2.25 Trade Agreements, Trading Blocs and Globalisation: 10-minute Pack

Total Marks

AQA 7136 · Calculators not allowed · about 10 minutes

Name: _____ Date: ____ / ____ / _____

Answer all questions. Full sentences are required for questions worth 4 marks or more. Allow about 10 minutes for the whole pack.

1 Define globalisation as the growing economic interdependence of national economies, and state one way technological change has accelerated globalisation in recent decades.

(Total for Question 1 is 2 marks)

2 Define a customs union and state one advantage it has over a free trade area for reducing trade costs inside the bloc, with reference to a regional bloc such as the East African Community considering deeper integration.

(Total for Question 2 is 2 marks)

3 Explain the WTOs dispute settlement role, in the context of a small economy using the WTO to challenge higher tariffs imposed by a larger trading partner.

(Total for Question 3 is 3 marks)

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Mark scheme · 2.25 Trade Agreements, Trading Blocs and Globalisation: 10-minute Pack

Question 1

globalisation is the increasing economic integration and interdependence of countries through trade, capital flows, migration and the spread of technology **B1**

example technological driver: improvements in telecommunications and the internet have lowered transaction costs and enabled global supply chains and services trade **B1**

Answer: Globalisation is increasing economic integration and interdependence between countries; the internet and improved telecommunications have accelerated it by lowering transaction costs and enabling global supply chains.

Question 2

a customs union is a group of countries that remove internal tariffs between members and adopt a common external tariff on imports from non-members **B1**

advantage: eliminates the need for complex rules of origin and some border checks between members, reducing administrative costs and delays **B1**

Answer: A customs union removes internal tariffs and sets a common external tariff; it reduces administrative and border checks because members do not need rules of origin checks between themselves.

Question 3

the WTO operates a dispute settlement mechanism that allows members to bring complaints against other members alleged to violate WTO rules **B1**

the mechanism provides panels and an appeals process to investigate and rule on disputes, giving smaller economies a formal route to challenge larger partners **B1**

if a violation is found the WTO can authorise remedies such as allowing retaliatory measures or recommending adjustments, encouraging compliance with agreed rules **B1**

Answer: The WTO offers a formal dispute settlement system where members can bring complaints, panels and appeals examine the case, and remedies can be authorised to enforce compliance, helping smaller countries challenge larger partners under common rules.

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