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AQA AS ECONOMICS: QUESTIONS BY TOPIC

The Distribution of Income and Wealth: Poverty and Inequality

AQA AS Economics 7135 — Topic 4.1.7

4 questions · 12 marks · Mark schemes included

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HOW TO USE THIS BOOKLET

Questions run from the lowest mark tariff to the highest, so similar questions sit together.

Click any row below to jump straight to that question.

On every question page, click the header (top right) to jump to its mark scheme, and click again to jump back.

Mark schemes are collected together at the end of this booklet, printed as the genuine AQA mark-scheme page.

A few AS Paper 1/2 data-response questions cite an Extract that AQA publishes in a separate Insert booklet, not included here.

4 questions · 12 marks · lowest tariff first

	QUESTION	SOURCE	MARKS	PAGE
1.	Section A (MCQ), Q19	AS Paper 1 · June 2019	1 mark	5
2.	Context 2, Q27	AS Paper 1 · June 2022	3 marks	7
3.	Context 1, Q23	AS Paper 1 · June 2017	4 marks	9
4.	Context 2, Q30	AS Paper 1 · June 2017	4 marks	10



QUESTIONS

4 questions · 12 marks · lowest tariff first



1-MARK QUESTION

1 question in this booklet



11

1 | 9

'Large pay bonuses received by top executives have caused income inequality to increase.' This statement

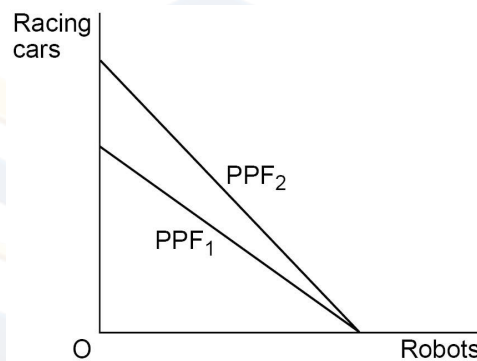
- A** is an example of a normative statement.
- B** is an example of an hypothesis that can be tested.
- C** shows that income tax is not sufficiently progressive.
- D** shows that the distribution of income is inequitable.

☐☐☐☐

[1 mark]

2 | 0

An economy produces racing cars and robots. The economy's initial production possibility frontier (PPF₁) is shown in the diagram below.



The economy's production possibility frontier shifts to PPF₂ and as a result of this change the

- A** number of racing cars that can be produced for each robot given up has increased.
- B** opportunity cost of producing robots is now lower.
- C** output of racing cars will be higher than the output of robots.
- D** productive efficiency of producing robots has risen.

☐☐☐☐

[1 mark]

20

**QUESTION 20 IS THE
LAST QUESTION IN SECTION A**

Turn over ►



1 1

IB/M/Jun19/7135/1

3-MARK QUESTIONS

1 question in this booklet



23

Do **not** answer Context 2 if you have answered Context 1.Do not write
outside the
box

OR

Context 2

Total for this context: 50 marks

ALCOHOL

Use the Insert provided to study **Questions 27 to 32** and **Extracts D, E and F**, and then answer the questions in the spaces which follow.

2 | 7 Define 'income' **Extract F** (line 10).

[3 marks]

2 | 8 According to **Extract E** (lines 6–7), the price of a standard bottle of whisky had to rise from £10 to £14 in a discount supermarket, as a result of minimum unit pricing (MUP).

If the demand for whisky fell by 6.3% in the first year as a result of the price change, calculate the price elasticity of demand for whisky, to **two** decimal places.

[4 marks]

Turn over ►



IB/M/Jun22/7135/1

4-MARK QUESTIONS

2 questions in this booklet



14

Do not write
outside the
box**2 2**

Use **Extract B** to calculate the three firm concentration ratio for sales in the supermarket industry in December 2015.

[4 marks]

2 3

Use **Extract A** to identify **two** significant points of comparison between the changes in real income and real food prices for low-income households in the UK over the period shown.

