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EDEXCEL INTERNATIONAL GCSE ECONOMICS: QUESTIONS BY TOPIC

The labour market (1.2.5)

International GCSE Economics · Paper 1: Microeconomics and Business Economics

30 questions · 140 marks · Mark schemes included
Past papers June 2019 - June 2025 · 3 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.

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QUESTIONS

30 questions · 140 marks · 3 sub-topics

SUB-TOPIC 1.2.5 (a-d)

DEMAND FOR AND SUPPLY OF LABOUR

Sub-topic 1.2.5 (a-d) · 20 questions · 91 marks · lowest tariff first



3 (a) Which **one** of the following is most likely to cause an increase in the supply of labour?

(1)

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

(b) Average costs can be calculated by which **one** of the following equations?

(1)

- ☐ A $\frac{\text{Total revenue}}{\text{Total costs}}$
- ☐ B $\frac{\text{Total revenue}}{\text{Price}}$
- ☐ C $\frac{\text{Output}}{\text{Total fixed costs}}$
- ☐ D $\frac{\text{Total costs}}{\text{Output}}$

(c) Draw a demand curve on the diagram below that has price elastic demand (PED). Label the impact of a price change from P_1 to P_2 and its impact on quantity from Q_1 to Q_2 .

(3)

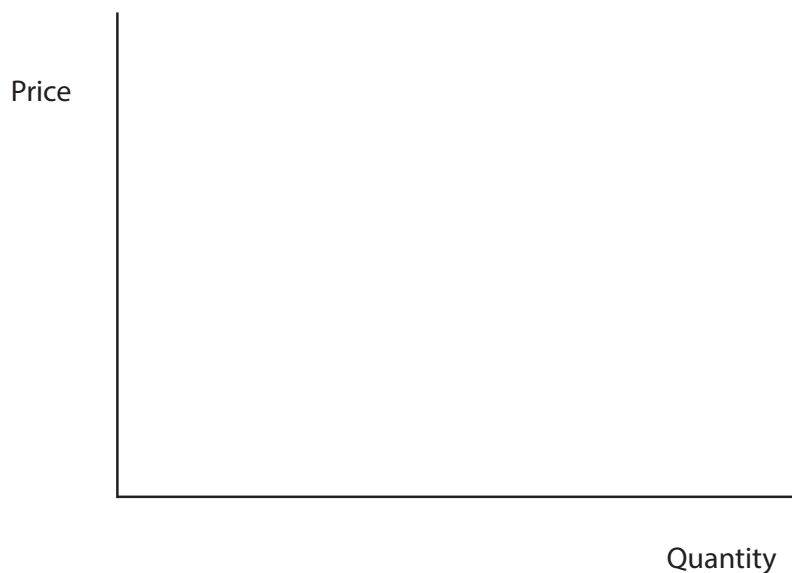


Figure 2

- 2 (a) Which **one** of the following is the correct label to replace 'X' on the diagram below? (1)

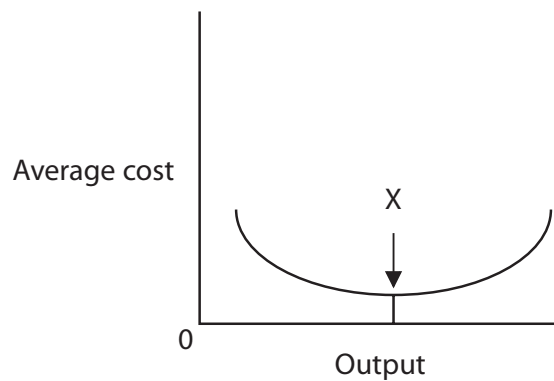


Figure 3

- ☐ **A** Internal economies of scale
- ☐ **B** External economies of scale
- ☐ **C** Total costs
- ☐ **D** Most efficient

- (b) Which **one** of the following is an example of derived demand? (1)

- ☐ **A** Consumer demand for clothes to wear
- ☐ **B** Tourist demand for foreign holidays
- ☐ **C** Producer demand for labour to make goods
- ☐ **D** Student demand for computer games to play

Figure 4 shows some of the production costs in November for a firm manufacturing rugs and carpets in Pakistan.

Production costs	Pakistani Rupee (Rs)
Rent	40 250
Raw materials	20 050
Advertising	10 125
Labour (paid in direct proportion to output)	210 000

Figure 4

- (c) Calculate the **total fixed costs** for the firm in November. You are advised to show your working.

(2)

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- (d) What is meant by the term demand?

(2)

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2 (a) Which **one** of the following would lead to an increase in the supply of labour?

(1)

- ☐ A Decrease in the retirement age
- ☐ B Increase in the school-leaving age
- ☐ C Increase in female participation
- ☐ D Decrease in population

A small firm manufactures jewellery to the exact requirements of its customers.

(b) This is an example of which **one** of the following markets?

(1)

- ☐ A Monopoly
- ☐ B Labour
- ☐ C Niche
- ☐ D Financial

(c) State the formula for price elasticity of supply (PES).

