IGCSE ECONOMICS · 2.2 THE GLOBAL ECONOMY · CHAPTER 35 · PAPER 2

Globalisation

Topic question sheet L35 | **Total: 30 marks** | **Time: 35 minutes** | **Student Book pp. 286–294**

Instructions: answer **all** questions. Write your answers on lined paper. The marks for each question are shown in brackets: use them as a guide to how much to write.

Calculators may be used. Show your working. Draw diagrams in pencil and label them fully. The mark scheme starts on a new page: do not look at it until you have finished.

Section A: Multiple choice

One mark each. Choose **one** answer: A, B, C or D.

1 Which of the following is a reason for increasing globalisation? **(1)**

A Lower exchange rates
B Reduced cost of communication
C More environmental legislation
D A rise in world population

2 Which of the following is a feature of globalisation? **(1)**

A A high level of interdependence between nations
B Higher unemployment
C Increased barriers to trade
D Less scope for economies of scale

3 A UK bank moves its call centre to India to cut costs. This is: **(1)**

A deregulation
B offshoring
C protectionism
D a tariff

4 Which group is most likely to lose from globalisation? **(1)**

A Consumers buying imports
B MNC shareholders
C Workers in high-cost factories
D Exporters

Section B: Short answers

Define, state, calculate, draw and explain. Show your working for calculations.

5 Define **globalisation**. **(1)**

6 Calculate the percentage increase in Dravia's clothing imports. You are advised to show your working. **(2)**

7 State **two** features of globalisation. **(2)**

8 Explain **one** benefit of globalisation to consumers. **(3)**

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Section C: Data response

Read the extract, then answer the questions. Use evidence from the extract in every answer.

Extract: Textiles in Dravia

The fictional country of Dravia removed import tariffs on clothing in 2018. Since then, imports of cheap clothing have risen from US$400m to US$1.1 billion a year and 12 000 jobs have been lost in Dravia's textile factories.

However, three foreign MNCs have built factories in Dravia making car parts for export, creating 9000 jobs paying above-average wages. Dravian shoppers now pay about 30% less for clothes.

Fictional case, written for this sheet.

9 With reference to the extract, analyse the impact of globalisation on workers in Dravia. **(6)**

10 With reference to the extract, evaluate whether removing tariffs on clothing has benefited Dravia. **(12)**

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Mark scheme: Globalisation

How to mark: Multiple choice, Define, State: 1 mark. **What is meant by** (2): two separate parts to the definition. **Calculate**: working and answer (with units). **Draw** (3): one mark per correct labelled feature. **Explain** (3): 1 for a point, 2 for developing it in context. **Analyse** (6): knowledge 2, application 2, analysis 2. **Assess** (9) and **Evaluate** (12) are marked by levels: choose the level that best fits the whole answer. Indicative content is a guide: credit other valid points.

Section A

1 *Which of the following is a reason for increasing globalisation? (1 mark)*

Answer: B (Reduced cost of communication). Firms can work across borders instantly.

2 *Which of the following is a feature of globalisation? (1 mark)*

Answer: A (A high level of interdependence between nations). Events in one economy affect others.

3 *A UK bank moves its call centre to India to cut costs. This is: (1 mark)*

Answer: B (offshoring). Work done abroad to cut costs.

4 *Which group is most likely to lose from globalisation? (1 mark)*

Answer: C (Workers in high-cost factories). Production moves to cheaper locations.

Section B

5 *Define globalisation. (1 mark)*

The growing interconnection of the world's economies (1).

6 *Calculate the percentage increase in Dravia's clothing imports. You are advised to show your working. (2 marks)*

Working: (1100 − 400) ÷ 400 × 100 (1).

Answer: 175% (1).

7 *State two features of globalisation. (2 marks)*

Any two (1 each): free trade in goods and services; free movement of people; free flow of capital; free exchange of technology; interdependence.

8 *Explain one benefit of globalisation to consumers. (3 marks)*

Point: lower prices / more choice (1).

Development: goods made where costs are lowest are cheaper (1), e.g. Dravian clothes 30% cheaper, raising real incomes (1).

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Section C

9 *With reference to the extract, analyse the impact of globalisation on workers in Dravia. (6 marks · K2 · Ap2 · An2)*

Knowledge (2): job losses in uncompetitive industries; new jobs from MNCs.

Application (2): 12 000 textile jobs lost; 9000 car-parts jobs, above-average wages.

Analysis (2): cheap imports replace domestic production (structural unemployment); MNC jobs pay more but need different skills or locations, so not all displaced workers benefit.

Knowledge 2 · Application 2 · Analysis 2.

10 *With reference to the extract, evaluate whether removing tariffs on clothing has benefited Dravia. (12 marks · levels)*

Benefits: 30% cheaper clothes for all consumers; MNC investment, 9000 well-paid jobs, exports of car parts.

Costs: net loss of 3000 jobs; 12 000 textile workers may face long-term unemployment (immobility); higher import spending worsens the current account.

Judgement: likely beneficial overall for consumers and long-run efficiency, but costly for textile workers; depends on retraining and whether more FDI arrives.

Levels: L1 1–3 · L2 4–6 · L3 7–9 · L4 10–12 (balanced, well-developed arguments using the data throughout, and a justified conclusion that answers the question).

Original practice questions written in the style of the Pearson Edexcel International GCSE Economics (4EC1) papers. This is not an official paper. Unless a source is given, the firms, countries and figures are fictional and made up for practice.

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