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EDEXCEL INTERNATIONAL GCSE ECONOMICS: QUESTIONS BY TOPIC

Productivity and division of labour (1.2.2)

International GCSE Economics · Paper 1: Microeconomics and Business Economics

23 questions · 122 marks · Mark schemes included

Past papers June 2019 - June 2025 · 2 specification sub-topics

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HOW TO USE THIS BOOKLET

Questions are grouped by specification sub-topic and run from the lowest to the highest mark tariff, then oldest paper first.

Click any row below to jump straight to that sub-topic or question.

On every question page, click ANSWER in the top-right corner to jump to its mark scheme; < QUESTION brings you back.

Whenever a question refers to an extract, figure or table, those exact pages are printed immediately before it ("extracts & data").

A gold bar in the left margin marks exactly where the question sits on the original page.

Diagrams, graphs, tables and data are printed exactly as they appear in the original papers.

QUESTION	SOURCE	MARKS	PAGE
1.2.2 (a-b) PRODUCTIVITY		12 Qs · 54 marks	2
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2. Q1(b)	IGCSE Paper 1 January 2023	1	4
3. Q2(b)	IGCSE Paper 1 January 2023	1	5
4. Q3(b)	IGCSE Paper 1R June 2023	1	6
5. Q2(a)	IGCSE Paper 1 November 2023	1	7
6. Q1(c)	IGCSE Paper 1 November 2021	2	8
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10. Q3(e)	IGCSE Paper 1 November 2024	9	15
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1.2.2 (c-d) DIVISION OF LABOUR		11 Qs · 68 marks	27
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14. Q1(c)	IGCSE Paper 1 January 2023	2	29
15. Q1(c)	IGCSE Paper 1R June 2023	2	30
16. Q1(h)	IGCSE Paper 1 June 2022	3	31
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20. Q2(g)	IGCSE Paper 1R January 2023	9	42
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QUESTIONS

23 questions · 122 marks · 2 sub-topics

SUB-TOPIC 1.2.2 (a-b)

PRODUCTIVITY

Sub-topic 1.2.2 (a-b) · 12 questions · 54 marks · lowest tariff first



3 (a) A pollution permit is a type of

(1)

- ☐ **A** factor of production
- ☐ **B** government intervention
- ☐ **C** economy of scale
- ☐ **D** economic assumption

(b) Which **one** of the following is likely to lead to an increase in the productivity of land?

(1)

- ☐ **A** Increase in the use of fertiliser
- ☐ **B** Decrease in the use of irrigation
- ☐ **C** Increase in the use of advertising
- ☐ **D** Decrease in the use of drainage



Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1** (a) What is the name given to a firm that manufactures cars?

(1)

- ☐ **A** A primary sector firm
- ☐ **B** A secondary sector firm
- ☐ **C** A tertiary sector firm
- ☐ **D** A service sector firm

A firm that employs 540 workers has a total monthly output of 27,000 units.

- (b) What is the monthly labour productivity of the firm?

(1)

- ☐ **A** 0.02 units
- ☐ **B** 50 units
- ☐ **C** 27,540 units
- ☐ **D** 14,580,000 units

- (c) What is meant by the term division of labour?

(2)

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2

Chart to show market share held by firms within a market

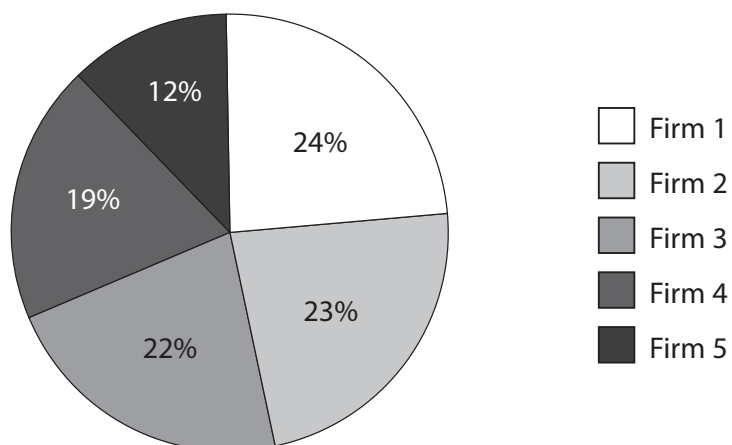


Figure 2

(a) Which **one** of the following options is the type of market shown in Figure 2?

(1)

- ☐ A Labour
- ☐ B Public
- ☐ C Monopoly
- ☐ D Oligopoly

(b) An increase in which **one** of the following is most likely to increase productivity?

(1)

- ☐ A Bureaucracy
- ☐ B Congestion
- ☐ C Irrigation
- ☐ D Regulation



3 (a) A minimum wage is a type of

(1)

- ☐ A factor of production
- ☐ B economic assumption
- ☐ C economy of scale
- ☐ D government intervention

(b) Which **one** of the following is likely to lead to an increase in the productivity of capital?

(1)

- ☐ A An increase in bureaucracy
- ☐ B A decrease in the availability of finance
- ☐ C An increase in technological advances
- ☐ D A decrease in the size of the market

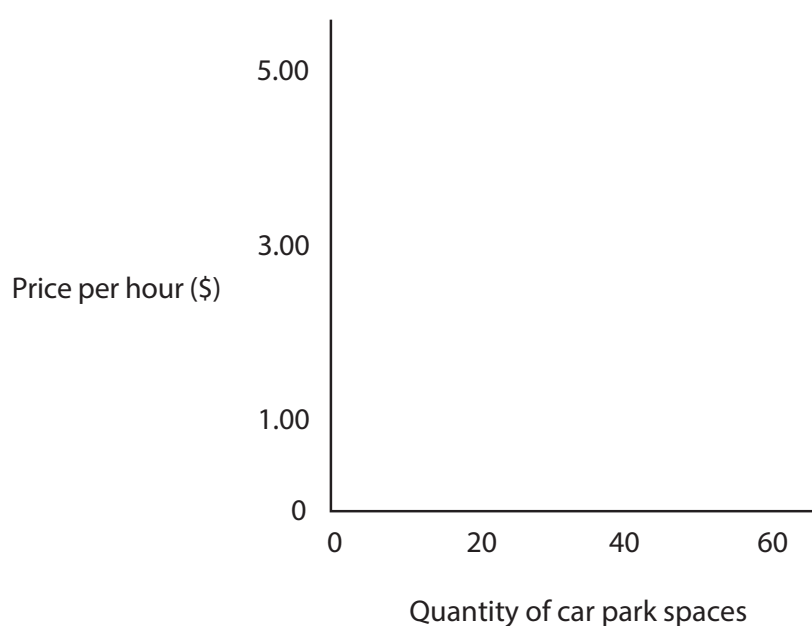
Figure 3 shows the estimated demand for car park spaces at a given price.

