According to The Economist, China's economy is expected to overtake the USA's by as early as 2018. Multinational companies hoping to make the most of this opportunity have been investing in China via the Shanghai Stock Exchange. Commercial banks such as the Industrial and Commercial Bank of China (ICBC) and the Hong Kong and Shanghai Banking Corporation (HSBC) also have an increasingly important role in the development of the Chinese economy. Nevertheless, the trading of the renminbi, China's official currency, is still closely monitored by the People's Bank of China – the central bank.

1. Describe the functions of a commercial bank such as ICBC or HSBC. [4]

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1. Explain the key functions of central banks such as the People's Bank of China. [4]

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1. Explain how the Shanghai Stock Exchange can play a key role in the economic development of the Chinese economy. [4]

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