

**Paper Reference 9EB0/02**  
**Pearson Edexcel**  
**Level 3 GCE**

<b>Total Marks</b>
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# **Economics B**

**Advanced**

**Paper 2: Competing in the global economy**

**Thursday 23 May 2019 – Morning**

**Time: 2 hours plus your additional time allowance.**

**In the boxes below, write your name, centre number and candidate number.**

<b>Surname</b>					
<b>Other names</b>					
<b>Centre Number</b>					
<b>Candidate Number</b>					

**You do not need any other materials.**

**YOU WILL BE GIVEN**

**Data Book**

**INSTRUCTIONS**

**Answer ALL questions.**

**Answer the questions in the spaces provided in this Question Paper or in the Data Book – there may be more space than you need.**

**INFORMATION**

**The total mark for this paper is 100**

**The marks for EACH question are shown in brackets – use this as a guide as to how much time to spend on each question.**

**Calculators may be used.**

**ADVICE**

**Read each question carefully before you start to answer it.**

**Try to answer every question.**

**Check your answers if you have time at the end.**

**Answer ALL questions.**

## **SECTION A**

**Read Extract A, Extract B, Extract C, Extract D and Extract E in the Data Book before answering Question 1.**

**Write your answers in the spaces provided.**

- 1. Estimated global sales revenue in the cosmetics industry in 2016 was \$445 billion.**

- (a) Using the data from Extract C, calculate the total global market share of L'Oréal.**

**(4 marks)**

**Answer lines continue on the next page.**

[illegible]

1. (a) continued.

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(continued on the next page)

**1. continued.**

**(b) Using Extract D, explain ONE possible reason why the growth forecast for the niche market in North America is greater than for the mass market.**

**(4 marks)**

**Answer lines continue on the next page.**

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1. (b) continued.

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(continued on the next page)

**1. continued.**

**(c) Using Extract A, explain the difference between absolute and relative poverty.**

**(4 marks)**

**Answer lines continue on the next page.**

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1. (c) continued.

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**1. continued.**

**(d) With reference to Extract B, analyse how underemployment might contribute to the gender pay gap.**

**(6 marks)**

**Answer lines continue on the next page.**

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**1. (d) continued.**

[illegible]

**(continued on the next page)**

**1. continued.**

**By 2021, total sales of cosmetic products in the Asia Pacific region are forecast to increase by \$23.5 billion.**

**(e) Discuss the likely effects on a firm such as L'Oréal of this projected rise in sales.**

**(8 marks)**

**Answer lines continue on the next two pages.**

[illegible]

**1. (e) continued.**

[illegible]

1. (e) continued.

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(continued on the next page)

**1. continued.**

**(f) Assess the factors that determine the pricing strategy for a cosmetic firm such as L'Oréal when entering an emerging market.**

**(10 marks)**

**Answer lines continue on the next four pages.**

[illegible]

**1. (f) continued.**

[illegible]



**1. (f) continued.**

[illegible]

**1. (f) continued.**

[illegible]

1. (f) continued.

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1. continued.

India imposes quotas on imported cosmetics.

(g) Using a suitable diagram, assess the likely impact of quotas on Indian cosmetics producers and consumers.

(12 marks)

Answer lines continue on the next four pages.

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**1. (g) continued.**

[illegible]

**1. (g) continued.**

[illegible]

**1. (g) continued.**

[illegible]

1. (g) continued.

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1. continued.

(h) Using Extract E, assess the likely benefits to Natura of purchasing The Body Shop.

(12 marks)

Answer lines continue on the next four pages.

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**1. (h) continued.**

[illegible]

**1. (h) continued.**

[illegible]

**1. (h) continued.**

[illegible]

1. (h) continued.

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(Total for Question 1 = 60 marks)

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**TOTAL FOR SECTION A = 60 MARKS**

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## **SECTION B**

**Read Extract F in the Data Book before answering Question 2.**

**Write your answer in the space provided.**

- 2. Evaluate the extent to which the environmental impact of multinational firms, such as Starbucks, can be controlled by governments.**

**(20 marks)**

**Answer lines continue on the next six pages.**

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**2. continued.**

[illegible]

**Turn over**



**2. continued.**

[illegible]

**Turn over**

**2. continued.**

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**Turn over**

**2. continued.**

[illegible]

**Turn over**

**2. continued.**

[illegible]

**Turn over**

**2. continued.**

[illegible]

**(Total for Question 2 = 20 marks)**

**TOTAL FOR SECTION B = 20 MARKS**

## **SECTION C**

**Read Extract G and Extract H in the Data Book before answering Question 3.**

**Write your answer in the space provided.**

3. Evaluate the extent to which quality is important for car manufacturers such as **Toyota** and **Tesla**.

(20 marks)

Answer lines continue on the next six pages.

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**3. continued.**

[illegible]



**3. continued.**

[illegible]

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**3. continued.**

[illegible]

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

### 3. continued.

[illegible]

**(Total for Question 3 = 20 marks)**

**TOTAL FOR SECTION C = 20 MARKS**

**TOTAL FOR PAPER = 100 MARKS**

**END OF PAPER**

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