gap' (Extract A, line 13).

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(Total for question = 4 marks)

Q11.

Between quarter 2 (Q2) 2020 and quarter 2 (Q2) 2022, global commodity prices increased by an average of 150%, with oil prices increasing by 239%.

Evaluate the possible causes of the increase in global commodity prices. Refer to examples of commodities in your answer.

(Total for question = 20 marks)

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 ☒.

The table shows selected economic data in 2021 for Chile and Uruguay.

	Human Development Index (HDI) value	Mean years of schooling (adults over 25 years old)	Life expectancy at birth (years)	Gross National Income per capita (2017 PPP)
Chile	0.855	10.9	78.9	$24 563
Uruguay	0.809	9.0	75.4	$21 269

Which **one** of the following statements can be deduced from the data in the table?

☒ **A** Literacy rates must be higher in Uruguay than in Chile

☒ **B** Uruguay is less economically developed than Chile

☒ **C** Average incomes are higher in Uruguay than in Chile

☒ **D** Uruguay has better provision of healthcare than Chile

(Total for question = 1 mark)

Q13.

With reference to Extract B, discuss how demographic factors may constrain economic growth of developed economies.

(Total for question = 14 marks)

Q14.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to Extract A and your own knowledge, discuss market-orientated strategies that the Indonesian Government might use to increase its rate of economic growth.

(Total for question = 14 marks)

Q15.

Study Figures 1 and 2 and Extracts A and B in the Source Booklet before answering this question.

In 2018, the EU's rate of inflation was 1.6%.

With reference to Extract B, discuss the likely economic benefits to the EU of forming a trade agreement with Mercosur.

(Total for question = 14 marks)

Q16.

In 2020 Pakistan had a Human Development Index (HDI) score of 0.60 whereas Argentina had a HDI score of 0.85.

Evaluate economic factors that constrain the growth and development of a developing country.

(Total for question = 20 marks)

Q17.

In Libya the HDI was 0.80 in 2010 and it was 0.72 in 2019.

Evaluate interventionist strategies that a government in a developing country of your choice might use to increase *economic development*.

(Total for question = 20 marks)

Q18.

In South Sudan HDI was 0.43 in 2010 and 0.39 in 2022.

Evaluate market-orientated strategies that a government in a developing country of your choice might use to increase *economic development*.

(Total for question = 20 marks)

Q19.

In 2017 Yemen received over $3 billion of development aid, an increase of almost 200% since 2013.

Evaluate the case for promoting *economic development* through aid. Refer to a developing country in your answer.

(Total for question = 20 marks)

Q20.

In 2020 the International Monetary Fund (IMF) provided financial assistance of $13 billion to low-income developing countries. In addition, the World Bank provided financial assistance of $43 billion to low-income developing countries.

Evaluate the role of international institutions in promoting *economic development*.
Refer to examples of developing countries in your answer.

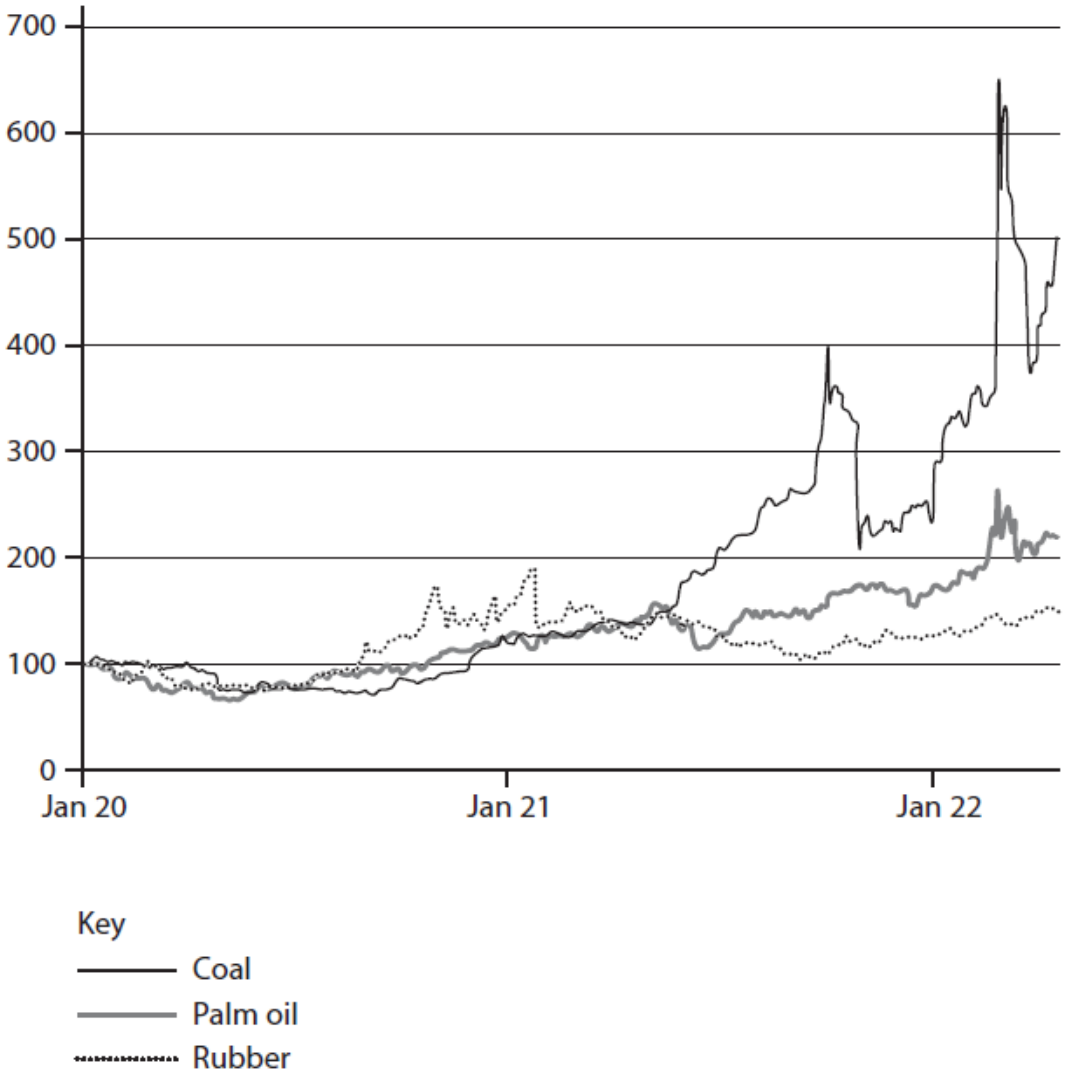
(Total for question = 20 marks)