(1)

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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)

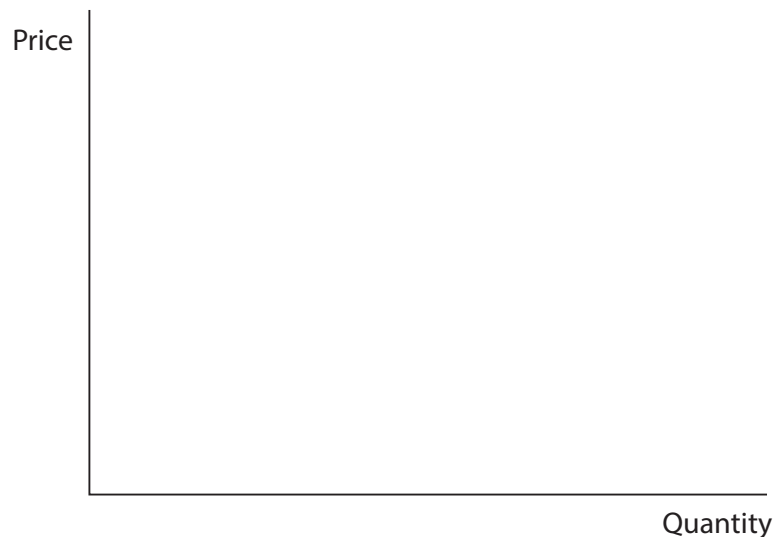


Figure 2

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 values shows perfectly price inelastic supply?

(1)

- ☐ **A** 0
- ☐ **B** 0.5
- ☐ **C** 1
- ☐ **D** 2

- (b) As a result of government policy, a firm had a decrease in its total costs of \$200 each month. Which **one** of the following is the most likely type of government policy to produce this decrease in costs?

(1)

- ☐ **A** Fine
- ☐ **B** Regulation
- ☐ **C** Increased subsidy
- ☐ **D** Increased taxation

- (c) What is meant by the term private sector?

(2)

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- (d) State **one** factor that may affect the supply of labour.

(1)

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- 2 A country is able to produce agricultural and non-agricultural goods with a given amount of resources. Its production possibility curve (PPC) is shown in Figure 2.

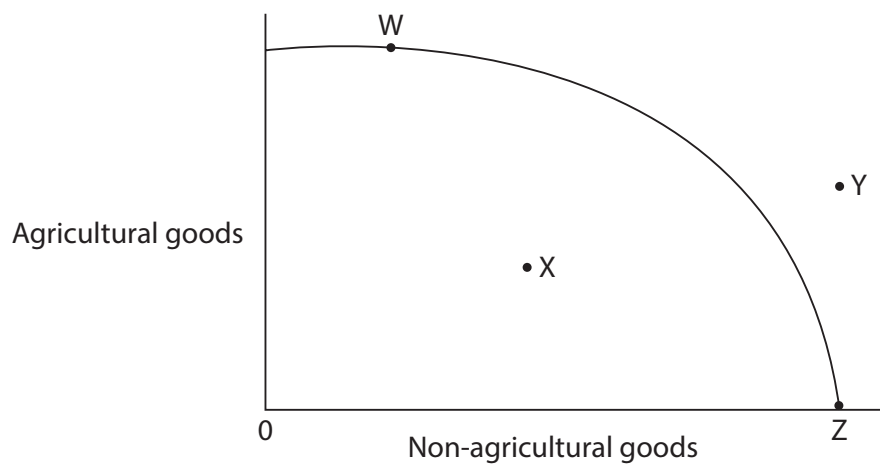


Figure 2

- (a) Which **one** of the following options shows unobtainable production?

(1)

- ☐ **A** W
- ☐ **B** X
- ☐ **C** Y
- ☐ **D** Z

- (b) Which **one** of the following is a factor that may affect the supply of labour?

(1)

- ☐ **A** Age distribution of population
- ☐ **B** Economies of scale
- ☐ **C** Firms aiming to maximise profit
- ☐ **D** Long run average costs

4 Figure 5 shows the population in Austria in the years 2000, 2008 and 2018.

Year	Population
2000	8,069,276
2008	8,341,532
2018	8,891,388

(Source adapted from: <https://worldpopulationreview.com/countries/austria-population/>)

Figure 5

- (a) Calculate, to two decimal places, the **percentage change in the population** in Austria between 2000 and 2018. You are advised to show your working.

(2)

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4 Figure 6 shows the population of Finland in the years 2021, 2022 and 2023.

Year	Population
2021	5,541,075
2022	5,569,299
2023	5,601,185

Figure 6

(a) Calculate, to two decimal places, the **percentage change in the population** of Finland between 2021 and 2023. You are advised to show your working.

(2)

Malaysian company Air Asia was founded in 1993 as a low-price airline. It has grown to offer a wider range of services, including hotels, holiday packages, airport transfers and travel insurance.

It offers flights to over 150 destinations in 25 countries.

(b) With reference to the data above and your knowledge of economics, analyse why Air Asia may benefit from spreading its risk across a wider range of markets.

(6)



- (g) Using the diagram below, draw the likely effects on the market for cars of the introduction of more effective technology in production. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)

