

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

9. What is meant by the multiplier? Describe the 'leakages' which lower its impact.
10. Outline the functions and importance of
either (a) the World Bank (the International Bank for Reconstruction and Development);
or (b) G.A.T.T. (General Agreement on Tariffs and Trade).