Price per hour (\$)	1.00	3.00	5.00
Demand	60	40	20

Figure 3

(c) Using the information in Figure 3, draw and label the demand curve for car park spaces on the diagram below.

(3)



- 2 (a) A firm employing 135 workers has a total output of 33,750 units each month. What is the monthly labour productivity of the firm?

(1)

- ☐ A \$250
- ☐ B \$4 556 250
- ☐ C 250 units
- ☐ D 4,556,250 units

- (b) Which **one** of the following is a possible cause of positive economic growth?

(1)

- ☐ A Decreasing population
- ☐ B Decreasing productivity
- ☐ C Increasing unemployment
- ☐ D Increasing technological advancements

- (c) What is meant by the term opportunity cost?

(2)

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Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1** (a) Which **one** of the following is a reason why firms may not always maximise their profit? (1)

- ☐ **A** They may minimise total costs
- ☐ **B** They may be able to sell at a high price
- ☐ **C** They may have low fixed costs
- ☐ **D** They may complete charitable work

A product has an income elasticity of demand (YED) of 0.7.

- (b) Which **one** of the following best describes the product? (1)

- ☐ **A** A public good
- ☐ **B** A normal good
- ☐ **C** A luxury good
- ☐ **D** An inferior good

- (c) What is meant by the term productivity? (2)

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Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 When a firm increased its prices, many consumers stopped buying its products.

(a) Which **one** of the following explains the behaviour of these consumers?

(1)

- ☐ A Consumers aim to maximise profit
- ☐ B Consumers aim to maximise benefits
- ☐ C Consumers have habits that are hard to give up
- ☐ D Consumers cannot calculate their benefits

A product has an income elasticity of demand (YED) of -0.9

(b) Which **one** of the following best describes the product?

(1)

- ☐ A A public good
- ☐ B A normal good
- ☐ C A luxury good
- ☐ D An inferior good

(c) What is meant by the term productivity?

(2)

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(e) Describe **one** government policy to deal with negative externalities.

(2)

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Irrigation of Scottish farmland was increased during the summer of 2018.

(f) Explain **one** way an increase in irrigation may have affected the productivity of Scottish farmers during the summer of 2018.

(3)

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Lanterns is an English café, located just outside a town where there are few job opportunities. It was set up by sisters Jo and Fiona who, instead of aiming to make a profit, wanted to help young people in their local area. All their waiters and waitresses are under 25 and were previously inexperienced and unemployed.

At first, the café was popular but now there are a lot of complaints about the length of time it takes for orders to arrive. Fiona thinks they need to employ experienced waiters and waitresses and change their business aims to maximise their profits.

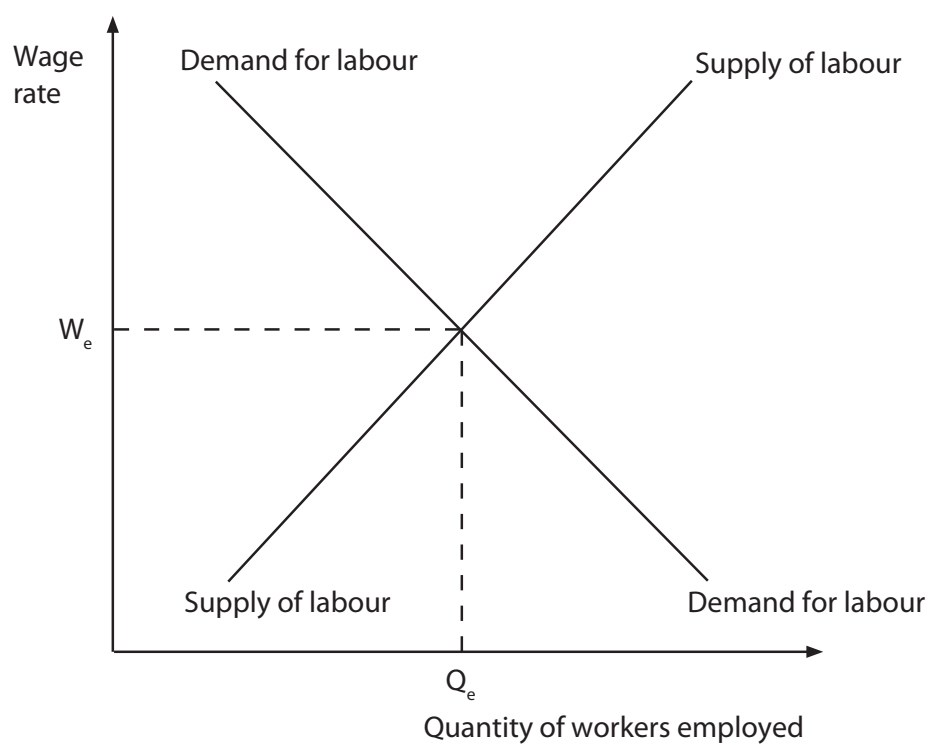
- (g) With reference to the data above and your knowledge of economics, assess whether Lanterns should change their business aims.

(9)

This image shows a full page of white paper with horizontal dotted lines, resembling notebook paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

- (c) Using the diagram below, draw the effects of a minimum wage (W_1) being set above the equilibrium wage (W_e). Label the new quantity of labour demanded and the new quantity of labour supplied.

(3)

**Figure 5**

Productivity is a measure of how efficiently goods and services are produced and is the single most important determinant of a country's per capita income. Canada's labour productivity growth has been lower than that of other leading economies for many decades, reducing its international competitiveness. Since 2011 however, Canada's labour productivity has greatly improved and it is now the 3rd most productive of the 16 leading economies.

(Source: adapted from <http://www.conferenceboard.ca/hcp/>)

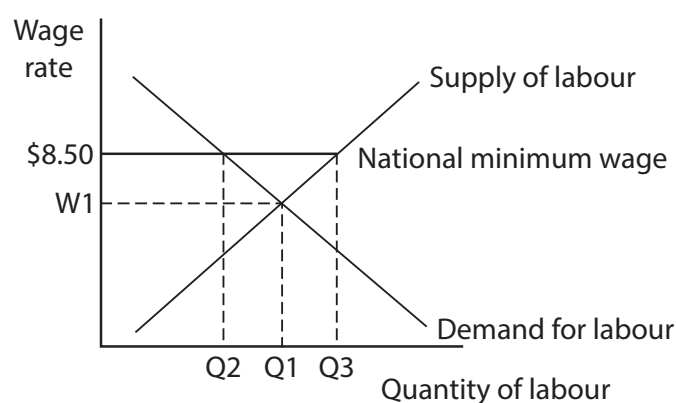
- (e) With reference to the data above and your knowledge of economics, assess the extent to which an increase in education and training is the best way to increase productivity.

