



Tuesday 3 June 2014 – Morning

A2 GCE ECONOMICS

F585/01 The Global Economy



Candidates answer on the Question Paper.

OCR supplied materials:

- Clean copy Stimulus Material

Other materials required:

- Calculators may be used

Duration: 2 hours



Candidate forename		Candidate surname	
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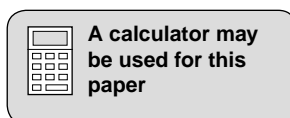
Centre number							Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Refer to the Stimulus Material in the separate booklet. You must **not** bring your original copy into the examination.
- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- 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.
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account in the marking of your answer to question 3. All answers should be in continuous prose.
- This document consists of **16** pages. Any blank pages are indicated.



2

Answer **all** questions.

1 **(a) (i)** Other than surveillance, state **two** roles of the International Monetary Fund (IMF).

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[2]

(ii) What is meant by the term 'balanced budget fiscal expansion'?

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[2]

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2 (a) Explain **two** ways in which a fixed exchange rate, such as Latvia's peg to the euro, might be maintained when it comes under pressure to devalue.

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(b) Analyse **two** potential benefits for an economy of adopting the euro.

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(c) Comment on the view that exchange rate devaluation might be a better way to deal with a country's external imbalances than internal devaluation. [10]

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A series of horizontal dotted lines for writing, consisting of 22 lines.

ADDITIONAL ANSWER SPACE

If additional answer space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margins.

A large area of horizontal dotted lines for writing answers, with a solid vertical line on the left side. The lines are evenly spaced and extend across most of the page width.

A large rectangular area with a solid vertical line on the left and horizontal dotted lines, providing a space for writing answers.



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