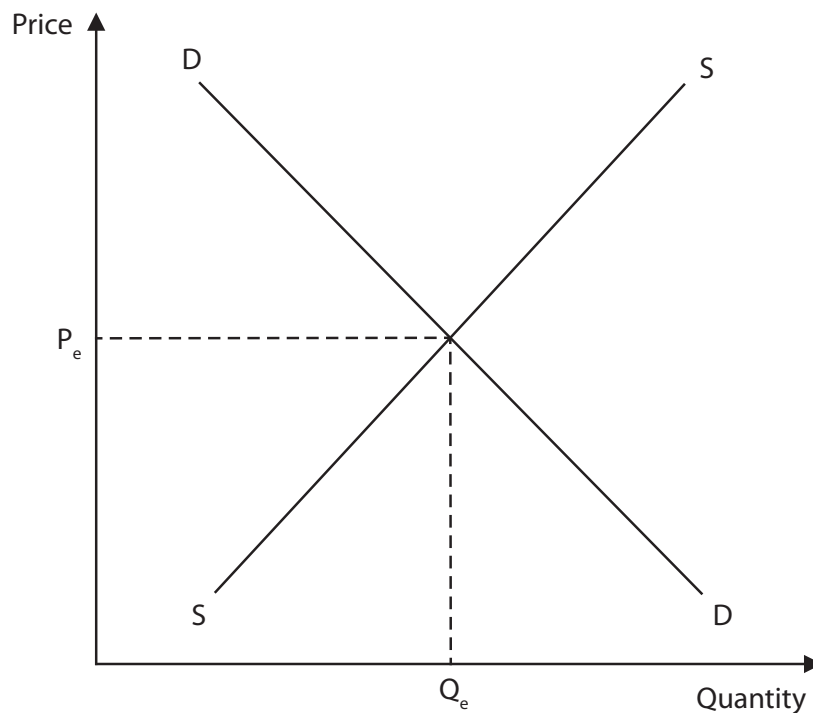


Figure 1

In 2015, the school-leaving age in England was raised from 16 to 18.

- (h) Explain **one** possible effect on the supply of labour of the school-leaving age being raised.

(3)

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Bupa is an international firm that provides healthcare products to 32 million customers in 190 countries. The initial purpose of the firm was to provide health insurance. It has grown by offering a wider range of services. These include retirement homes for the elderly, eye care, hospital treatment, dental work and travel insurance.

- (i) With reference to the data above and your knowledge of economics, analyse why Bupa may have decided to operate in a wider range of markets.

(6)

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

(Total for Question 1 = 20 marks)



In 2028, the lowest age at which workers can receive a private pension in the UK will rise from 55 to 57. This means that the age of retirement will increase for many people.

(f) Explain **one** advantage for firms of an increase in the retirement age.

(3)

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It is estimated that about 24 million tourists visit Venice, Italy each year. This high number of tourists means that the city is very overcrowded.

In January 2023, a new tourist tax was introduced on people visiting Venice. Tourists need to pay between €3 and €10 for each day they are in Venice. The higher €10 rate is paid at peak times, reducing to €3 during quieter periods.

(Source: adapted from <https://veneziaautentica.com/venice-tourist-tax/>)

- (g) With reference to the data above and your knowledge of economics, assess the likely effectiveness of the tourist tax in dealing with negative externalities, such as overcrowding.

(9)

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

Figure 1 shows the market for smartphones.

- (g) Using the diagram below, draw the likely effect on the market for smartphones following an increase in productivity. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)

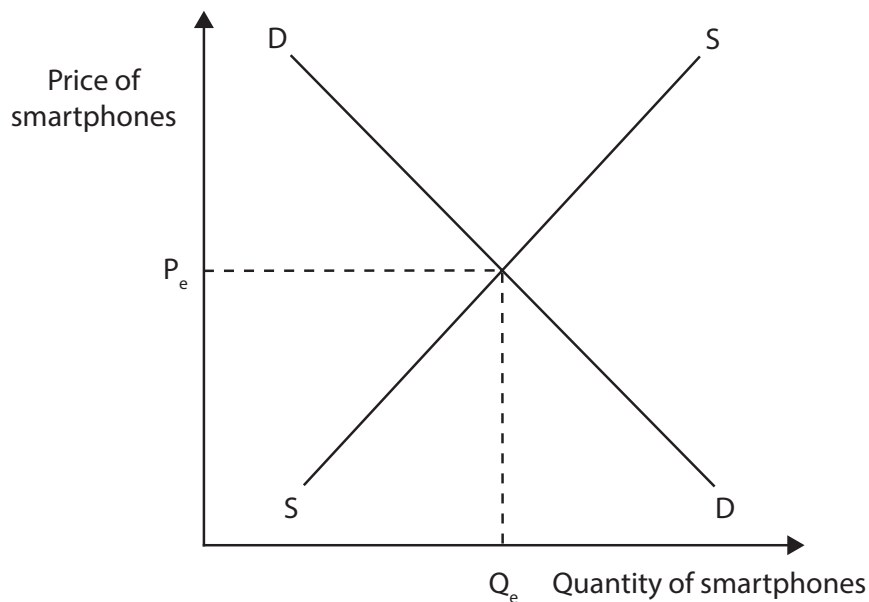


Figure 1

In 2023, the French Government increased the age at which people could receive a state pension to 64.

- (h) Explain **one** possible effect of this change in the pension age on the supply of labour.

(3)

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Figure 2 shows the price elasticity of supply (PES) of avocados.