(9)

[illegible]

(Total for Question 3 = 20 marks)



**Figure 4**

In 2021, the national minimum wage in Barbados was increased from \$6.25 per hour to \$8.50 per hour.

- (d) With reference to the data above and your knowledge of economics, analyse the likely impact of an increase in the national minimum wage on the supply of labour in Barbados.

(6)



(9)



(Total for Question 3 = 20 marks)



4 Financial data for a firm selling a selection of products is shown in Figure 5.

Product	X	Y
Price	\$1 500	\$1 650
Quantity sold	25	20
Total revenue	$\$1\,500 \times 25$	$\$1\,650 \times 20$
PED	-0.39	-1.46

Figure 5

- (a) Calculate the **total revenue** for the product that has a price elasticity of demand (PED) which is **elastic**. You are advised to show your working.

(2)

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Handwriting practice area with 25 horizontal dotted lines.

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS



4 Figure 3 shows the costs to a firm of running a machine to produce an order of goods.

Purchase price of machine (\$)	Electricity (\$ per hour)	Production time (hours)	Insurance (\$)
1 036	0.45	19	17

Figure 3

(a) Calculate the **total variable costs** of this order for the firm.
You are advised to show your working.

(2)

In 2023, the Egyptian Government raised the price it paid for wheat to encourage farmers to increase production.

Wheat farmers face the difficulty of a limited amount of land available for agriculture. However, there are government programmes including land reclamation and guidance for farmers on both the use of fertiliser and irrigation systems.

As well as having a limited amount of land, many farmers are only familiar with traditional methods of farming and do not have the skills or the finance to change to new methods.

- (c) With reference to the data above and your knowledge of economics, evaluate the extent to which these government programmes may affect farming productivity in a country such as Egypt.

(12)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.



TOTAL FOR PAPER = 80 MARKS



SUB-TOPIC 1.2.2 (c-d)

DIVISION OF LABOUR

Sub-topic 1.2.2 (c-d) · 11 questions · 68 marks · lowest tariff first



Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1** (a) Which **one** of the following is defined as 'breaking down the production process into smaller tasks'?

(1)

- ☐ **A** Division of labour
- ☐ **B** Innovation
- ☐ **C** Labour intensive
- ☐ **D** Productivity

A firm sells 40 units of a good. Variable costs are \$4 per unit. Customers pay \$10 per unit.

- (b) Which **one** of the following equals \$400?

(1)

- ☐ **A** Price
- ☐ **B** Total costs
- ☐ **C** Profit
- ☐ **D** Total revenue

- (c) What is meant by the term inferior good?

(2)

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Answer ALL questions. Write your answers in the spaces provided.

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- 1** (a) What is the name given to a firm that manufactures cars?

(1)

- ☐ **A** A primary sector firm
- ☐ **B** A secondary sector firm
- ☐ **C** A tertiary sector firm
- ☐ **D** A service sector firm

A firm that employs 540 workers has a total monthly output of 27,000 units.

- (b) What is the monthly labour productivity of the firm?

(1)

- ☐ **A** 0.02 units
- ☐ **B** 50 units
- ☐ **C** 27,540 units
- ☐ **D** 14,580,000 units

- (c) What is meant by the term division of labour?

(2)

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Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1** (a) For which **one** of the following will demand increase when incomes decrease? (1)

- ☐ **A** Capital good
☐ **B** Inferior good
☐ **C** Luxury good
☐ **D** Normal good

A firm's monthly total costs are \$2 640 and monthly fixed costs are \$900.

- (b) Which **one** of the following equals \$1 740? (1)

- ☐ **A** Price
☐ **B** Profit
☐ **C** Average total costs
☐ **D** Total variable costs

- (c) What is meant by the term division of labour? (2)

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- (g) Using the diagram below, draw the likely effects on the market for apples following a decrease in the price of bananas. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)

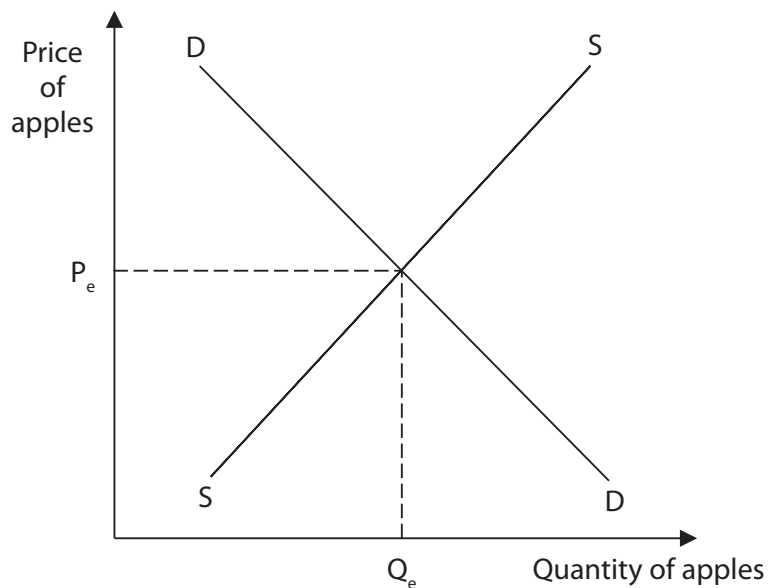


Figure 1

Warehouse employees at a small firm in Malta specialise in one task, such as sealing boxes, for orders that are sent to consumers.

- (h) Explain **one** disadvantage of the division of labour for the warehouse employees.

(3)

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Regulation was introduced by the German Government in an attempt to reduce the number of plastic bottles being thrown away. A fee of €0.25 is added to the price of a product but is refunded when the bottle is returned. The new scheme is cheaper for the government and 98.5% of the bottles are now returned.

- (i) With reference to the data above and your knowledge of economics, analyse the likely impact on externalities of this type of regulation.

(6)



Figure 3 shows the market for apples.

