

IGCSE CIE

Economics MCQ

International Specialization (QP)

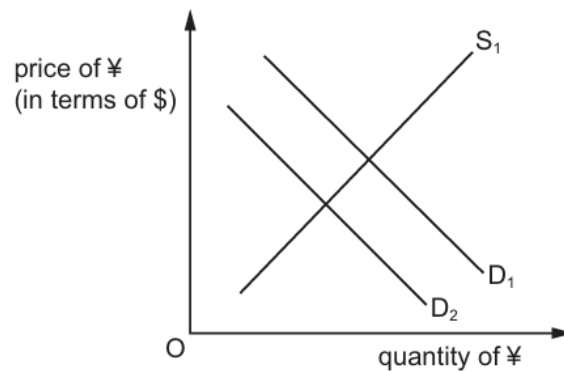
1. May 2024-11/27

What is an advantage to a firm of specialisation at a national level?

- A dependency on supplies from other countries
- B greater competition from overseas firms
- C greater depletion of the country's natural resources
- D lower average costs due to economies of scale

2. May 2024-12/28

The diagram shows the market for the Chinese yuan (¥) priced in US dollars (\$).



What could have caused the change in demand for the yuan from D_1 to D_2 ?

- A a decrease in foreign direct investment in China
- B a decrease in the level of tariffs levied by China on imports
- C an increase in the buying of yuan by central banks
- D an increase in the Chinese rate of interest

3. May 2024-13/27

What is most likely to promote international specialisation?

- A similarities in climate in different countries
- B similarities in the availability of natural resources in different countries
- C instability in foreign exchange rates
- D the abolition of tariffs and customs duties

4. March 2024-12/27

Two countries wish to use their scarce resources to specialise in production and trade with each other.

Under which conditions is this most likely to happen?

	the resource allocations of the two countries	the ability of each country to reallocate their resources
A	different	difficult
B	different	easy
C	similar	difficult
D	similar	easy

5. Oct 2023-11/27

What is **most** likely to result from an extension of specialisation in manufacturing?

- A** for the consumer some prices will be reduced
- B** for the country there will be less dependency on international trade
- C** for the employee the work will become more varied
- D** for the producer there will be less efficiency

6. Oct 2023-12/27

A small country whose only export is oil decides to reduce substantially the rate at which it extracts its limited oil reserves.

What is the **most** likely reason for this decision?

- A** to improve the balance of payments in the following year
- B** to increase current government income
- C** to maintain future living standards
- D** to raise the level of employment in the oil industry

7. Oct 2023-13/27

What is **most** likely to encourage international specialisation?

- A similarities in climate in different countries
- B the ability to produce products more cheaply than other countries
- C the discovery of oil in a country that had no oil before
- D very high international transport costs

8. May 2023-12/27

The table shows a country's exports and imports.

	\$m
exports of goods	200
imports of goods	190
exports of services	35
imports of services	38

What was the country's balance of trade in goods and services?

- A a deficit of \$7 million
- B a deficit of \$13 million
- C a surplus of \$7 million
- D a surplus of \$13 million

9. Oct 2022-11/26

The table shows the percentage (%) contribution of agriculture to the GDP of three countries in a year.

country	%
X	18.5
Y	3.9
Z	2.2

What can be concluded from the table?

- A Agricultural production in country Z was not as productive as it was in country Y.
- B Country X was likely to be less developed as a country than country Z.
- C Country Y was likely to import more agricultural produce than country Z.
- D Total agricultural production was higher in country X than in country Z.

10.Oct 2022-12/14

Which effect of increased specialisation by firms and workers is **most** likely to cause problems for an economy?

- A better product quality
- B greater interdependence
- C higher productivity
- D improved resource allocation

11.May 2022-13/27

The table shows some details from a country's balance of payments. The country has no secondary income (current transfers).

item	\$ million
exports of goods	280
imports of goods	350
exports of services	110
imports of services	60
net primary income	–40

What is the country's balance on its current account?

- A a deficit of \$60 million
- B a deficit of \$160 million
- C a surplus of \$20 million
- D a surplus of \$760 million

12.Oct 2021-11/27

Why can specialisation cause economic growth?

- A Specialisation can allow a country to produce many different goods and services.
- B Specialisation can lead to a reduction in average costs of production.
- C Specialisation can mean that firms in a country will face diseconomies of scale.
- D Specialisation can reduce a country's need to depend on other economies.

13.Oct 2021-12/27

A country specialises in the production of steel, toys and textiles.

What is a disadvantage of specialisation for the country's workers?

- A** They cannot afford to buy products from other countries.
- B** They could become structurally unemployed if global demand changes.
- C** They have to learn a variety of skills.
- D** They have too much choice which wastes their time.

14.Oct 2021-13/27

Malaysia and Indonesia specialise in the production of palm oil.

What is a disadvantage of specialisation?

- A** concentration of labour in the activity in which it is most productive
- B** creation of jobs to meet world demand
- C** reliance on trade with other countries for other goods
- D** rising palm oil prices

15.May 2021-11/27

What is a disadvantage of increasing international specialisation?

- A** Consumers pay higher prices for goods and services reducing their welfare.
- B** Domestic firms may be uncompetitive leading to structural unemployment.
- C** Domestic firms may experience rising costs as they pay more for imports.
- D** Resources may be used less efficiently as domestic firms face less competition.