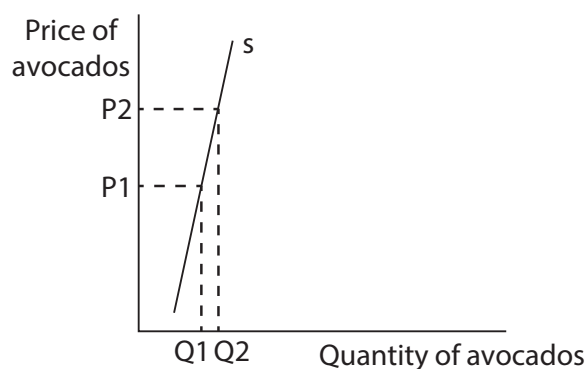


Figure 2

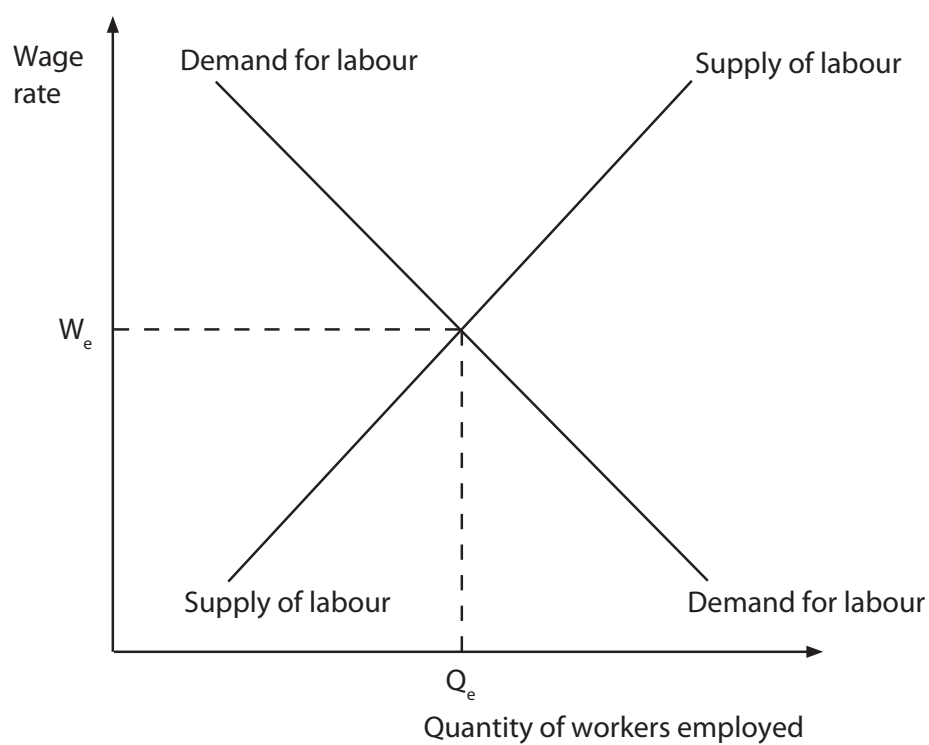
- (i) With reference to the data above and your knowledge of economics, analyse the impact of an increase in price on the quantity supplied of avocados.

(6)



- (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**

Firms in Canada, the world's second largest country, have been struggling to find the labour needed for specialist positions such as computer engineers and web designers. The 'Global Talent Stream' is a government programme that provides firms with a quick way to hire highly skilled foreign workers. High costs and long time commitments often stop Canadians from training. Although a processing fee is payable for each new employee, firms have welcomed the programme.

(Source: adapted from <http://www.canada.ca/en/employment-socialdevelopment/>)

- (d) With reference to the data above and your knowledge of economics, analyse why Canadian firms may have been struggling to hire the labour they need.

(6)

[illegible]

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)

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

An economy can produce consumer and capital goods. This economy originally produced at PPC1 with all resources fully employed but due to positive economic growth, it can now produce at PPC2 with all resources fully employed.

- (c) Using the axes below, draw two production possibility curves (PPC) to show an economy moving from PPC1 to PPC2. Label both production possibility curves and the axes.

(3)

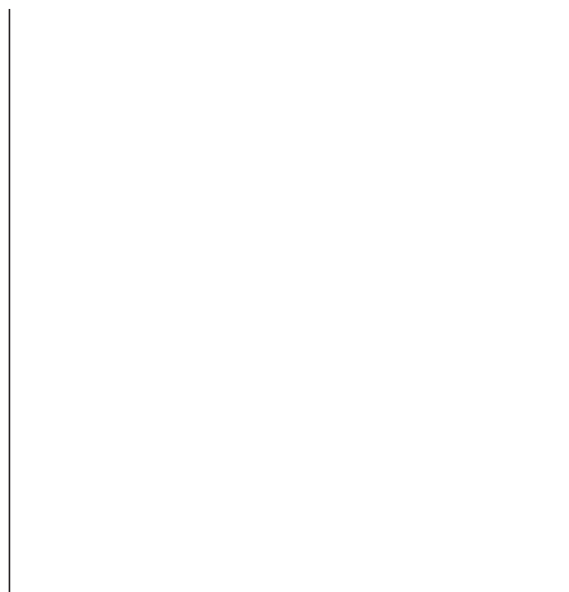


Figure 2

(6)



[illegible]

There are many reasons for firework displays. The 'bang', 'pop' and 'whizz' sounds, along with wide-ranging displays of colourful sparks are used to celebrate religious festivals and historical occasions, as well as private and public events. Some events charge an entry fee but people are still able to see and hear the fireworks without entering the venues. Former military personnel have complained this can bring back negative memories relating to war experiences. It can also disturb animals that are frightened by the loud noises.

- (e) With reference to the data above and your knowledge of economics, assess whether fireworks have more negative than positive externalities.

(9)



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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Tony Simpson is an artist whose income comes from selling his paintings to small craft shops. However, sales have recently fallen due to the closure of many of these types of shops. To avoid the risk of unemployment, he is considering training to become an art teacher by applying to a government scheme. This would provide an income while Tony is training to be a teacher.

- (b) With reference to the data above and your knowledge of economics, analyse how an increased ability to move to different types of employment might affect the supply of labour.

(6)



[illegible]

Figure 1 shows the market for cars.