- (g) Using the diagram below, draw the likely effects on the market for apples following an increase in the advertising of apples. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)

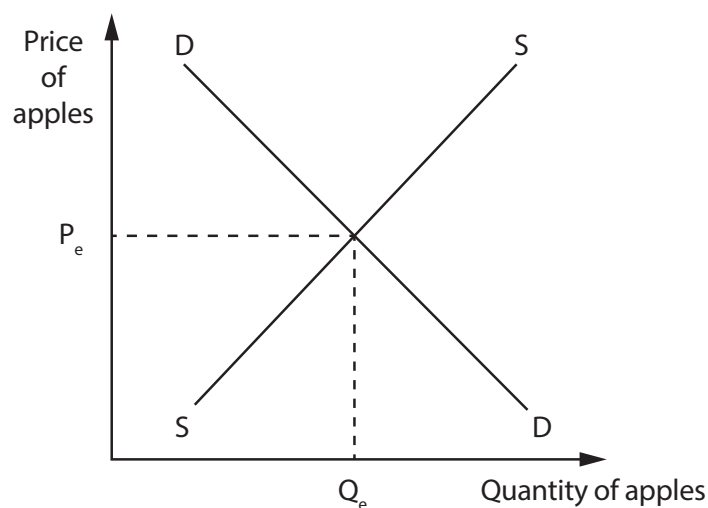


Figure 3

A firm produces tennis balls. There are a number of stages in the process of producing tennis balls. The firm uses division of labour in its factory.

- (h) Explain **one** advantage of using division of labour for the firm.

(3)

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3 (a) An increase in which **one** of the following is most likely to cause a decrease in the supply of labour? (1)

- ☐ A The retirement age
- ☐ B The school-leaving age
- ☐ C The population
- ☐ D The demand for the final product

(b) Which **one** of the following is the formula to calculate total revenue? (1)

- ☐ A Quantity sold $\times$ price
- ☐ B Profit – price
- ☐ C Profit $\div$ price
- ☐ D Quantity sold $\div$ price

(c) Using the diagram below, draw a price elastic demand (PED) curve. Label the curve and show the impact on both axes from a change in price. (3)

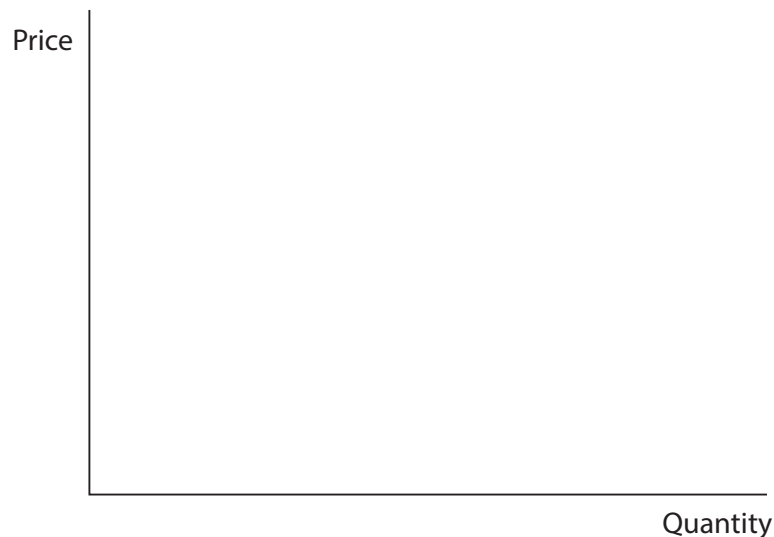


Figure 2

(6)





Many firms in Bangladesh produce textiles. In the factories, cotton shirts, knitwear and suits are produced. These factories are often operating below capacity.

About 40% of the Bangladeshi population is employed in the agricultural sector. Crops such as wheat, corn and fruit are produced annually by this sector.

- (e) With reference to the data above and your knowledge of economics, assess whether supply is likely to be more price elastic for textiles than for agricultural products.

(9)



Figure 2 shows selected financial data of a firm selling shoes.

	Cost/Revenue per pair of shoes (\$)
Selling price	89
Raw materials	17
Labour	35

Figure 2

- (d) Calculate the **profit or loss** for the firm for each pair of shoes. You are advised to show your working.

(2)

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Governments can use fines to deal with externalities.

- (e) Define the term fine.

(1)

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(f) Describe **one** benefit to consumers of privatisation.

(2)

Microsoft has a patent on a number of its technological designs.

(g) Explain **one** reason why Microsoft might have patents on its designs.

(3)



(9)



(Total for Question 2 = 20 marks)

- 2 The income elasticity of demand (YED) for a product can be calculated by using the information in Figure 3.

Change in quantity demanded	4.6%
Change in income	2%

Figure 3

- (a) Which **one** of the following options best describes the demand for the product?

(1)

- ☐ **A** Unitary
- ☐ **B** Luxury
- ☐ **C** Inferior
- ☐ **D** Inelastic

- (b) Which **one** of the following is the formula for social benefits?

(1)

- ☐ **A** Private costs + private benefits
- ☐ **B** Private benefits – private costs
- ☐ **C** Private benefits + external benefits
- ☐ **D** Private costs – external costs

(c) What is meant by the term trade union?

(2)

Figure 4 shows the monthly costs per unit when a firm makes 3,000 units.

Quantity	Total fixed costs	Total variable costs
3,000	\$6 200	\$3 550

Figure 4

(d) Calculate the **average cost per unit (AC)** for the firm when it makes 3,000 units.
You are advised to show your working.

(2)

(Total for Question 2 = 20 marks)

(e) Describe **one** advantage to a firm of being privatised.

(2)

Many cities in the US have increased the number of traffic-light cameras in order to catch motorists if they drive through a red (stop) light.

(f) Explain **one** reason why the US Government may use fines to reduce the negative externalities caused by motorists who drive through a red traffic light.

(3)



(g) With reference to the data above and your knowledge of economics, assess whether a car manufacturer always benefits from using division of labour.



(Total for Question 2 = 20 marks)



Wong Thien runs the family’s noodle-making factory, which has been operating in Jenjarum, Malaysia since 1950. The noodle-making process involves each worker blending ingredients to make dough, kneading the dough with long wooden rolling pins and cutting noodles to various sizes. Wong’s factory now supplies 70% of the noodle-based food stalls in the town. He is considering introducing division of labour in the production process in order to increase productivity.

- (c) With reference to the data above and your knowledge of economics, evaluate whether introducing division of labour is the best way for Wong to increase productivity in his noodle-making factory.

(12)

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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS



4 Figure 5 shows profit for a firm between 2020 and 2022.

Year	Profit (\$)
2020	20 250
2021	21 000
2022	22 950

Figure 5

- (a) Calculate, to two decimal places, the **percentage change in profit** for the firm between 2020 and 2022. You are advised to show your working.

(2)

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Handwriting practice area with 25 horizontal dotted lines.

