



Wednesday 30 January 2013 – Afternoon

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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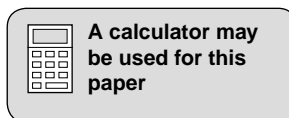
Centre number							Candidate number				
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INSTRUCTIONS TO CANDIDATES

- Refer to the Stimulus Material in a 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) What is meant by:

(i) a fixed exchange rate?

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(ii) purchasing power parity?

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3

(b) Argentina had used a fixed exchange rate system prior to its economic crisis in 2001.

Analyse **two** disadvantages of a fixed exchange rate system.

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(b) Argentina's 'zero deficit law' and the European Union's (EU) Stability and Growth Pact are examples of fiscal rules.

Analyse **two** reasons why fiscal rules may be important in promoting economic stability.

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ADDITIONAL ANSWER SPACE

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

A large area of lined paper for writing answers. It features a vertical margin line on the left side and horizontal dotted lines for writing. The lines are evenly spaced and extend across the width of the page.