Q21.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

Southeast Asian economies

Figure 1 Index of global prices for selected commodities, January 2020 to April 2022 (January 2020=100)



Extract A Economic outlook 2022

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With reference to the third paragraph of Extract A, examine **two** economic benefits of the increase in the number of tourists visiting Southeast Asian countries.

(Total for question = 8 marks)

Q22.

Study Figure 1 and Extract A in the Source Booklet before answering this question.

With reference to Extract A, examine two likely problems for the Indonesian economy of its dependence on commodities.

(Total for question = 8 marks)

Q23.

Study Figures 1 and 2 and Extracts A and B in the Source Booklet before answering this question.

In 2018, the EU's rate of inflation was 1.6%.

With reference to Figure 1, Figure 2 and Extract A, examine **two** reasons why 'there is concern that the future rate of economic growth in the EU might be much lower' (Extract A, lines 12–13).

(Total for question = 8 marks)

Q24.

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 is an economic factor that might constrain the rate of economic growth of a country?

☒ **A** A high level of corruption

☒ **B** A reduced threat of terrorism

☒ **C** An increased access to credit

☒ **D** A lack of foreign currency

(Total for question = 1 mark)

Q25.

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 ☒.

In 2018 the value of oil exports accounted for 85% of Nigeria's GDP.

Which **one** of the following is most likely to result from a fall in world oil prices?

☒ **A** A deterioration in Nigeria's current account deficit

☒ **B** An improvement in Nigeria's terms of trade

☒ **C** An increase in transportation costs in Nigeria

☒ **D** A reduction in Nigeria's budget deficit

(Total for question = 1 mark)

Q26.

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 ☒.

In 2022 Mali was one of the least developed countries in the world with an HDI score of 0.43.

Which **one** of the following interventionist strategies could stimulate economic development in Mali?

☒ **A** Promotion of foreign direct investment

☒ **B** Development of human capital

☒ **C** Removal of government subsidies

☒ **D** Privatisation of nationalised industries

(Total for question = 1 mark)

Q27.

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 ☒.

According to its HDI score of 0.35, Niger is the least developed country in the world.

Which **one** of the following market-orientated strategies could promote economic development in Niger?

