Please check the examination detail	ls halow	hefore ento	ering your candidate information			
Candidate surname	13 DEIOW	before effice	Other names			
Pearson Edexcel International GCSE	Centre	Number	Candidate Number			
Friday 5 June 2020						
Afternoon (Time: 1 hour 30 minut	es)	Paper Re	Reference <b>4EC1/02R</b>			
Economics Level 1/2 Paper 2: Macroeconomics and the Global Economy						
You do not need any other mate	erials.		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 ▶



P62642RA
©2020 Pearson Education Ltd.
1/1/1/1/1/1/



# 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  $\boxtimes$ .

I (a) What type of unemployment is likely to be caused by generous welfare benefits?				
	(a) vviid	и турс	e of unemployment is likely to be caused by generous wellare benefits:	(1)
	X	Α	Seasonal	
	×	В	Cyclical	
	×	C	Voluntary	
	X	D	Structural	
			ne is given to the phase in the economic cycle when consumers start to infidence and economic activity is on the increase?	(1)
	×	Α	Boom	
	X	В	Downturn	
	X	C	Recession	
	$\times$	D	Recovery	
	(c) Wha	at is m	eant by the term central bank?	(2)
••••				

(d) Describe <b>one</b> disadvantage of free trade for domestic businesses.			
	e income tax rates for Cyprus in 2 e only pays tax on €1 500.	2018. George earr	ns €21 000 as a manager.
	Taxable income (€)	Tax rate (%)	
	0 to €19 500	0%	
	€19501 – €28000	20%	
	Figure	1	
	e <b>t pay</b> in euros (€) for George. Y	ou are advised to	show your
working.			(2)



(f) Using the diagram below, draw the effect of the introduction of a new quota that is less than the original quota. Label the new curve, the new equilibrium price and the new equilibrium quantity.



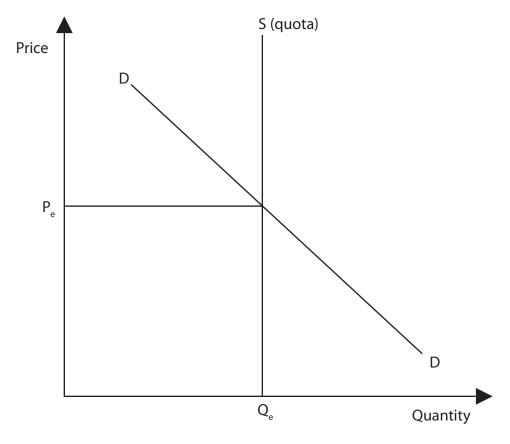


Figure 2

(g) Explain the impact of high rates of inflation on wages in a country such as Mexico.				
				(3)
				•••••

(h) Analyse the benefits to a country of being a member of the African Continental			
Free Trade Area (AfCFTA).	(6)		

2			e Indonesian rupiah depreciated to its lowest levels since 1997 against r currencies.		
	(a) This depreciation is likely to have caused				
	$\times$	A	an increase in exports and a decrease in imports		
	×	В	a decrease in exports and a decrease in imports		
	X	C	an increase in exports and an increase in imports		
	×	D	a decrease in exports and an increase in imports		
	(b) Wh	ich (	of the following is used as a measure of economic growth?	(1)	
	$\boxtimes$	Α	ILO		
	$\overline{\mathbf{X}}$	В	CPI		
	×	C	GDP		
	×	D	FDI		
			ne reason why a government wants to reduce poverty and inequality.	(1)	
	(d) Wh	at is	meant by the term infrastructure?	(2)	



<ul> <li>e) Explain one impact of falling unemployment rates on tax such as Germany.</li> </ul>	revenue for a country
	(3)
bys because they contained banned chemicals. Many were b	
oys because they contained banned chemicals. Many were booline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.	peing sold through
n December 2018, consumers in the UK were warned to avoicely because they contained banned chemicals. Many were bendine marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for goods.	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through
oys because they contained banned chemicals. Many were bonline marketplaces.  f) Explain <b>one</b> reason why UK consumers need protecting for	peing sold through

In May 2018, South Korea's unemployment rate for people aged 15–29 increased to 11.6%. In several global competitiveness reports South Korea has recently been criticised for having too many rules and regulations. Experts have advised the South Korean Government to reduce some employment regulations for service sectors such as finance, transport and tourism in order to create more jobs.  (g) With reference to the data above and your knowledge of economics, assess the effectiveness of deregulation in reducing unemployment in South Korea.	(9)



3	(a) C	Cost-	pus	sh inflation is most likely to result from an increase in	(1)
	D	K	A	the rate of income tax	
	D	K	В	productivity	
		K	C	wage rates	
		<	D	government spending	
	(b) N	Mone	etai	ry policy would involve changes in which one of the following?	(4)
	D	K	A	Government spending	(1)
	D	<	В	Interest rates	
		<	C	Taxation	
	D	K	D	Balance of payments	
	whe	n far	me	option of avocados in the US used to be restricted to the summer months ers in California harvested their crops. Now avocados are available all year e imported from Mexico.	
	(c) E	xpla	in (	<b>one</b> way globalisation has affected consumers in the US.	(2)
					(3)



(d) Analyse why a MNC, such as Mondelez, might want to invest in Bangladesh.			
u). Analyse why a winc, such as Mondelez, might w	ant to invest in Bangla	desn. (6)	

Indonesia's Economic Minister Darmin Nasution said that the current account deficit would reach 3% of gross domestic product (GDP) by the end of 2018.

"Yes, it is a bit high, but nothing to worry about. The deficit in 2014 was even higher," said Darmin Nasution.

Meanwhile, senior economist Faisal Basri called on the government to take the growing current account deficit as a serious matter because it could have negative effects on the economy.

(e)	With reference to the data above and your knowledge of economics, assess the impact of a current account deficit for a country such as Indonesia.	
		(9)



4 Figure 3 shows the amount the US spent on education in 2017–2018.

Fiscal Year	\$bn
2017	68
2018	59

(Source adapted from:

https://www2.ed.gov/about/overview/budget/budget18/summary/18summary.pdf)

Figure 3

(a) Calculate to two decimal places the <b>percentage change</b> in the amount spent on education in the US from 2017–2018. You are advised to show your working.	
	(2)

The World Trade Organisation (WTO) has 164 members representing 98% of world trade. The US joined in 1995 and has been involved in 422 trade disputes.		
(b) Analyse the role of the World Trade Organisation (WTO) in the growth of international trade.		
	(6)	

In 2018, the USA increased its emissions of carbon dioxide. This increase happened even though large numbers of coal-fired power stations were closed and American consumers purchased nearly double the number of electric cars. The main reason, often stated as a benefit to an economy, was high economic growth.

A booming US economy has meant increased industrial production, more truck and air travel and more offices and other workplaces to heat. The result is that the USA will have to do even more in the coming years to meet international commitments for greenhouse gas reductions by increasing its protection of the environment.

(Source adapted from: https://www.nbcnews.com/news/us-news/economic-boom-spikes-carbon-emissions-despite-green-tech-gains-n956336)

(c)	(c) With reference to the data above and your knowledge of economics, evaluate whether there is a trade-off between economic growth and environmental protection for a country such as the USA.		
		(12)	




(Total for Question 4 - 20 marks)
(Total for Question 4 = 20 marks)
TOTAL FOR DARER OF MARKS
TOTAL FOR PAPER = 80 MARKS



## **BLANK PAGE**