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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS



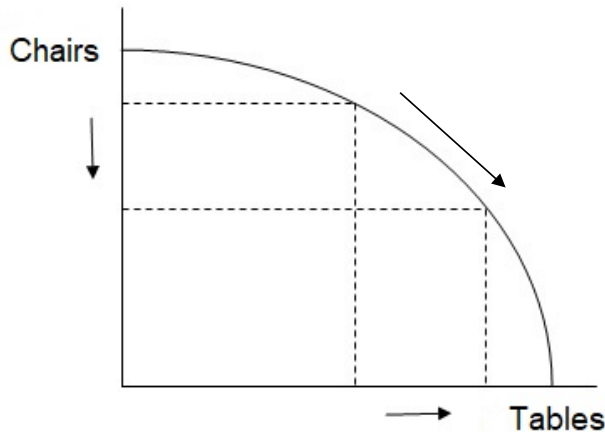
MARK SCHEMES

official mark schemes, in the same order as the questions



Question number	Answer	Mark
3(a)	AO1 1 mark The only correct answer is: B government intervention A is not correct because a pollution permit is not a resource used to produce goods and services C is not correct because a pollution permit does not have reduced average costs due to expansion D is not correct because these are things expected to be true although there is no definite proof	(1)

Question number	Answer	Mark
3(b)	AO1 1 mark The only correct answer is: A Increase in the use of fertiliser B is not correct because this would lead to a decrease in productivity C is not correct because this is not related to the productivity D is not correct because this would lead to a decrease in productivity	(1)

Question number	Answer	Mark
3(c)	AO2 3 marks Award 1 mark for drawing a production possibility frontier (PPF) with correctly labelled axes (1) Award 1 mark for showing a decrease in chairs on the PPF (1) Award 1 mark for showing an increase in tables on the PPF (1) 	(3)

Question number	What is the name given to a firm that manufactures cars? Answer	Mark
1(a)	A01 1 mark The only correct answer is: B A secondary sector firm A is not correct because a primary sector firm extracts natural resources C is not correct because a tertiary firm produces services D is not correct because this is the tertiary sector	(1)

Question number	What is the monthly labour productivity of the firm? Answer	Mark
1(b)	A02 1 mark The only correct answer is: B 50 units A is not correct because this is $540 / 27,000$ C is not correct because this is $540 + 27,000$ D is not correct because this is $540 \times 27,000$	(1)

Question number	What is meant by the term division of labour? Answer	Mark
1(c)	A01 2 marks Award 1 mark for reference to breaking production up and 1 mark for reference to employees are allocated only one task When a firm breaks up the production process (1) so that employees perform only one task (1) Accept any other appropriate response	(2)

Question Number	Which one of the following options is the type of market shown in Figure 2?	Mark
	Answer	
2(a)	A02 1 mark The only correct answer is: D Oligopoly A is not correct because it does not show employment levels B is not correct because this is a sector not a market C is not correct because there is more than one firm	(1)

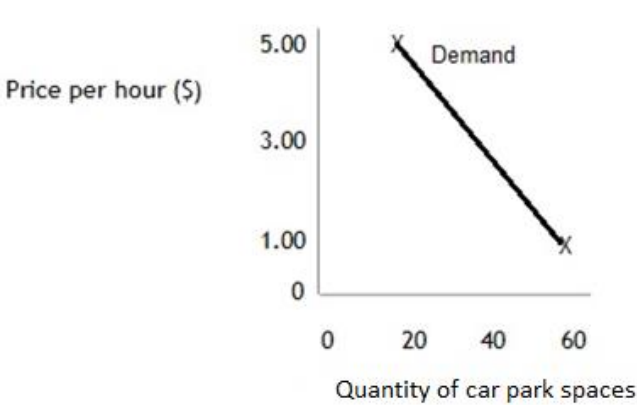
Question number	An increase in which one of the following is most likely to increase productivity?	Mark
	Answer	
2(b)	A01 1 mark The only correct answer is: C Irrigation A is not correct because this is likely to reduce productivity B is not correct because this increases time and costs D is not correct because this increases tasks for the firm to carry out	(1)

Question number	What is meant by the term barriers to entry?	Mark
	Answer	
2(c)	A01 2 marks Award 1 mark for reference to obstacles and 1 mark for reference to making it difficult for new firms to enter a market These are obstacles (1) that make it difficult for a new firm to enter a market (1) Accept any other appropriate response	(2)

Question number	A minimum wage is a type of Answer	Mark
3(a)	AO1 1 mark The only correct answer is: D government intervention A is not correct because a minimum wage is not a resource used to produce goods and services B is not correct because these are things expected to be true although there is no definite proof C is not correct because a minimum wage does not have reduced average costs due to expansion	(1)

Question number	Which one of the following is likely to lead to an increase in the productivity of capital? Answer	Mark
3(b)	AO1 1 mark The only correct answer is: C An increase in technological advances A is not correct because this would lead to a decrease in productivity B is not correct because this may hinder use of capital D is not correct because this is not related to productivity	(1)



Question number	Using the information in Figure 3, draw and label the demand curve for car park spaces on the diagram below. Answer	Mark
3(c)	AO2 3 marks Award 1 mark for a downward sloping demand curve, labelled Award 1 mark for plotting \$5.00 at a quantity of 20 on the demand curve Award 1 mark for plotting \$1.00 at a quantity of 60 on the demand curve  The graph shows a downward-sloping demand curve. The vertical axis represents the price per hour in dollars, ranging from 0 to 5.00. The horizontal axis represents the quantity of car park spaces, ranging from 0 to 60. The demand curve starts at a price of \$5.00 for 20 spaces and ends at a price of \$1.00 for 60 spaces.	(3)

Question number	A firm employing 135 workers has a total output of 33,750 units each month. What is the monthly labour productivity of the firm?	Mark
	Answer	
2(a)	AO2 1 mark The only correct answer is: C 250 units A is not correct because labour productivity is measured in units B is not correct because this would be a multiplication instead of a division calculation and the wrong units are used D is not correct because this would be a multiplication instead of a division calculation	(1)

Question number	Which one of the following is a possible cause of positive economic growth?	Mark
	Answer	
2(b)	AO1 1 mark The only correct answer is: D Increasing technological advancements A is not correct because this would reduce demand for goods and services, therefore reducing economic growth B is not correct because this would be more likely to reduce economic growth C is not correct because increasing unemployment would lead to fewer resources being utilised	(1)

Question number	What is meant by the term opportunity cost?	Mark
	Answer	
2(c)	AO1 2 marks Award up to 2 marks for a correct definition The cost of the next best alternative (1) given up (when making a choice) (1) Accept any other appropriate response	(2)



Question number	Answer	Mark
1(a)	AO1 1 mark The only correct answer is: D They may complete charitable work A is not correct because this would maximise their profit B is not correct because this may help to maximise their profit C is not correct because this alone does not determine profitability	(1)

Question number	Answer	Mark
1(b)	AO2 1 mark The only correct answer is: B A normal good A is not correct because it has nothing to do with YED C is not correct because the YED will be greater than 1 D is not correct because the YED will be negative	(1)