- (g) Using the diagram below, draw the likely effect on the market for cars following a rise in the costs of raw materials. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)

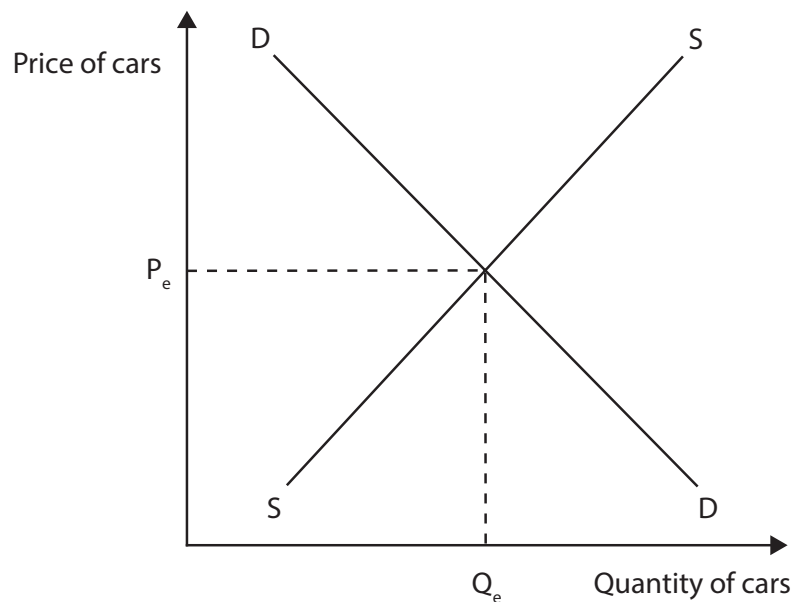


Figure 1

In April 2023, the Competition and Markets Authority (CMA), the competition regulator in the UK, prevented the purchase of Activision by Microsoft. Microsoft already controlled about 60–70% of the market for online video gaming.

- (h) Explain **one** reason why the CMA may have made this decision.

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(Total for Question 1 = 20 marks)



3 (a) Which **one** of the following is likely to lead to an inefficient allocation of resources? (1)

- ☐ A Migration
- ☐ B Competition
- ☐ C Lack of information
- ☐ D Division of labour

(b) Which **one** of the following is an example of an occupation in the tertiary sector? (1)

- ☐ A Sheep farmer
- ☐ B Factory worker
- ☐ C Coal miner
- ☐ D Sales assistant

(c) Using the diagram below, draw the effects of a minimum wage (W_1) that has been set above the equilibrium wage (W_e). Label the new quantity of labour demanded and the new quantity of labour supplied. (3)

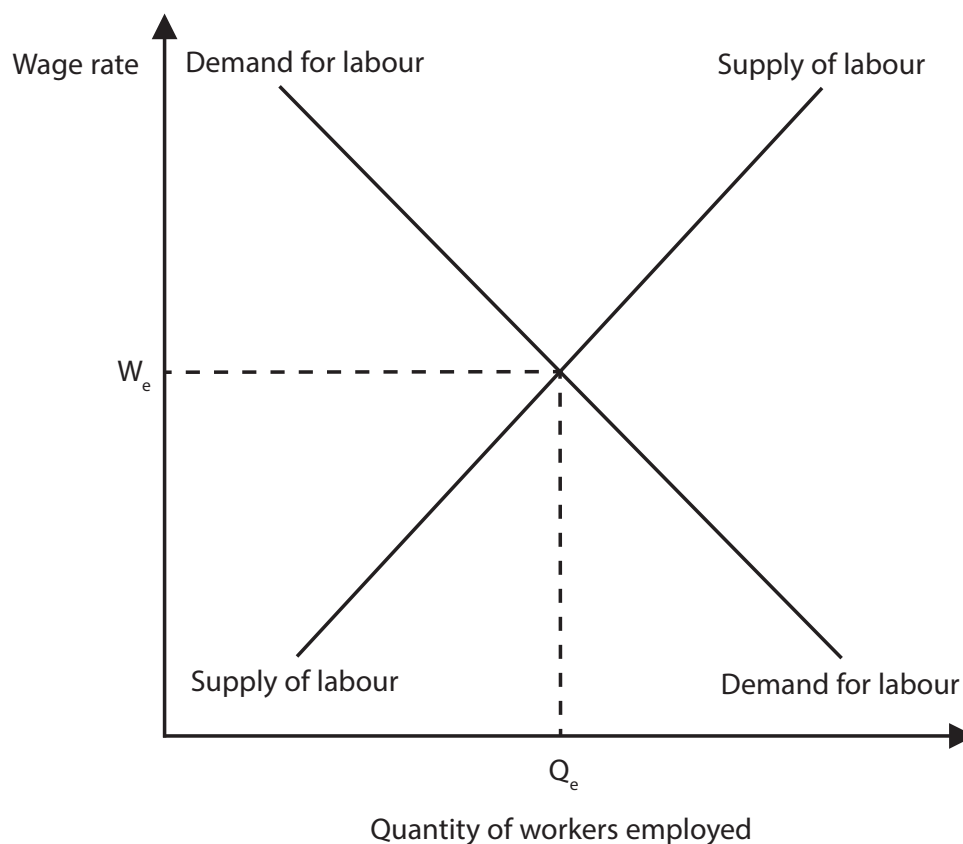


Figure 3

(9)



(Total for Question 3 = 20 marks)

Figure 2 shows the supply of wheat in a region during 2019.

