Please check the examination details belo	w hoforo onto	ering your candidate information
Candidate surname	w before ente	Other names
Centre Number Candidate Number Pearson Edexcel Intern		al GCSE
Wednesday 5 June 2	024	
Afternoon (Time: 1 hour 30 minutes)	Paper reference	4EC1/02R
Economics Level 1/2 PAPER 2: Macroeconomic	s and th	ne Global Economy
You do not need any other material	s.	Total Marks

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.

Turn over







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

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

ansv	wer, pu	t a line through the box $oxtimes$ and then mark your new answer with	i a cross ⊠.
		e of the following is a disadvantage of multinational corporations perating in a country?	(1)
X	A	Developing capital	(1)
X	В	Investing in infrastructure	
X	C	Creating jobs	
X	D	Environmental damage	
(b) Wh	ich on e	e of the following describes voluntary unemployment?	(4)
X	A	Unemployment caused by a lack of demand for a particular skill	(1)
X	В	Unemployment caused by changes in the business cycle	
X	C	Unemployment caused by individuals choosing not to work	
X	D	Unemployment caused by seasonal fluctuations in the demand for labour	
(c) Wh	at is m	eant by the term monetary policy?	(2)



	rantage of privatisation for a gov	ernment.	(2)
ure 1 shows select	ed UK Government receipts fror	n taxation in	February 2023.
		£bn	
	Income tax	20.0	
	Sales tax (VAT/GST)	14.3	
	Business taxes	7.6	
	Excise duties	3.7	
	Customs duties	0.4	
	Figure 1		
	al amount of revenue in £bn ra	sed by indire	ect taxes in February
2023. 104 416 441	isca to show your working.		(2)

In March 2023, the Government of Ghana announced it was removing fuel subsidies on petroleum.

(f) Using the diagram below, draw the effects of the removal of the fuel subsidy on the equilibrium price and quantity of petroleum in Ghana. Label the new curve, the new equilibrium price and the new equilibrium quantity.



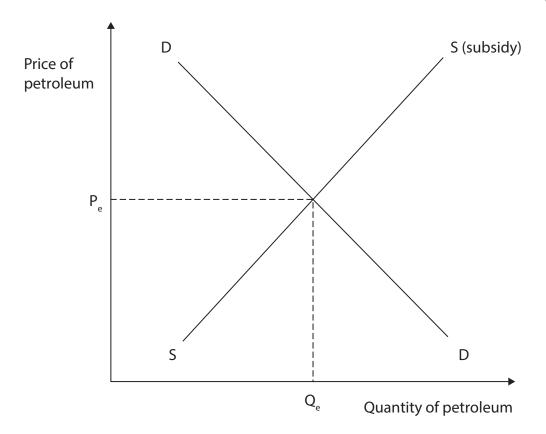


Figure 2

sector. This	per 2022, the Indian included reducing ernment and allowi	the taxes and fe	ees that teleco	m companies l	
(g) Explair	one advantage of	deregulation fo	r a country suc	h as India.	 (3)

In March 2023, the UK joined the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), an 11-member Asia-Pacific trading bloc, after tw years of negotiations. The current members of the CPTPP are Australia, Canada, Japan, Mexico, New Zealand, Singapore, Brunei, Chile, Malaysia, Peru and Vietnam.	
(h) With reference to the data above and your knowledge of economics, analyse t advantages for UK firms of the UK joining the CPTPP trading bloc.	he
	(6)

(Total for Question 1 = 20 marks)



2	(a)			e of the following is the calculation for the rate of unemployment in	
		a coui	itry	£	(1)
		×	A	Total labour force/Total population \times 100	
		×	В	Number of unemployed/Total labour force \times 100	
		×	C	Number of employed/Total labour force \times 100	
		\times	D	Total unemployment/Total population \times 100	
	(b)	Which	on on	e of the following describes a role of the World Trade Organization (WTC)? (1)
		X	A	Help with trade negotiations	
		×	В	Regulates multinational corporations	
		X	C	Provides financial assistance to developing countries	
		×	D	Stabilises exchange rates	
				possible reason for a current account surplus.	(1)
	(d)	What	is m	eant by the term relative poverty?	(2)

In March 2020, the European Central Bank (ECB) purchased €1.85 trillion worth of assets including government bonds and corporate bonds.	
 (e) Explain one benefit of asset purchasing by a central bank such as the ECB.	(3)

Figure 3 shows the supply of and demand for UK pounds (£), as well as the equilibrium exchange rate against the euro (€). UK interest rates increased from 4% to 4.25% in March 2023.

(f) Using the diagram below, draw the likely effect of this rise in UK interest rates on the equilibrium exchange rate of the UK pound (£) against the euro (€). Label the new curve, the new equilibrium exchange rate and the new equilibrium quantity.

(3)

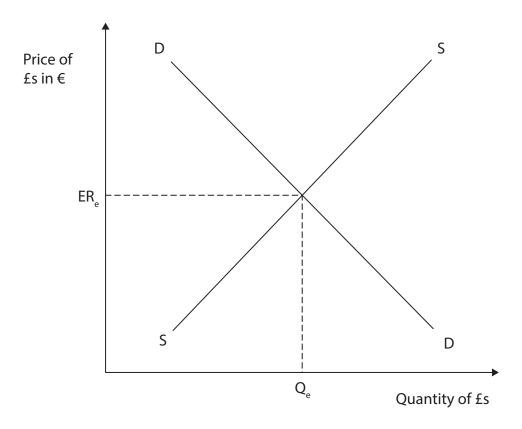


Figure 3

The Chinese economy only grew by 3% in 2022. However, in 2023 exports increased by 14.8% compared to the previous year, suggesting that China would achieve its growth target of 5%.

