A-LEVEL ECONOMICS • EXERCISE SHEET

# 11.6 Globalisation

Name: ____________ Class: ________ Date: __________ **Total: 24 marks**

**KEY WORDS** globalisation 全球化 • trade bloc 贸易集团 • free trade 自由贸易 • developing country 发展中国家

## Objective

Build the skills to answer exam questions on **globalisation 全球化** — its causes, **trade blocs 贸易集团**, and the benefits and costs for developed and developing economies.

**You must be able to:**

- define globalisation and its causes
- explain what a trade bloc is
- analyse the benefits and costs of globalisation

## 1 Worked examples

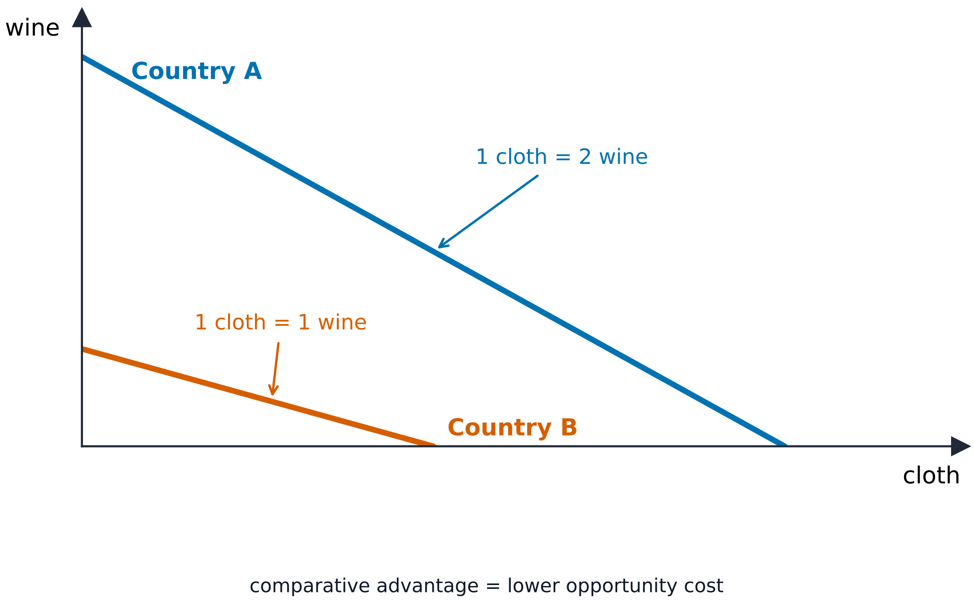
### ■ A connected world

*The world acts more like one market*

- **Globalisation 全球化:** growing links between countries in trade, money, technology and people.
- **Causes:** cheaper transport and communication, **free trade 自由贸易** agreements, multinational firms.
- **Trade bloc 贸易集团:** a group that trades freely among themselves (e.g. the

EU).

- **Benefits:** lower prices, more choice, faster growth, technology transfer. **Costs:** lost jobs, a wider rich–poor gap, more pollution.




*Globalisation lets countries specialise by comparative advantage on a world scale*

**Answer shapes:** AO1 + AO2 + AO3 (analysis) + AO4 (a supported judgement *in context*).

## 2 Practice

**2.1** Define the term *globalisation*. [2]

**2.2** Define the term *trade bloc*. [2]

**2.3** State one cause of globalisation. [1]

## 3 Exam-style questions

**3.1** Which is a **benefit** of globalisation? [1]

- **A** the loss of some domestic jobs to cheaper countries
- **B** lower prices and more choice for consumers
- **C** more pollution and use of resources
- **D** a wider gap between rich and poor

**3.2** Explain two benefits of globalisation for a developing country. [6]

**3.3** Discuss whether globalisation benefits developing countries more than developed countries. [12]

## Solutions

Economics answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

**2.1** the growing economic links between countries — in trade, money, technology and people — so the world acts more like one market (2 for a clear definition; 1 for a partial idea).

**2.2** a group of countries that agree to trade freely among themselves (e.g. with no tariffs), such as the European Union (2 for a clear definition; 1 for a partial idea).

**2.3** any one of: cheaper transport and communication; free-trade agreements; the spread of multinational firms (1).

**3.1 B**. Lower prices and more choice are a benefit of globalisation.

**3.2** *[6]* For **each** of two benefits: AO1 1 + AO3 up to 2 — e.g. *larger markets*: firms can export to the world → higher sales and economies of scale → faster growth. *Technology and investment*: FDI and trade bring modern methods → higher productivity → industrialisation. Maximum 3 each.

**3.3** *[12]* AO1/AO2/AO3 up to 8 + AO4 up to 4. **Developing gains:** access to large markets, FDI, technology, and a route out of poverty through industrialisation. **Developed gains:** cheaper imports, larger markets and profits for multinationals. **Costs (both):** lost jobs, inequality, pollution, and powerful firms avoiding tax. Judgement: both gain, but unevenly — developing countries can gain most *if* they industrialise and share the gains, yet they are also more exposed to volatile prices and exploitation; it depends on each country's policies.