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### IB ECONOMICS PAPER 2 EXAMINATION QUESTIONS – INTERNATIONAL ECONOMICS

Answer the questions that follow.

Paper 2. Duration: 1 hour 30 minutes. Weighting: Higher Level 40%, and Standard Level 30%.

IB Economics exam Paper 2 is divided into Section A and Section B. Section A – International Economics – assesses the IB Economics student's knowledge, analytic and evaluative skills.

- Students answer two questions in total, one from section A and one from section B.
- In each section, students are required to answer one question from a choice of two.
- The questions are each subdivided into four parts, (a), (b), (c) and (d).

Students are expected to demonstrate the following assessment objectives.

#### Section A

The principal focus is on section 3 of the syllabus – **international economics**.

While the principal focus of the questions is on section 3, it is likely that students will be required to draw on other sections of the syllabus.

The command terms used in each question, or part thereof, indicate the depth required.

**Part (a)** of each question requires knowledge and understanding. It is subdivided into (i) and (ii). The maximum for each of these is 2 marks, with a combined maximum of **4 marks**.

**Part (b)** of each question requires knowledge and understanding, application and analysis, and selection, use and application of a variety of appropriate skills and techniques. The maximum for this part is **4 marks**.

**Part (c)** of each question requires knowledge and understanding, application and analysis, and selection, use and application of a variety of appropriate skills and techniques. The maximum for this part is **4 marks**.

**Part (d)** of each question requires knowledge and understanding, application and analysis, and synthesis and evaluation. The maximum for this part is **8 marks**.

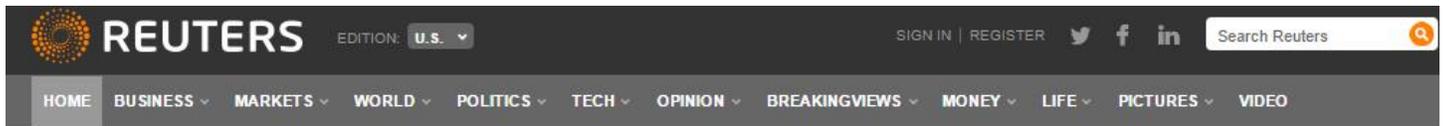
The section A question is worth a total of **20 marks**.

### 3.4 TRADE PROTECTION ARGUMENTS: EXAM PRACTICE QUESTIONS

Study the extract below and answer the questions that follow.

ITEM 1: BREAKING BUSINESS NEWS

News item appearing in all major English-language newspapers and global media.



Business Tues Nov 15, 2016 6:56am EST

# Hundreds of thousands protest in Berlin against EU-U.S. trade deal

FRANKFURT



Hundreds of thousands gather in Berlin to protest the signing of the Transatlantic Trade and Investment Partnership free trade deal, Berlin, Germany. September 19, 2016. REUTERS/MILENA BAENSCH

Hundreds of thousands of protesters gathered in central Berlin today to protest the proposed Transatlantic Trade and Investment Partnership.

In Europe, the free trade deal would result in the removal of trade protections such as protectionist subsidies to European firms, and the elimination of quota and tariff protections currently imposed on US goods and services being imported into the European Union.

Some protesters argue that that the free trade deal would depress wages and cost European jobs, especially in infant industries just becoming established in Eastern European countries such as Bulgaria, Romania and Croatia. Current European strategic trade policy, especially in France where defence and aeronautic industries are currently protected, would be thrown into disarray.

Others are arguing that allowing free access to US food products allows for genetically modified organisms and animal products that are routinely raised using antibiotics to enter the market and this would be harmful to consumers.

EDITOR'S CHOICE



A dramatic week ahead



Facebook prohibits private gun sales on its site

PHOTOS OF THE WEEK



Our top photos from the past week. [Full Coverage »](#)

TRENDING ON REUTERS

- IB Students show very elevated levels of stress compared to other students 1
- Sarah Palin and Donald Trump announce birth of new daughter, Freedom Hilton 2
- Queen Margaret College rocked by rampant student lethargy during mocks 3

IB ECONOMICS PAPER 1 EXAMINATION QUESTIONS

QUESTION ONE

1. Define the following terms from the newspaper extract above, concerning the European-United States free trade deal:
  - i. Infant industry. **[2 marks]**
  - ii. Protectionist subsidies. **[2 marks]**
2. Sketch a diagram and use it to explain how current tariffs imposed by the European Union on US imports affects the market. **[4 marks]**
3. Assuming that production subsidies are removed on European beef, sketch a diagram showing the market for beef before and after the subsidies are removed. Use it to explain the effects on European beef producers and workers, and beef consumers. **[4 marks]**
4. Using information in the text and your knowledge of economics, evaluate arguments for and against trade protection. **[8 marks]**

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