

Candidate Forename						Candidate Surname					
Centre Number						Candidate Number					

ADVANCED SUBSIDIARY GCE

2883/AB

ECONOMICS

The National and International Economy

WEDNESDAY 3 JUNE 2009: Afternoon

DURATION: 1 hour

SUITABLE FOR VISUALLY IMPAIRED CANDIDATES

Candidates answer in this Designated Answer Booklet

OCR SUPPLIED MATERIALS:

Question Paper 2883

OTHER MATERIALS REQUIRED:

None

READ INSTRUCTIONS OVERLEAF

INSTRUCTIONS TO CANDIDATES

- **Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes on the first page.**
- **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.**
- **Write your answer to each question in the space provided, however additional paper may be used if necessary.**

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 45.**
- **The quality of your written communication will be taken into account in marking your answer to the question labelled with an asterisk (*).**

(a) Define the term ‘budget deficit’ (line 35).

[2]

(b) Assess whether the data in Fig. 1 supports the view that countries with smaller populations have a better economic performance than those with larger populations.

[5]

(c) (i) What is the difference between internal and external trade? (lines 16–17)

[2]

(ii) State and explain TWO reasons why a country's imports may decline.

1.

2.

[4]

- (d) (i) Using Fig. 2, calculate Norway's aggregate demand. Show your working.**

[2]

- (ii) Using an aggregate demand and aggregate supply diagram, explain why an increase in aggregate demand may have no impact on the real GDP of an economy.**

(e) (i) State ONE injection into the circular flow and ONE leakage from the circular flow.

Injection: _____

Leakage: _____

(ii) What evidence is there in the passage of the multiplier effect?

[illegible]

***(g) Discuss the economic effects of a reduction in unemployment.**

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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