[4 marks]

Comparison 1

Extra space

Comparison 2

Extra space



IB/G/Jun17/7135/1

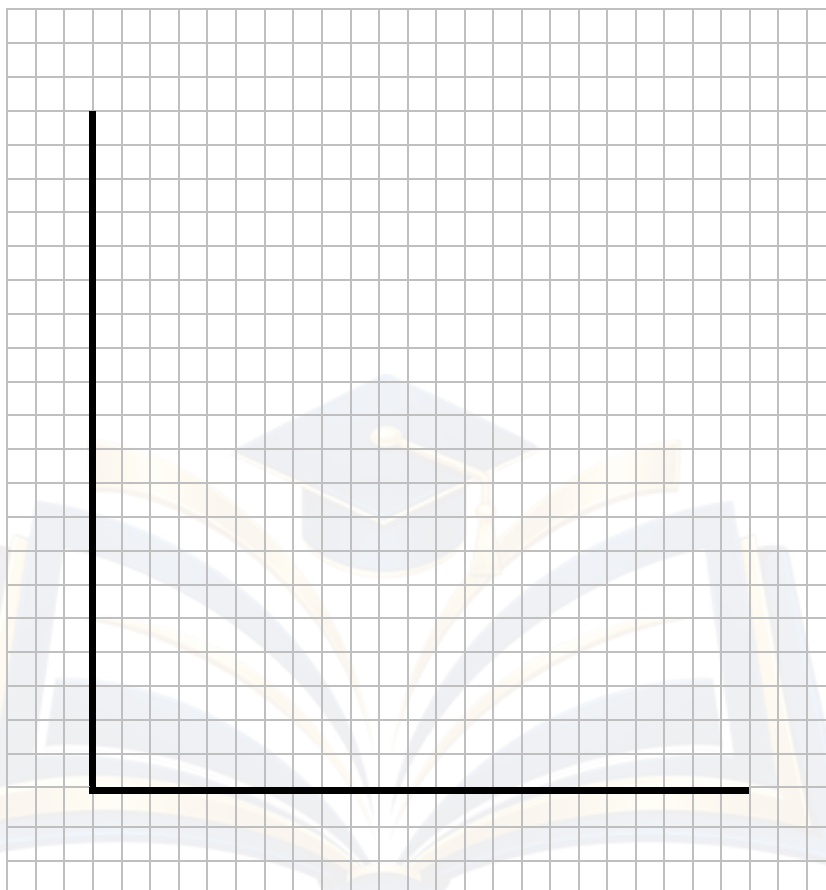
25

Do not write
outside the
box

3 0

Use the data in **Extract D** to draw a bar chart to show income from casinos for the years 2008–09, 2011–12 and 2014–15.

[4 marks]



Turn over for the next question



Turn over ►

IB/G/Jun17/7135/1

MARK SCHEMES

official AQA mark schemes



MARK SCHEME – AS ECONOMICS – 7135/1 – JUNE 2019

SECTION A

The following list indicates the correct answers used in marking the students' responses.

KEY LIST

1	C	11	C
2	C	12	B
3	D	13	C
4	B	14	B
5	B	15	A
6	C	16	D
7	B	17	A
8	D	18	B
9	B	19	B
10	D	20	A

MARK SCHEME – AS ECONOMICS – 7135/1 – JUNE 2022

Context 2 ALCOHOL

Total for this context: 50 marks

2 7 Define 'income' **Extract F** (line 10).

[3 marks]

Level of response	Response	Max 3 marks
3	A full and precise definition is given.	3 marks
2	The substantive content of the definition is correct, but there may be some imprecision or inaccuracy.	2 marks
1	Some fragmented points are made.	1 mark

Examples of acceptable definitions worth 3 marks:

- a flow of (or over a period of time) money, received by an economic agent/individual/household/firm/country (any of these is acceptable)
- a flow of (or over a period of time) money in exchange for factor services.

Examples of a definition worth 2 marks:

- money received by an economic agent/individual/household/firm/country (no flow or time period)
- return to factors of production
- money from work.

Examples of a definition worth 1 mark:

- an example of a source of income, eg wages, rent, interest, profit, revenue or benefits.

MAXIMUM FOR QUESTION 27: 3 MARKS

23 Use **Extract A** to identify **two** significant points of comparison between the changes in real income and real food prices for low-income households in the UK over the period shown. **[4 marks]**

Award up to 2 marks for **each** significant point of comparison made.

