

5.1 Global economy and policy synthesis: supported rehearsal

Name: _____ Class: _____ Date: _____

Total: 6 marks

Objective

Supported preparation: Analyse trade, protection, integration, exchange rates and payments; Evaluate development indicators, barriers and strategies. This is original rehearsal, not completion of the assessed task.

1 Key knowledge and worked examples

Trade can increase specialization and choice while redistributing gains and losses. Tariffs, exchange rates and development policies act through different channels. Evaluate a named policy with stakeholders, time and constraints rather than a list of advantages.

Original source / task evidence

Task: a fictional import tariff raises input costs for domestic assemblers while protecting an input producer. Evaluate keeping it and propose evidence for a review.

Separate what is stated from the interpretation.
Global economy and policy synthesis

Task: a fictional import tariff raises input costs for domestic assemblers while protecting an input producer. Evaluate keeping it and propose evidence for a review.

The protected producer may expand, but assemblers face higher costs, consumers may pay more and exporters may lose competitiveness. Consider supply responsiveness, employment adjustment, revenue, retaliation and feasible alternatives. A temporary training or adjustment policy has its own costs and delivery risks. Review quantities, prices, employment and distribution before judging net benefit.

2 Practice

2.1 For the worked case, identify the evidence and a conclusion it can support. Explain one material limit. [3]

3 Exam-style questions

3.1 Currency depreciation occurs but import spending initially rises. Explain a possible mechanism. Give a reasoned answer, evidence or method, and a relevant qualification. [3]
