



ADVANCED GCE
ECONOMICS
The Global Economy

F585



Candidates answer on the Question Paper

OCR Supplied Materials:

- Clean copy of Stimulus Material

Other Materials Required:

- Calculators may be used

Tuesday 2 February 2010

Afternoon

Duration: 2 hours



Candidate Forename					Candidate Surname				
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Centre Number						Candidate Number			
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INSTRUCTIONS TO CANDIDATES

- Refer to the Stimulus Material given in a separate booklet. You must not bring your original copy into the examination.
- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided. If additional space is required, you should use the lined pages at the end of this booklet. The question number(s) must be clearly shown.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- You will be assessed on the quality of your written communication in question 3. All answers should be in continuous prose.
- The total number of marks for this paper is **60**.
- This document consists of **12** pages. Any blank pages are indicated.



A calculator may
be used for this
paper

- 1 (a)** Describe what is meant by economic stability.

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- (b)** Analyse how inflation targeting, such as that used in the UK, can help promote economic stability.

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(c) Comment on the effectiveness of using expansionary monetary policy during a downturn in the economic cycle, such as that experienced in the UK in 2008.

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- 2 (a) Explain the role of the International Monetary Fund (IMF).

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- (b) Using a diagram, analyse the causes of the depreciation of the Hungarian forint which occurred during 2008.

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- (c) Comment on the extent to which a deficit on the current account of the balance of payments, such as that in Hungary and the UK, is a sign of economic weakness.

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- 3 Discuss the impact of globalisation on developing economies.

Additional pages. When using this space please make sure your answers are numbered carefully.

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