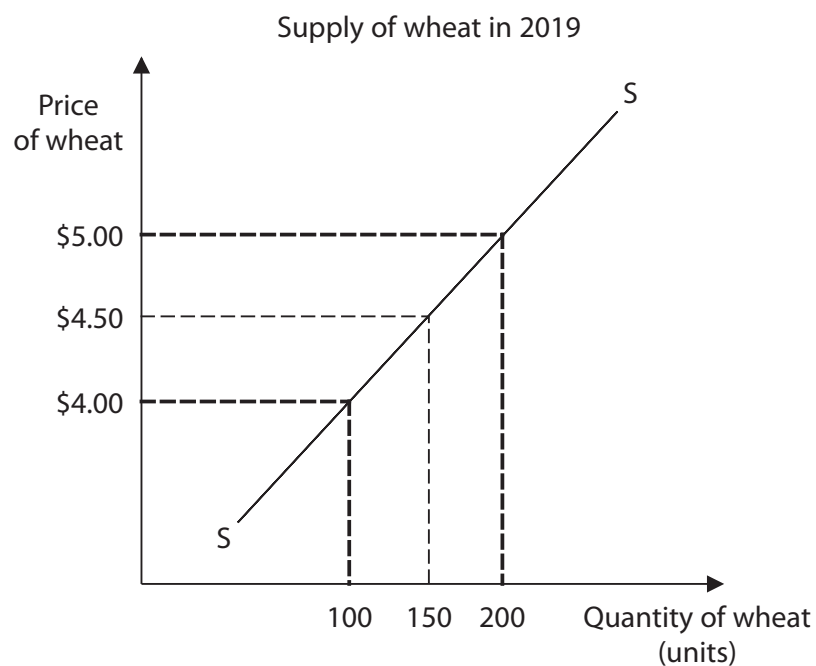


Figure 2

- (g) Explain **one** effect on the supply curve of wheat following a change in the price of wheat.

(3)

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In England, there has been an increase in the number of science, maths and modern language graduates. Some of these graduates choose to enter the teaching profession with these qualifications. Many are encouraged to do so by a government bonus payment of £9 000, only available to graduates in these subjects. However, many do not stay in the profession for more than one or two years. This is due to problems of long working hours, bureaucracy and student behaviour. Those with science qualifications often find different types of employment quite easily.

(Source adapted from: <https://www.theguardian.com/education/2019/oct/05/science-and-language-teachers-to-get-9000-staying-on-bonus>)

- (h) With reference to the data above and your knowledge of economics, assess whether an increase in the number of people with skills and qualifications will always lead to an increase in the supply of teachers.

(9)

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(Total for Question 2 = 20 marks)



Each year, in the UK there are an increasing number of shops closing down in town centres. At least 10% of all shops have been empty for the last five years. At the same time online sales are growing and reached more than 20% of total retail sales in 2019.

The continuing development of technology has made it easier for consumers to buy online. However, this is at a cost to some shop employees whose jobs have been replaced by machines that send out online orders from warehouses.

- (e) With reference to the data above and your knowledge of economics, assess whether the availability of substitutes, such as machines, will reduce the demand for labour.

(9)

[illegible]

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(Total for Question 3 = 20 marks)



3 (a) Which **one** of the following is the definition of a merger?

(1)

- ☐ A The joining together of two firms
- ☐ B The transfer of ownership from the government
- ☐ C The takeover of one firm by another firm
- ☐ D The creation of a competitive market

(b) Which **one** of the following is a reason why a government would introduce a minimum wage?

(1)

- ☐ A To increase the benefits paid by a government
- ☐ B To reduce the motivation of workers
- ☐ C To close the income gap between the rich and the poor
- ☐ D To ensure producers increase their profits

(c) On the blank pie chart below, draw and label the likely approximate size of employment in the primary (P), secondary (S) and tertiary (T) sectors for a developed country, such as Japan.

(3)

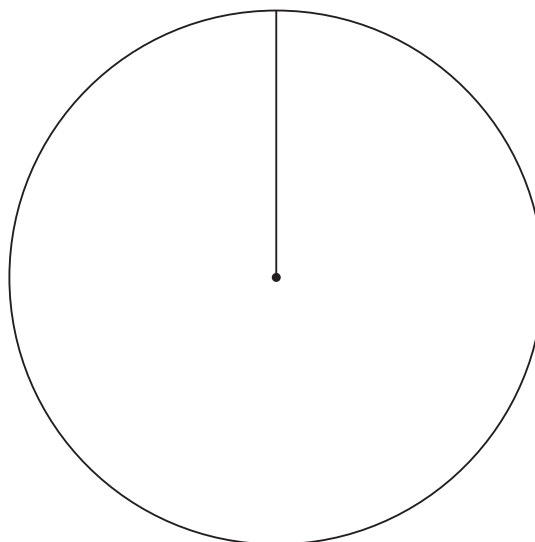


Figure 5

(Total for Question 3 = 20 marks)

- 4 The demand for meals over three lunchtimes at a café in Austria is shown below.

Day	Quantity of meals demanded
Thursday	58
Friday	64
Saturday	79

Figure 5

- (a) Calculate the **excess supply** of meals if the quantity supplied during these three days totalled 261. You are advised to show your working.

(2)

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

(Total for Question 4 = 20 marks)



SUB-TOPIC 1.2.5 (e)

WAGE DETERMINATION

Sub-topic 1.2.5 (e) · 3 questions · 9 marks · lowest tariff first



3 (a) Which **one** of the following can be described as an advantage to a small firm?

(1)

- ☐ **A** Access to many sources of finance
- ☐ **B** Flexibility
- ☐ **C** Market domination
- ☐ **D** Risk spreading

(b) Which **one** of the following options describes a price elasticity of supply (PES) of 0.7?

