

# 6.1 International Specialisation

## Question Paper

Course	CIEIGCSE Economics
Section	6. International Trade & Globalisation
Topic	6.1 International Specialisation
Difficulty	Medium

**Time allowed:** 40  
**Score:** /30  
**Percentage:** /100

### Question 1

**Discuss** whether or not Kenya should continue to specialise in producing flowers.

Refer to the [source material](#) in your answers

[6 marks]

### Question 2

The price elasticity of demand (PED) for sugar in most countries is less than 1. In 2017, the price of sugar fell. However, the price of specialised, higher quality sugar grown in countries such as Mauritius fell by less than the average global price. Efficient producers, such as some farmers in Brazil that have a low fixed cost of production, were also less affected by the fall in price

**Discuss** whether or not a country will benefit from specialising in an agricultural product such as sugar

[8 marks]

### **Question 3**

Non-renewable energy (e.g. coal) is thought to cause a higher social cost than renewable energy (e.g. solar or wind power). Excessive demand for non-renewable energy causes a failure of the market economic system. However, producers of renewable energy, some of which specialise in one form of energy, are beginning to produce on a larger scale.

**Explain two** reasons why a firm would want to specialise in producing only one product.

**[4 marks]**

### **Question 4**

The price of gold rose in 2016. This encouraged owners of gold mines to employ more resources to increase the supply of gold. The level of competition in gold production varies in the different gold producing countries. A number of countries, including India, impose a tariff on imported gold.

**Discuss** whether or not an economy should mine and sell all of its gold now.

**[8 marks]**

### **Question 5**

In the 1990s Cambodia became a mixed economy. One of the results of this was specialisation in the clothing industry. In 2005, import quotas for clothing in the key markets of the USA and the EU were removed. Clothing now accounts for 80% of Cambodia's exports. The increased role of the private sector has resulted in a rise in malnutrition in Cambodia.

**Explain two** advantages to a country of specialisation.

**[4 marks]**

