

Exercise walk-through

Economics in the Global Age ■ 9.4

eXercise

You must be able to

- state what accelerated free-market policies
- state where knowledge economies and manufacturing were located
- name the three things reflecting free-market principles
- explain why this is continuity as well as change

Method — The acceleration

In a trend accelerated by the end of the Cold War, many governments encouraged free-market economic policies and promoted economic liberalisation in the late 20th century. The trend existed before 1991 and was accelerated by it.

Method — Two locations

Revolutions in information and communications technology **led to the growth of knowledge economies in some regions, while industrial production and manufacturing were increasingly situated in Asia and Latin America.** A relocation, not a disappearance.

Method — Three reflections

Changing economic institutions, multinational corporations and regional trade agreements reflected the spread of free-market principles and practices throughout the world.

Method — Continuity

5.7 recorded Western European states abandoning mercantilism for free trade. The late 20th century repeats the argument on a global scale, so this is a return as much as a novelty.

Practice 2.1 ■ 2 marks

State what accelerated free-market policies and when.

Solution 2.1

Method: The acceleration

Worked steps

the end of the Cold War accelerated it **B1** in the late 20th century **B1**.

Practice 2.2 ■ 2 marks

State where knowledge economies and manufacturing were located.

Solution 2.2

Method: Two locations

Worked steps

knowledge economies grew in some regions **B1**; industrial production and manufacturing were increasingly situated in Asia and Latin America **B1**.

Practice 2.3 ■ 3 marks

Name the three things reflecting free-market principles.

(a) Name them.

(b) State the earlier subtopic this repeats.

Solution 2.3

Method: Three reflections

Worked steps

(a) changing economic institutions; multinational corporations; regional trade agreements **B3**. (b) 5.7's abandonment of mercantilism for free trade **B1**.

Exam-style 3.1 ■ 1 mark

The trend towards free-market policies was

A created by the end of the Cold War

B accelerated by it

C ended by it

D unaffected by it

Solution 3.1

Method: The acceleration

A created by the end of the Cold War

B accelerated by it



C ended by it

D unaffected by it

Worked steps

B. accelerated, so it pre-existed.

Exam-style 3.2 ■ 1 mark

Industrial production was increasingly situated in

A Asia and Latin America

B Western Europe

C the Arctic

D nowhere

Solution 3.2

Method: Two locations

A Asia and Latin America



B Western Europe

C the Arctic

D nowhere

Worked steps

A. Asia and Latin America.

Exam-style 3.3 ■ 1 mark

Manufacturing leaves one region and grows in another.

- (a) State whether world manufacturing has fallen.
- (b) Explain the distinction being made.

Solution 3.3

Worked steps

(a) no **B1**. (b) the location of production changed rather than its quantity **B1**, which is the same share-versus-output distinction as 5.4 **B1**.