Question number	Answer	Mark
1(c)	AO1 2 marks Award 1 mark for reference to the amount of output and 1 mark for reference to the input The amount of output produced (1) in relation to the resources used (1) Accept any other appropriate response	(2)

Question number	Answer	Mark
1(d)	AO1 1 mark Award 1 mark for correct formula Private costs + external costs	(1)

Question number	Which one of the following explains the behaviour of these consumers?	Mark
	Answer	
1(a)	AO1 1 mark The only correct answer is: B Consumers aim to maximise benefits A is not correct because firms often aim to maximise profit C is not correct because consumers are giving up the products D is not correct because these consumers would be calculating benefits	(1)

Question number	Which one of the following best describes the product?	Mark
	Answer	
1(b)	AO2 1 mark The only correct answer is: D An inferior good A is not correct because YED does not determine whether a good is a public good B is not correct because the YED would be positive C is not correct because the YED would be positive and greater than 1	(1)

Question number	What is meant by the term productivity?	Mark
	Answer	
1(c)	AO1 2 marks Award up to 2 marks for a correct definition The amount of output produced (1) in relation to the resources used/time period (1)	



	Accept any other appropriate response	(2)
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Question number	Answer	Mark
2(f)	AO2 3 marks Award 1 mark for identifying a relevant way Award 1 mark for developing the way Award 1 mark for the response being in the context Irrigation would help the crops to grow (1) meaning farmers could grow more crops using the existing resources available (1) increasing the output and leading to higher productivity (1) Accept any other appropriate response	(3)

Question number	Indicative content
3(e)	AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks) AO2 and AO3 • Skills could be gained through education in schools and colleges leading to qualifications in technical areas relevant to business • Skills can also be gained through work place training by employers • Through education and training, workers will be more skilled and may therefore be more productive. This could lead to an increase in international competitiveness • Workers may be more motivated as a result of the training, leading to greater job satisfaction, lower labour turnover and improved productivity • Through improved human capital the quality of labour is greater and productivity can be increased. This could mean income per capita increases AO4 • However, the cost to the firm of staff training/the Canadian Government of providing education may be too great compared to investing in technological advances • The firm may be reluctant to invest in human capital if it pays to train workers but they then leave for alternative employment. • Increasing technological developments may be more financially viable. • To be effective the quality of the training needs to be of a high enough standard to meet the requirements of the work place • It takes a long time for the benefits of education to lead to increased productivity. This could explain why Canada's labour productivity growth took time to become the 3rd most productive of the leading economies • It depends on the nature of the industry, some industries are better suited to having highly skilled workers e.g. service industries • Whereas some industries suit increased automation and use of technological advances rather than investing in human capital

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7–9	• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).



Question number	With reference to the data above and your knowledge of economics, assess the importance of the quality of labour on productivity in a country.
	Indicative content
3(e)	AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks) AO2 and AO3 • Quality of labour may increase as a result of education because workers would be able to develop skills with which they could become more efficient in the tasks needed to produce goods and services in the workplace • Therefore, workers are likely to be able to produce more goods and services in a shorter period of time, leading to lower costs of production for firms • This increase in productivity means that a firm may be able to enjoy higher profits due to lower costs, as well as a possible increase in revenue, if more products are available to sell • An increase in immigration may lead to an increase in the quantity and quality of labour supplied • This may result in increased competition between workers to provide the most efficient labour to firms in order to reduce their costs of production • This may mean that some workers may aim to increase their education to become more productive AO4 • However, it takes time for education to become effective as periods of study need to be completed before being used in the workplace • This means that education may only impact productivity at a later date, making it difficult to measure its impact • Skilled workers may emigrate, taking their ability to increase efficiency for a firm with them • Immigration which increases the supply of skilled labour may lead to a reduction in wages, potentially demotivating workers and discouraging productivity • Therefore, productivity may not always increase due to quality of labour, at least not in the short-run • It may depend on the country and the levels of productivity within it or on technological advances in capital or land use

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7–9	• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).

Question number	Indicative content
4(c)	AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks) AO2 and AO3 • Productivity is the amount of output that can be produced with a given amount of resources • By using technology (a form of capital) such as tablets, restaurants can replace waiters in an attempt to be more efficient • Restaurants may therefore be able to take orders from customers faster due to the use of technology but at a lower cost because the tablets will be cheaper to run than labour • This may make the restaurants more productive as they can increase output and serve more diners due to the increased use of technology • This increase in productivity may allow the restaurants to invest in further capital and therefore become even more productive in the future AO4 • However, it may take longer for orders to be placed if customers are confused about how to use the tablets, reducing productivity • It may be necessary for labour to be used (initially) to assist diners when they are using the tablets and so the need to use extra resources could mean it is less productive in the short run • Errors in ordering could lead to the wrong meals being prepared which could make the restaurants less productive if they have to correct mistakes • Overall, it may be less productive for restaurants to increase the use of technology in the short run while the restaurant initiates use of the equipment • This may depend on how quickly customers adapt to the changes • However, in the long run, because they may have been able to resolve any difficulties faced by the use of technology, productivity in the restaurants may have increased

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	• Demonstrates isolated elements of relevant knowledge and understanding; may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Chain of reasoning may be attempted. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted (AO4).
Level 2	5–8	• Demonstrates partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Chain of reasoning will be present but may be limited. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness. A judgement or conclusion is attempted, but may not be fully supported (AO4).
Level 3	9–12	• Demonstrates specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Chain of reasoning will be coherent and logical. Interpretation of economic information will be excellent with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion is present (AO4).

Question number	With reference to the data above and your knowledge of economics, evaluate the extent to which these government programmes may affect farming productivity in a country such as Egypt. Indicative content
4(c)	AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks) AO2 and AO3 • Productivity is the amount of output that can be produced with a given amount of resources • Government programmes affecting land as a resource include drainage, irrigation, use of fertiliser and reclamation • By increasing use of reclamation, it is possible to create new land where crops can grow, from previously infertile areas such as riverbeds and drained wetlands • As a result, farmers have access to more efficient land resources on which to grow crops such as wheat • Therefore, output can be increased, meaning that productivity for farmers in Egypt can be improved • This improvement in productivity may allow farmers to invest further in measures such as irrigation (redirecting water from natural sources to land in need of more water to be productive) • Therefore, becoming even more productive in the future AO4 • However, in order for such programmes to work, farmers need access to areas such as former riverbeds as well as drainage equipment. This may be too expensive for many farmers • It may take time for reclamation and irrigation to be effective, making it more difficult for wheat farmers to afford the necessary equipment, even with the raised price for wheat paid by the Egyptian Government • Not all farmers are likely to be in favour of such programmes, especially if farming methods have been more traditional in their region • This may make them averse to guidance on the use of irrigation and some may take time to adjust to the methods available • As some fertilisers can harm wildlife, the environment and even people, it may not be straightforward to introduce such programmes and/or may require legal controls to be adhered to • Therefore, the effect of land resource programmes on productivity may be reduced

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	• Demonstrates isolated elements of relevant knowledge and understanding; may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Chain of reasoning may be attempted. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted (AO4).
Level 2	5–8	• Demonstrates partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Chain of reasoning will be present but may be limited. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness. A judgement or conclusion is attempted, but may not be fully supported (AO4).
Level 3	9–12	• Demonstrates specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Chain of reasoning will be coherent and logical. Interpretation of economic information will be excellent with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion is present (AO4).