☒ **A** The introduction of buffer stock schemes

☒ **B** State investment in human capital

☒ **C** State investment in infrastructure

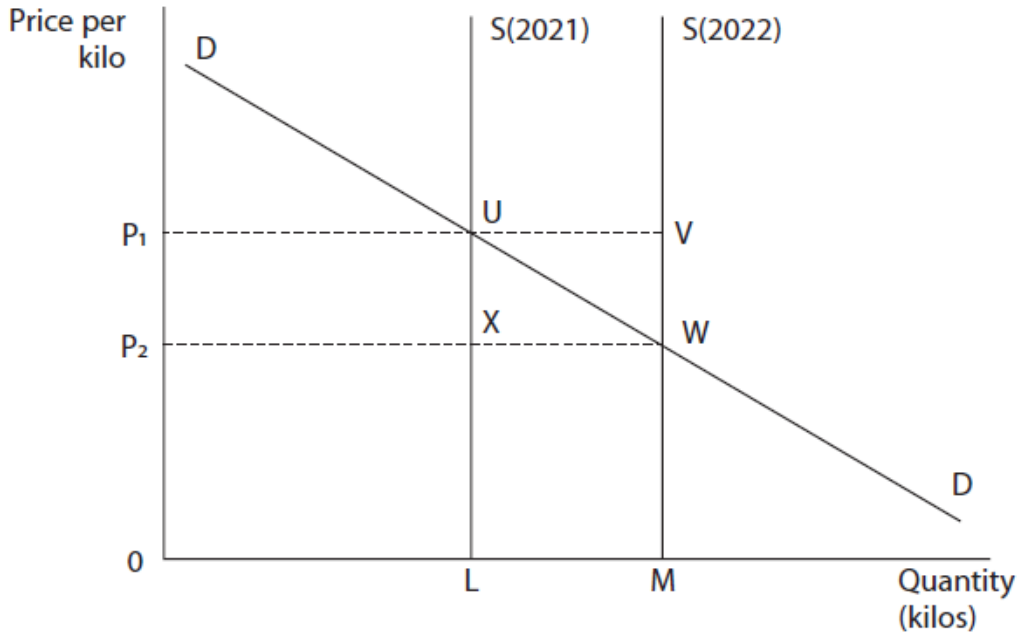
☒ **D** The promotion of microfinance schemes

(Total for question = 1 mark)

Q28.

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 graph shows the market for rice in Indonesia. The Government guarantees a minimum support price of P_1 and operates a buffer stock scheme. Between 2021 and 2022 output of rice increased from 0L to 0M.



Which **one** of the following areas would be the government expenditure on the buffer stock

scheme?

☒ **A** UVWX

☒ **B** UVML

☒ **C** P_2P_1UX

☒ **D** P_2P_1VW

(Total for question = 1 mark)

Q29.

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

With reference to Extract A, analyse **two** roles of the IMF.

(Total for question = 6 marks)

Q30.

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 ☒.

In 2023 the Government of Ghana removed fuel subsidies paid to fuel producers.

This is an example of which **one** of the following?

☒ **A** An interventionist strategy to promote economic growth and development

☒ **B** A reflationary fiscal policy to reduce inflationary pressures

☒ **C** A deflationary monetary policy to reduce inflationary pressures

☒ **D** A market-orientated strategy to promote economic growth and development

(Total for question = 1 mark)

Q31.

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 ☒.

In 2022 there were 10 million non-government organisations (NGOs) worldwide.

Which **one** of the following best describes the role of NGOs?

☐ **A** To provide loans to countries that experience temporary current account deficits on their balance of payments

☐ **B** To promote community-based development programmes to support economic growth and development

☐ **C** To maintain exchange rate stability by ensuring international monetary cooperation between countries

☐ **D** To set the rules for trade and to resolve trade disputes between countries

(Total for question = 1 mark)

Q32.

Answer the question 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 ☒.

According to its HDI score of 0.39, Chad is one of the least developed countries in the world.

Which **one** of the following strategies could promote economic development in Chad?

☐ **A** Reducing investment in infrastructure

☐ **B** Restricting foreign direct investment inflows

☐ **C** Removing restrictions on free trade

☐ **D** Limiting joint ventures between domestic firms and TNCs

(Total for question = 1 mark)

Q33.

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

With reference to the fourth paragraph of Extract A and your own knowledge, analyse **two** roles of the IMF.

(Total for question = 6 marks)

Q34.

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 suggests that *primary product dependency* is a constraint on growth and development?

☒ **A** The Prebisch-Singer hypothesis

☒ **B** The Marshall-Lerner condition

☒ **C** The Lewis structural dual-sector model

☒ **D** The Harrod-Domar model

(Total for question = 1 mark)

Q35.

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

With reference to Extract B, discuss the strategies introduced by the Iranian Government to promote economic development.

(Total for question = 14 marks)

Q36.

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 best describes the role of the World Bank?

☒ **A** To maintain exchange rate stability by ensuring international monetary cooperation between countries

☒ **B** To provide loans to countries that experience temporary current account deficits on their balance of payments

☒ **C** To resolve trade disputes between countries and set the rules of trade

☒ **D** To promote economic development through poverty reduction programmes

(Total for question = 1 mark)

Q37.

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 theories suggests that a savings gap is a constraint on growth and development?

☒ **A** The Harrod–Domar model

☒ **B** The Lewis structural dual-sector model

☒ **C** The Marshall–Lerner condition

☒ **D** The Prebisch–Singer hypothesis

(Total for question = 1 mark)

Q38.

Study Figures 1 and 2 and Extracts A, B and C in the Source Booklet before answering this question.

With reference to Figure 2 and Extract B, examine **two** reasons why the demographic changes in Japan may constrain its rate of economic growth.

(Total for question = 8 marks)

Q39.

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 ☒.

In South Korea manufacturing as a share of GDP was 17% in 1969 and 25% in 2019.

Which **one** of the following theories suggests that industrialisation is a strategy to promote economic growth and development?

☒ **A** The Prebisch–Singer hypothesis

☒ **B** The Marshall–Lerner condition

☒ **C** The Harrod–Domar model

☒ **D** The Lewis structural dual-sector model

(Total for question = 1 mark)