

UNIVERSITY OF LONDON

GENERAL CERTIFICATE OF EDUCATION
EXAMINATION

SUMMER 1970

Advanced Level

ECONOMICS 2

Three hours

Answer FIVE questions.

Credit will be given for good English and the orderly presentation of material; candidates who neglect these essentials will be penalized.

1. 'The problem of unemployment in the U.K. is no longer a general, but a localised, one.' Discuss.
2. How does the Central Bank control the credit policy of the commercial banks?
3. What is inflation? How can it be overcome?
4. What is the capital market? Discuss ways in which it might be improved.
5. Are indirect taxes inflationary or deflationary?
6. Can the imposition of tariffs reduce unemployment in British industry?
7. What determines the extent of the differences between the standards of living in two countries?
8. Does Investment always equal Savings?

Circular flow for 9

6. Outline the main changes in the size, age distribution and sex distribution of the population of the U.K. (or of your own country) since 1945. Comment on the economic significance of the changes.
7. 'The least-cost method of production is a matter of technical possibilities and input (factor) prices.' Explain.
8. Is there a case for subsidising the provision to the public of music, the theatre and the visual arts?
9. Government legislation raising money wages in Hong Kong to British levels would improve living standards in Hong Kong and also U.K. export prospects.' Comment.
10. What are *external* economies and diseconomies of scale? What would be the relevance of these to the location of a new factory in the London area?