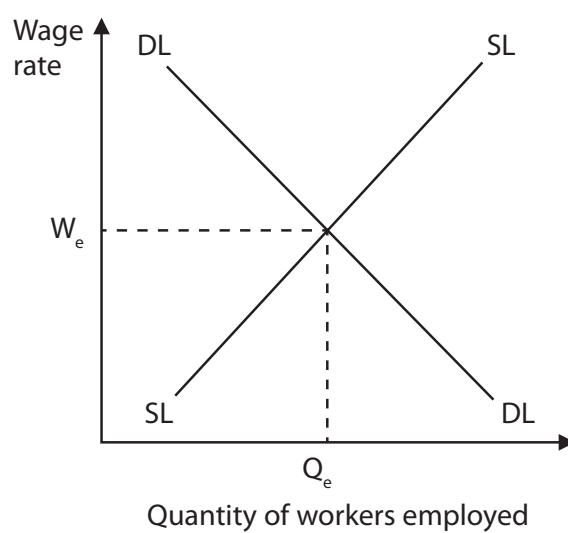
(1)

- ☐ **A** Perfectly price elastic
- ☐ **B** Perfectly price inelastic
- ☐ **C** Price elastic
- ☐ **D** Price inelastic



- (c) Using the diagram below, draw the effects of an increase in the retirement age on the labour market in a country. Label the new curve, the new equilibrium wage rate and the new equilibrium quantity of workers employed.

(3)

**Figure 5**

3 (a) Which **one** of the following is defined as 'the selling of an enterprise controlled by the government to the private sector'? (1)

- ☐ A Reclamation
- ☐ B Innovation
- ☐ C Nationalisation
- ☐ D Privatisation

(b) Which **one** of the following is an example of an occupation in the primary sector? (1)

- ☐ A Teacher
- ☐ B Farmer
- ☐ C Electrician
- ☐ D Actor

(c) On the diagram below, draw the effects of an increase in the school-leaving age on the labour market in a country. Label the new curve, the new equilibrium wage rate and the new equilibrium quantity of workers employed. (3)

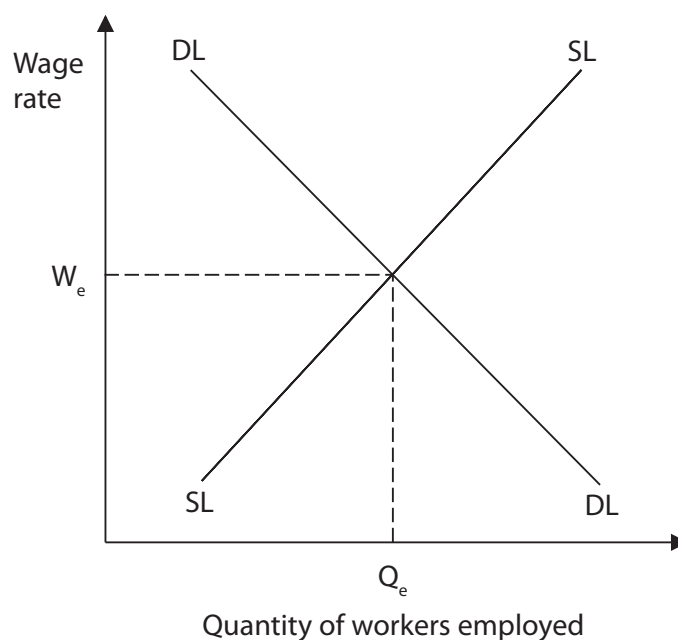


Figure 3

3 Income elasticity of demand (YED) for a product is -0.43 and the price elasticity of demand (PED) for the same product is -0.27 .

(a) The data above shows that the product is

(1)

- ☐ **A** an inferior good and demand is price inelastic
- ☐ **B** an inferior good and demand is price elastic
- ☐ **C** a normal good and demand is price inelastic
- ☐ **D** a normal good and demand is price elastic

(b) The formula for social benefits is

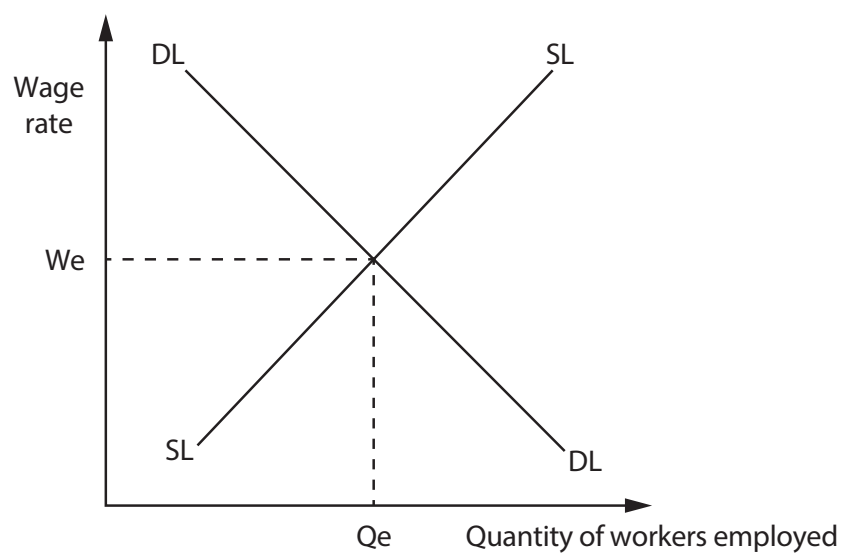
(1)

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



- (c) On the diagram below, draw the effects of a decrease in the retirement age on the labour market in a country. Label the new curve, the new equilibrium wage rate and the new equilibrium quantity of workers employed.

(3)

**Figure 4**

Studies have shown that there are a number of negative impacts from spending too much time using a mobile phone. These include pain in the thumbs, loss of sleep and anxiety. Despite this, it is not unusual for people to spend a lot of time using their phone, even in the presence of others.

- (d) With reference to the data above and your knowledge of economics, analyse why some people may ignore the negative impacts of spending a lot of time using a mobile phone.

