International trade and the global economy – GCSE Economics Paper 2

1. No.9

Which of the following is the most likely effect of a rise in a country's exchange rate?

[1 mark]

A Increased economic growth ⬭

B Increased exports ⬭

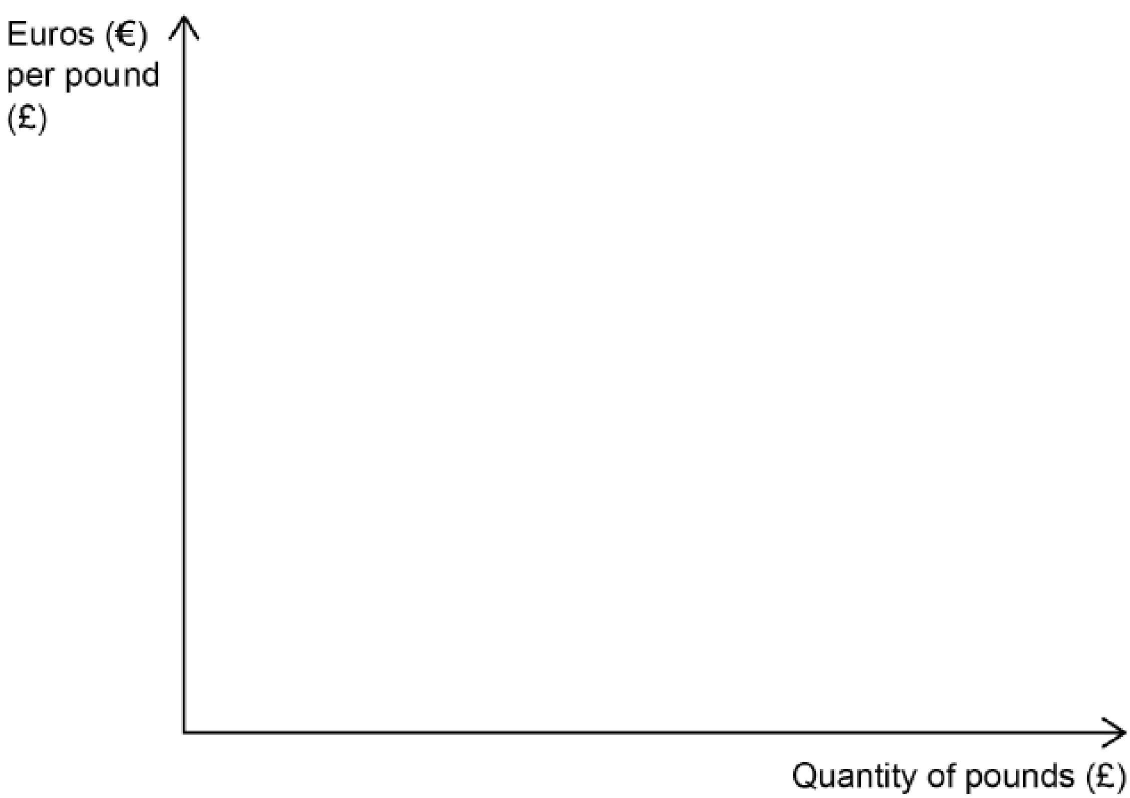
C Increased inflation ⬭

D Increased unemployment ⬭

2. No.20

Figure 2 shows the Euro (€) to the British pound (£) foreign exchange market.

Figure 2 – Euro (€)/British pound (£) exchange rate



On **Figure 2**, draw and label the effects on the exchange rate of increased UK imports from countries using the Euro.

[3 marks]

3. No.22

Define the term 'multinational company'.

[2 marks]

4. No.25

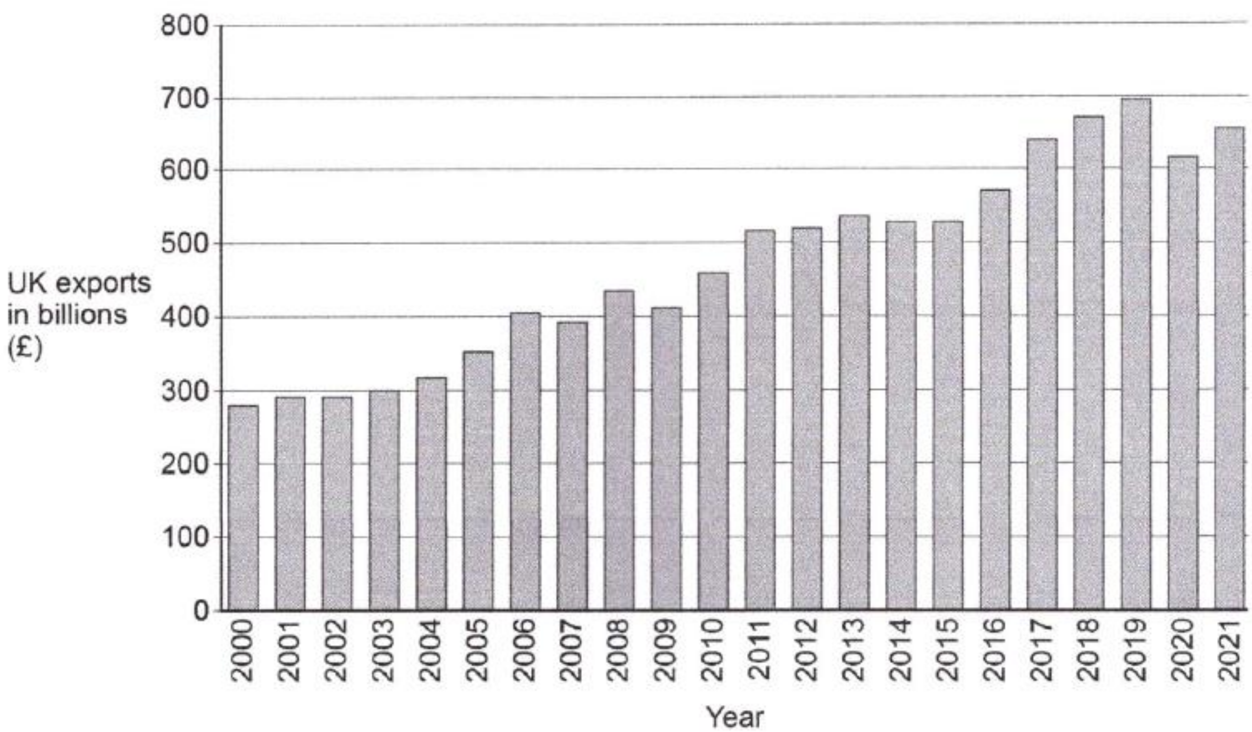
Item B

Globalisation creates winners and losers. These winners and losers will be found in both developed and less developed economies.

Consumers in developed economies can benefit from globalisation through buying goods at cheaper prices. Consumers in less developed economies may benefit from more jobs being created due to multinational companies setting up across the world. However, there are drawbacks to globalisation. Workers in less developed economies may be exploited by multinational companies and these companies can also make it harder for existing local businesses to survive.

Businesses in developed economies can benefit from access to more markets across the world. This can be seen in **Figure 4**, which shows UK exports over recent years. However, producers in the UK will also face more competition from businesses in less developed economies.

Figure 4 – UK exports 2000–2021



Using **Item B**, analyse the possible consequences of increased globalisation for workers in less developed economies.

[6 marks]