By March 2023, China was experiencing an economic recovery with the services and construction sectors reaching a 12-year high.

However, China's export recovery is expected to be temporary. This is because of possible weaker global demand due to interest rate rises in many economies.

(g) With reference to the data above and your knowledge of economics, assess he recovery may affect unemployment for a country such as China.	ow a
	(9)



(Total for Question 2 = 20 marks)



X

A government has a total expenditure of €700bn and a total revenue of €800bn. (a) What is the fiscal deficit/surplus? (1) X €1 500bn deficit €100bn deficit X €1 500bn surplus X €100bn surplus (b) Which **one** of the following is an example of a menu cost for Nike in its online shop during times of inflation? (1)X The cost of raw materials for producing Nike shoes X The cost of updates to the website due to higher prices for shoes

The cost to consumers of looking for the lowest price of shoes

lacktriangleq The cost of shipping and handling fees for online orders

(c) Using the diagram below label the remaining three stages of the economic cycle in the boxes on the diagram.

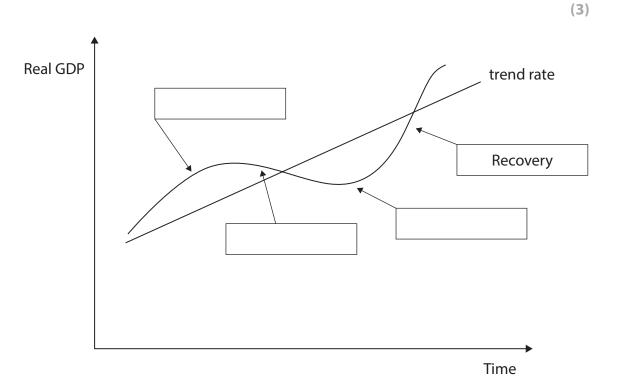


Figure 4

The largest manufacturer and exporter of clothing products is China, with 65% of the world's clothing being made there. The second largest country for clothing manufacturing is Bangladesh. Clothing exports make up nearly 85% of Bangladesh's total exports.	
(d) With reference to the data above and your knowledge of economics, analyse the likely benefits of globalisation for clothing manufacturers.	
	(6)



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Brazilian tyre producers previously had a fall in production caused by an increase in imports. As a result, producers were warning that they might need to stop production, which would result in job losses.

In March 2023, the Brazilian Government put an import tariff on tyres. The tariff on tyres increased from 0% to 16%. A government source said, "The previous government believed in more open trade. The current one has a different view and they think they must protect domestic producers."

they think they must protect domestic producers."				
	(e)	With reference to the data above and your knowledge of economics, assess the possible benefits for the Brazilian economy of introducing a tariff on tyres.	(9)	
	•••••			

(Total for Question 3 = 20 marks)



4 Figure 5 shows the adult entry fee into the Corcovado National Park in Costa Rica and the current exchange rate between the British pound (£) and the Costa Rican colón (CRC).

Entry fee for 1 adult	1 600 CRC
Exchange rate: £ to CRC	£1 = 672 CRC

Figure 5

(a)	Calculate, to two decimal places, the price in British pounds (£) of a park
	entry fee for 1 adult into the Corcovado National Park. You are advised to show
	vour working.

(2)

Costa Rica is a developing country that relies on the export of agricultural commodities such as coffee, bananas, pineapples and vegetables. In 2022, exports from Costa Rica to the UK were valued at £516m. Vegetables and fruit accounted for 73.4% of all goods exported to the UK from Costa Rica.

(b) With reference to the data above and your knowledge of economics, analyse how the trade patterns may differ between a developed and a developing country.		
the trade patterns may affer between a developed and a develo		(6)

Costa Rica has 5% of the world's wildlife species but it occupies only 0.03% of the earth's surface. Costa Rica takes pride in having 30 national parks with more than 25% of the territory of Costa Rica marked for conservation.

National parks have economic value to both national and local economies. Costa Rica takes advantage of the growing demand by tourists visiting these national parks by charging an entry fee. National Parks contribute almost \$2bn to the Costa Rican economy. 122,465 tourists visited national parks in Costa Rica in the last two weeks of 2021.

(c) With reference to the data above and your knowledge of economics, evaluate the

Local economies near the national parks benefit from the creation of jobs and the increased expenditure by tourists on hotels, local shops, guides, restaurants and tours.

environment in a country such as Costa Rica.	
environment in a country such as Costa Rica.	(12)
	(12)





(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

Acknowledgments

Figure 1 adapted from: Public sector finances, UK - Office for National Statistics (ons.gov.uk)

Question 2g adapted from: https://www.worldbank.org/en/country/china/overview

Question 3e adapted from: https://www.icis.com/explore/resources/news/2023/03/20/10867370/brazil-hikes-import-tariffs-for-polymers-and-tyres-to-protect-domestic-producers/

Question 4c adapted from: https://ticotimes.net/2022/10/11/costa-rica-national-parks-understanding-their-importance