Question number	Answer	Mark
1(a)	AO1 1 mark The only correct answer is: A Division of labour B is not correct because this is creating products from new ideas C is not correct because this is using more labour during production than capital D is not correct because this relates to the rate of production due to given resources	(1)

Question number	Answer	Mark
1(b)	AO2 1 mark The only correct answer is: D Total revenue A is not correct because this is \$10 B is not correct because only variable costs are shown, not fixed costs C is not correct because this would be total revenue – total costs	(1)

Question number	Answer	Mark
1(c)	AO1 2 marks Award 1 mark for reference to an increase in demand and 1 mark for reference to decreased income Goods for which demand will increase (1) as incomes decrease (1) OR Goods for which demand will decrease (1) as incomes increase (1) Accept any other appropriate response	(2)

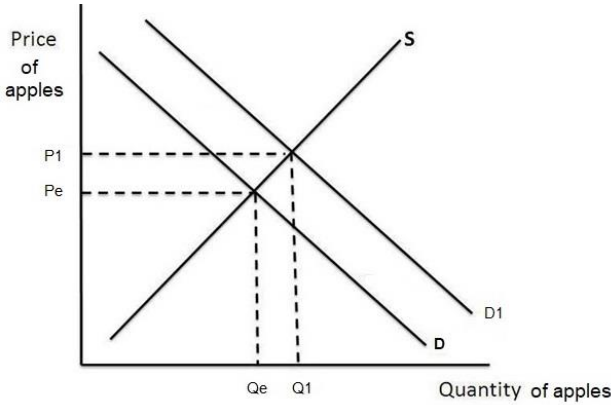
Question number	For which one of the following will demand increase when incomes decrease? Answer	Mark
1(a)	AO1 1 mark The only correct answer is: B Inferior good A is not correct because this is purchased by firms to produce other goods which should increase in demand as consumer incomes increase C is not correct because demand would increase as incomes increase D is not correct because as incomes increase, so would demand	(1)

Question number	Which one of the following equals \$1 740? Answer	Mark
1(b)	AO2 1 mark The only correct answer is: D Total variable costs A is not correct because price cannot be calculated from the information B is not correct because there is not enough information to calculate revenue and therefore profit C is not correct because the quantity of units produced is needed to do this calculation	(1)

Question number	What is meant by the term division of labour? Answer	Mark
1(c)	AO1 2 marks Award 1 mark for reference to splitting up production and 1 mark for reference to tasks Breaking down the production process (1) into smaller tasks (1) Accept any other appropriate response	(2)

Question number	Answer	Mark
1(h)	AO2 3 marks Award 1 mark for identifying a disadvantage Award 1 mark for developing the response Award 1 mark for the response being in context Employees may find the work boring/monotonous (1) because they spend the whole day sealing boxes for the orders (1) and they are repeatedly doing the same task (1) Accept any other appropriate response	(3)

Question number	Indicative content
1(i)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 - Government regulation is put in place to reduce the external costs of production and consumption - Consumers are more likely to return plastic bottles because of the scheme, so they are able to get their €0.25 back - This is likely to reduce litter and the negative impact on the environment, therefore reducing negative externalities - The scheme is also cheaper for the government, meaning more funding could be available to benefit the environment - The 98.5% return rate shows the regulation is very successful and likely to reduce negative externalities significantly - More awareness of the problems caused by plastic bottles could be gained through adoption of the scheme, leading to better prevention of other plastic waste being discarded - This can have further long-term benefits for the environment

Question number	Using the diagram below, draw the likely effects on the market for apples following an increase in the advertising of apples. Label the new curve, the new equilibrium price and the new equilibrium quantity. Answer	Mark
1(g)	AO2 3 marks Award 1 mark for rightward shift of demand, labelled Award 1 mark for higher equilibrium price, labelled Award 1 mark for higher equilibrium quantity, labelled 	(3)

Question number	Explain one advantage of using division of labour for the firm. Answer	Mark
1(h)	AO2 3 marks Award 1 mark for identifying an advantage Award 1 mark for developing the response Award 1 mark for the response being in context • Production is more efficient (1) because workers at the factory will not need to change tools repeatedly to do a different task (1) meaning the quantity of tennis balls produced could increase (1) • Workers specialising in one task become better at that task (1) making them more productive (1) and helping to lower the average costs of producing each tennis ball (1) Accept any other appropriate response	(3)

Question number	With reference to the data above and your knowledge of economics, analyse how all four factors of production might be used to produce drinking water in the Canary Islands. Indicative content
1(i)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • The four factors of production are land, labour, capital and enterprise • Sea water is a natural resource, which is land • The salt is removed by filtering the water through machines in order to make the water drinkable, which is capital • The process of ensuring all the salt and impurities have been removed from the water is done by labour (production workers) • Enterprise combines the other factors of production to make sure the water gets to the consumer as a consumable product • Thus, all four factors of production may be used to produce drinking water as, without any one of them the process would not be completed as efficiently

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3).
Level 2	3–4	• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3).
Level 3	5–6	• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3).



Question number	With reference to the data above and your knowledge of economics, analyse the possible advantages for Coca-Cola of using division of labour at the factory.
	Indicative content
3(d)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • Division of labour involves breaking down the production process into smaller tasks • Each worker specialises in only one task, such as filling bottles, sealing with caps or adding labels • By specialising, efficiency is improved because workers can carry out these tasks more quickly, allowing more than one million drinks to be bottled each day • This leads to an increase in productivity and lower average costs of production of drinks such as Fanta and Sprite • The 1,000 workers do not need to waste time moving across the 65,000m² site between tasks and so greater efficiencies are created, again lowering average production costs

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3).
Level 2	3–4	• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3).
Level 3	5–6	• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3).

