1. (a) In 2014, drug manufacturer Sun Pharmaceutical Industries Ltd closed its factory in Detroit. 178 employees lost their jobs.  
   The most likely impact of this unemployment would be an increase in the: (1)
2. Amount of tax revenues paid
3. Demand for training programmes
4. Sales of local products and services
5. Level of local wage rates

Answer [ ]

(b) Explain why this answer is correct.

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**Evidence B**

Boris signs £1bn deal to regenerate the Royal Albert Dock

The deal with ABP will create London’s third major business district and is expected to generate £6bn for the UK economy. The development will include 2.5 million square feet of office space, plus retail and leisure facilities.

The first tenants are expected to move in from 2017. Mayor Johnson states the area’s development will create “tens of thousands of jobs and billions of pounds of investment for the UK economy.”

City Hall says ABP will work with UK developer Stanhope and architects Farrell to develop an initial 600,000 square feet and that ‘strong interest’ has been shown by Chinese companies and banks looking for a European presence.

ABP chairman Xu Weiping says, “This project will be hugely significant for both Chinese and UK economies. My vision is to develop a world class international business district which will initially target Asian businesses to help them secure a destination in London, which in China is seen as the gateway to both the United Kingdom and the wider European economy.”

1. ABP is encouraging Chinese businesses to purchase properties in the Royal Albert Dock project. (Evidence B)  
   (b) Explain one impact that an appreciation of the pound sterling (£) might have on Chinese purchasers.

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1. (a) In May 2013 India’s inflation rate was 4.58%. In October 2013 it was 7%. As a result of this change in inflation, Indian manufacturers such as Tata Motors are most likely to see an increase in: (1)
2. Exports
3. Staff Levels
4. Demand for Products
5. Costs of Supplies

Answer [ ]

(b) Explain why this answer is correct. (3)

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