

**Q6. A small and more open economy may find it more beneficial to embrace globalisation, as compared to a large and less open economy. Discuss the extent to which you agree with the above view. [25]**

Suggested Approach:

### Introduction

**Define :** Globalisation, SOE/ LLOE

### Development

#### 1: SOE has much to gain from globalization

Globalization

- Raises SOE's SoL through trade & specialisation
- Aids SOE's export-driven growth
- Promotes non – inflationary sustained growth

#### 2: There are problems of globalisation to SOE

Globalisation

- Increases the volatility of a SOE's macroecon performance
- Poses an increased risk to structural unN ( or income inequality)

\*Include evaluative points

### Conclusion

Answer the Qn by providing a **reasoned judgement**.

Level	Knowledge, Application, Understanding and Analysis	Marks
L3	For a balanced discussion using appropriate analysis to explain whether a small and open economy may find it more beneficial to embrace globalisation by referring to the benefits and costs.	15 - 21
L2	For an <u>analysis</u> of <u>EITHER</u> the benefits <u>OR</u> costs of globalisation to small and open economies  <u>OR</u> A <u>description</u> of both benefits <u>and</u> costs of globalisation to small and open economies	9-14
L1	An answer which shows some knowledge of the benefits and costs of globalisation or merely lists the benefits and costs of globalisation.	1-8
Allow up to 4 additional marks for Evaluation		
E2	For a discussion justifying the conclusion drawn	3-4
E1	For an unexplained judgement, or one that is not supported by economic analysis.	1-2