Question Number	With reference to the data above and your knowledge of economics, assess whether a firm, such as a fast food restaurant, always benefits from using division of labour. Indicative content
2(h)	AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks) AO2 and AO3 • Division of labour is where the production process is split into small tasks • It means that each worker can specialise on a single part of the production process, such as chopping lettuce to put in burgers or peeling potatoes to make the fries • This means they can become more skilled at that particular task and removes the need to move around the kitchen as much • Employees are therefore much faster, increasing efficiency and reducing cost per unit for firms • Employees may also enjoy their job more because they are better at it, making them more motivated and increasing productivity • Therefore customers at the fast food restaurants can be served more quickly, in-keeping with the concept of 'fast food' and leading to higher profits for the firm AO4 • However, employees may find repeating the same task boring, especially if it is something straightforward such as frying burgers • Therefore they may actually become demotivated instead and this could increase staff turnover • This could lead to a decrease in productivity and/or higher costs for the restaurant if it needs to replace employees • Mistakes or slow production at one stage (such as chopping lettuce) may hold up a later stage and therefore customers would still need to wait for their orders

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7–9	• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).

Question Number	With reference to the data above and your knowledge of economics, assess the benefits for Foxconn Technology of using division of labour.
	Indicative content
2(g)	A02 (3 marks)/A03 (3 marks)/A04 (3 marks) A02 and A03 • Division of labour involves breaking down the production process into smaller tasks • Each worker specialises in only one task, such as handling the phone screen, checking the phone works and packaging the phone ready to ship to the customer • By specialising, efficiency is improved because workers can conduct tasks quicker and with more accuracy • This leads to an increase in productivity and lower costs of production for Foxconn Technology • Workers do not need to waste time moving between tasks and so greater efficiencies are created, again lowering production costs A04 • However, tasks such as checking the iPhone works is likely to be repetitive and could be very boring for the worker, meaning they may become poorly motivated • Therefore, mistakes may be made leading to the need for part of the production process to be repeated, reducing productivity • This could therefore increase the cost of production and reduce the profit made by Foxconn Technology • Problems may occur if one part of the production process fails. For example, if a broken phone screen is found, the phone cannot progress to the stage where it is packed to ship to the customer • This may be more likely due to the number of tasks that production is divided into with 270,000 workers • Specialisation may cause problems if a worker is absent and no one is able to take their place due to a lack of the specialist skill

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	0	No rewardable material.
Level 1	1–3	• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7–9	• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).

Question number	With reference to the data above and your knowledge of economics, assess whether a car manufacturer always benefits from using division of labour. Indicative content
2(g)	AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks) AO2 and AO3 • By using division of labour each worker at the car manufacturing firm can specialise on a single part of the production process, such as inspection or testing • This means they can become more skilled at that particular task and removes the need to move around the factory as much • Employees are therefore much faster, increasing efficiency and reducing cost per unit for firms • Therefore, car dealers buying the vehicles and their customers can be sold the cars more quickly and/or at lower prices, potentially leading to higher revenue for the car manufacturing firm AO4 • However, employees may find repeating the same task boring, especially if it is something straightforward such as welding a specific component • Therefore, they may actually become demotivated instead and this could increase staff turnover • This could lead to a decrease in productivity and/or higher costs for the car manufacturer if it needs to replace employees • Mistakes or slow production at one stage (such as painting) may hold up a later stage and therefore customers would still need to wait for their car orders

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7–9	• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).



Question number	Indicative content
4(c)	AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks) AO2 and AO3 • Division of labour means dividing the production process into different stages where each worker specialises in one task • Productivity is the amount of output that can be produced in a period of time, with a given quantity of resources • Division of labour leads to less time being wasted as workers will not have to switch between different parts of production such as mixing ingredients and kneading the dough • This means the employees at the noodle-making factory can become more productive as they will be able to carry out each task quicker than if constantly changing between roles • The employees may also be more productive as they are able to develop skills in the task they perform, becoming more specialised • This may be particularly important in order for Wong's factory to meet the demand of the 70% of noodle-based food stalls in Jenjarum, to whom it sells AO4 • However, the noodle-making factory employees may find doing the same task, such as cutting noodles to various sizes, very boring and monotonous • This could mean they lose concentration and may make mistakes, leading to a lower rate of productivity • Therefore a delay in supplying the noodle stalls in Jenjarum could occur and could lead to a loss of business for the factory • Improving the quality of labour by training employees to use noodle-making equipment could increase productivity more, as could investing in more advanced noodle-making machinery • It depends whether the noodle-making tasks require much training as they maybe more suited to the division of labour process • Wong could introduce rotation of tasks to reduce the monotony or use division of labour alongside other factors, such as more advanced machinery

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	• Demonstrates isolated elements of relevant knowledge and understanding; may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Chain of reasoning may be attempted. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted (AO4).
Level 2	5–8	• Demonstrates partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Chain of reasoning will be present but may be limited. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness. A judgement or conclusion is attempted, but may not be fully supported (AO4).
Level 3	9–12	• Demonstrates specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Chain of reasoning will be coherent and logical. Interpretation of economic information will be excellent with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion is present (AO4).

Question number	With reference to the data above and your knowledge of economics, evaluate whether introducing division of labour is the best way for Raphael to increase productivity in his pastry-making factory.
	Indicative content
4(c)	AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks) AO2 and AO3 • Division of labour means dividing the production process into different stages where each worker specialises in one task • Productivity is the amount of output that can be produced in a period of time, with a given quantity of resources • Division of labour leads to less time being wasted as workers will not have to switch between different parts of production such as mixing ingredients and shaping the dough • This means the employees at the pastry-making factory can become more productive as they are able to develop skills in the task they perform, becoming more specialised • This may be particularly important in order for Raphael's factory to meet demand from the restaurants and street vendors in Madrid, to whom it sells • It can be easier to integrate machinery into the production process as the tasks are broken down into different stages AO4 • However, the pastry-making factory employees may find doing the same task, such as combining the cooled mixture with egg, very boring and monotonous • This could mean they lose concentration and may make mistakes, leading to a lower rate of productivity • Therefore, a delay in supplying the pastry for churros to restaurants and street vendors in Madrid could occur and lead to a loss of business for the factory • This is especially likely as the restaurants are busy and may be unable to meet their own customer's demand for churros without the pastry • Improving the quality of labour by training employees to use pastry-making equipment could increase productivity more, as could investing in more advanced facilities with which to bake • It depends whether the pastry-making tasks require much training as they maybe more suited to the division of labour process • Raphael could introduce rotation of tasks to reduce the monotony or use division of labour alongside other factors, such as advanced baking facilities

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	• Demonstrates isolated elements of relevant knowledge and understanding; may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Chain of reasoning may be attempted. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted (AO4).
Level 2	5–8	• Demonstrates partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Chain of reasoning will be present but may be limited. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness. A judgement or conclusion is attempted, but may not be fully supported (AO4).
Level 3	9–12	• Demonstrates specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Chain of reasoning will be coherent and logical. Interpretation of economic information will be excellent with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion is present (AO4).