Identifies a significant point of comparison. Makes accurate use of the data to support the comparison identified. Unit of measurement given accurately.	2 marks
Identifies a significant point of comparison but only one piece of data is given when two are needed and/or no unit of measurement is given and/or the unit of measurement is inaccurate and/or the wrong date is given. OR Identifies a significant feature of one data series with accurate use of the data (including the unit of measurement) but no comparison is made.	1 mark

If a student identifies more than 2 significant points of comparison, reward the best two.

Significant points include:

- real income was lower at the end of the period than the beginning, falling from an index of 100 to 92, whereas real food prices increased from an index of 100 to 112
- real income was highest in 2002-03 **and/or** 2004-05 at 100 on the index, whereas real food prices peaked at an index of 112 in 2013-14
- real income was lowest in 2008-09 at 84 on the index, whereas real food prices were lowest at an index of 99 from 2004-2007 (allow any year in this period)
- the range of the index of real income (84 to 100, ie 16) was greater than the range of the index of real food prices (99 to 112, i.e.13)
- the greatest decreases in the index of real incomes was 7 (points) from 98 to 91 in 2005-06 to 2006-07 and from 91 to 84 (this was the greater relative decrease) in 2007-08 to 2008-09, whereas the greatest/only decrease in the index of real food prices was from 100 to 99 in 2003-04 to 2004-05
- the greatest increase in the index of real incomes was 7 (points), from 84 to 91 in 2008-09 to 2009-10, whereas the greatest increase in the index of real food prices was an increase of 5, from 101 to 106 in 2007-08 to 2008-09
- the index of real incomes fluctuated throughout the period, eg in 2007-08 to 2008-09 it fell from 91 to 84 before rising the following year back to 91, whereas the index of real food prices only fell in 2003-04 to 2004-05 from 100 to 99 while in every other year, it rose or stayed the same.

Notes: Do not allow that real food prices are higher than real incomes for most of the period.

Index numbers have no units but valid points should refer to 'the index'.

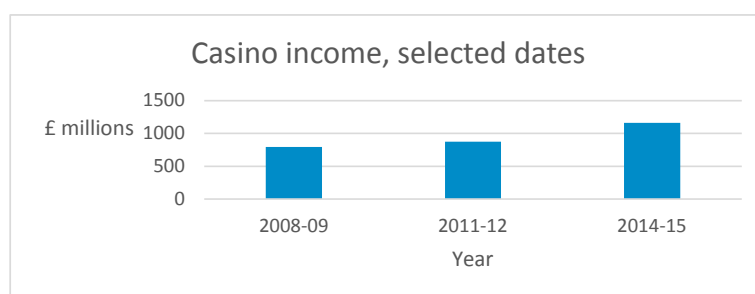
Allow a margin of ± 1 on both indices.

MAXIMUM FOR PART 23: 4 MARKS

MARK SCHEME – AS ECONOMICS – 7135/1 – JUNE 2017

30 Use the data in **Extract D** to draw a bar chart to show income from casinos for the years 2008-09, 2011-12 and 2014-15. **[4 marks]**

The correct diagram involves three bars, with the correct height and labels: 2008-09 = £796m, 2011-12 = £873m and 2014-15 = £1161m **and/or** a key.



Accurately drawn and fully labelled bar chart, ie a labelled vertical axis, with all three bars correct plus a clear indication of which bar is which.	4 marks
Accurately drawn bar chart with vertical axis label missing/incorrect and/or no/incorrect indication of years. OR Accurately labelled bar chart but with one bar out of tolerance.	3 marks
Bar chart with vertical axis label missing/incorrect and/or no indication of years and one bar out of tolerance. OR Accurately labelled bar chart but with two bars out of tolerance.	2 marks
Bar chart with one bar in tolerance but missing/incorrect labelling. OR All bars labelled including the vertical axis (£m)/key but all bars out of tolerance.	1 mark

Notes: A chart with gaps between the bars is expected but do not penalise one with no gaps. Also accept bars with a discontinuity but if they start at a value above zero, deduct one mark from the mark obtained using the grid above.

The bars need to be named according to the year and/or a key added, but the figures do not need to be written on the bars.

A title is not required.

Allow a margin of $\pm$ £25m.

MAXIMUM FOR PART 30: 4 MARKS