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Level: Edexcel IGCSE Economics (4EC1)

Subject: Economics

Topic: IGCSE Economics

Type: Topic Question

2002



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Economics Edexcel IGCSE
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ECONOMICS

IGCSE

Key skills

****Question 1:****

What is one primary reason countries engage in international trade?

- A. To avoid the need for local resources
- B. To obtain goods and services that are not available domestically
- C. To eliminate domestic competition
- D. To reduce the quality of domestic products

[1 mark]

****Question 2:****

Which of the following is a benefit of international trade?

- A. Increased isolation from global markets
- B. Access to a wider variety of goods and services
- C. Reduced innovation and technology exchange
- D. Higher tariffs and trade barriers

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[1 mark]

****Question 3:****

What does the term 'comparative advantage' refer to in international trade?

- A. The ability to produce a good at a lower opportunity cost than other countries
- B. The ability to produce more goods than other countries
- C. The ability to sell goods at a higher price than other countries
- D. The ability to avoid international trade agreements

[1 mark]

****Question 4:****

Which of the following is a possible disadvantage of international trade?

- A. Increase in domestic competition
- B. Increased dependency on foreign countries
- C. Higher wages for domestic workers
- D. Enhanced economic growth

[1 mark]

****Question 5:****

How can tariffs affect international trade?

- A. They decrease the cost of imported goods
- B. They encourage domestic consumers to buy foreign products
- C. They increase the price of imported goods
- D. They eliminate trade barriers

[1 mark]

****Question 6:****

What is the purpose of a trade agreement between countries?

- A. To increase the cost of exported goods
- B. To restrict the flow of foreign investment
- C. To facilitate easier and more beneficial trade between the countries
- D. To limit the exchange of technology

[1 mark]

****Question 7:****

What is meant by 'trade deficit'?

- A. When a country exports more than it imports
- B. When a country imports more than it exports
- C. When trade policies are favorable to domestic producers
- D. When a country has no trade agreements with others

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[1 mark]

****Question 8:****

What effect does international trade have on the prices of goods in a domestic market?

- A. Prices always increase
- B. Prices can decrease due to increased competition
- C. Prices become more volatile
- D. Prices remain unchanged regardless of international trade

[1 mark]

****Question 9:****

Which organization is primarily responsible for regulating international trade rules and resolving trade disputes?

- A. The World Health Organization (WHO)
- B. The World Trade Organization (WTO)
- C. The International Monetary Fund (IMF)
- D. The United Nations (UN)

[1 mark]

****Question 10:****

How might international trade impact domestic employment?

- A. It always leads to higher domestic employment
- B. It may lead to job losses in industries that cannot compete with foreign producers
- C. It has no impact on domestic employment
- D. It reduces the quality of domestic jobs

[1 mark]