(6)

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

SUB-TOPIC 1.2.5 (f)

TRADE UNIONS

Sub-topic 1.2.5 (f) · 7 questions · 40 marks · lowest tariff first



- 2 A country is able to produce agricultural and non-agricultural goods with a given amount of resources. Its production possibility curve (PPC) is shown in Figure 2.

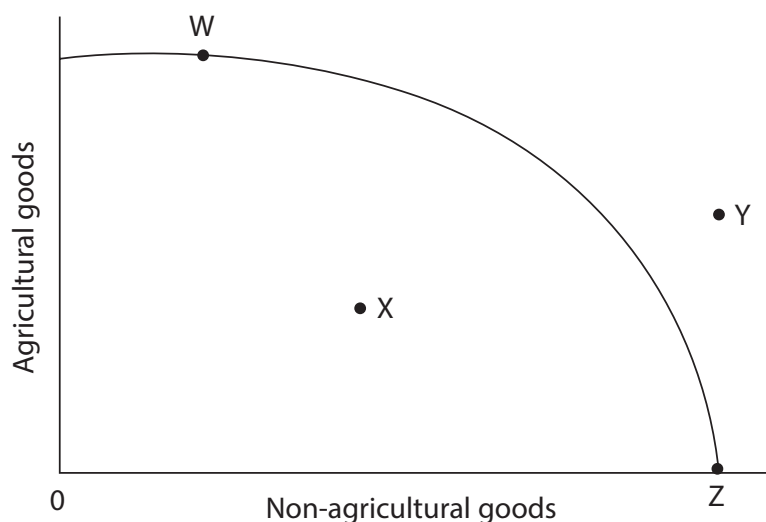


Figure 2

- (a) Which **one** of the following points shows unemployed resources?

(1)

- ☐ A W
- ☐ B X
- ☐ C Y
- ☐ D Z

- (b) A trade union is an organisation that aims to protect

(1)

- ☐ A consumer interests
- ☐ B the environment
- ☐ C employee rights
- ☐ D the government

- (c) State **one** reason why firms stay small.

(1)

.....

.....

.....

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) A trade union is an organisation that aims to improve

(1)

- ☒ A profit margins
☒ B tax revenue
☒ C the environment
☒ D working conditions

- (b) Figure 1 below shows a change in demand for tickets to a sporting event.

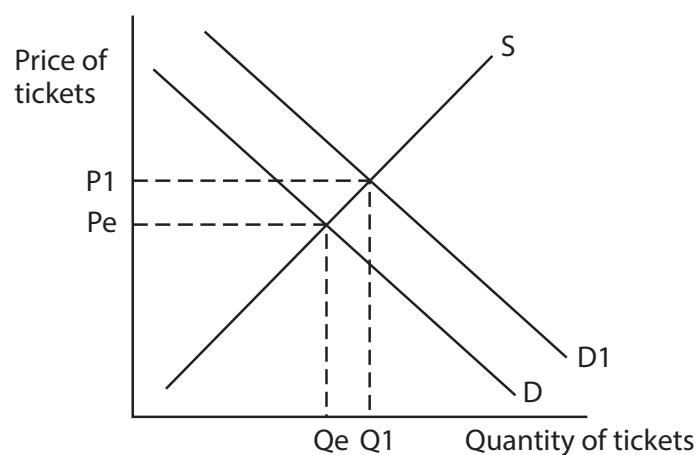


Figure 1

Which **one** of the following statements is true?

(1)

- ☒ A When the price falls, the quantity demanded falls
☒ B The demand curve slopes upwards from left to right
☒ C An increase in demand is shown by a shift to the right
☒ D A decrease in demand is shown by a shift to the right



- 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)



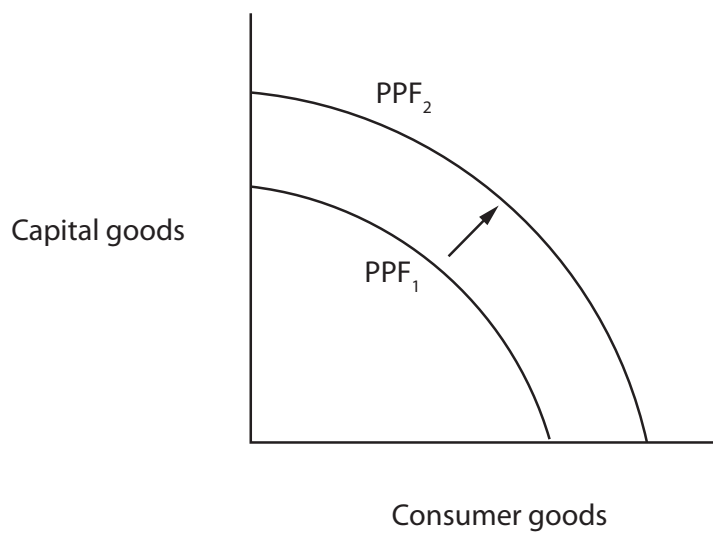
**Figure 3**

Figure 3 shows an outward shift in the production possibility frontier (PPF) for an economy.

(e) Analyse why the economy has moved from PPF_1 to PPF_2 .

(6)



[illegible]

(Total for Question 3 = 20 marks)

3 (a) Which **one** of the following could be described as an economic need?

(1)

- ☐ A Haircut
- ☐ B Holiday
- ☐ C Shelter
- ☐ D Smartphone

(b) Which **one** of the following is an example of an external benefit?

(1)

- ☐ A Education
- ☐ B Air pollution
- ☐ C Overcrowding
- ☐ D Resource depletion

(c) Draw a supply curve on the diagram below that has price elastic supply (PES).
Label the impact of a price change from P_1 to P_2 and its impact on quantity from Q_1 to Q_2 .

(3)

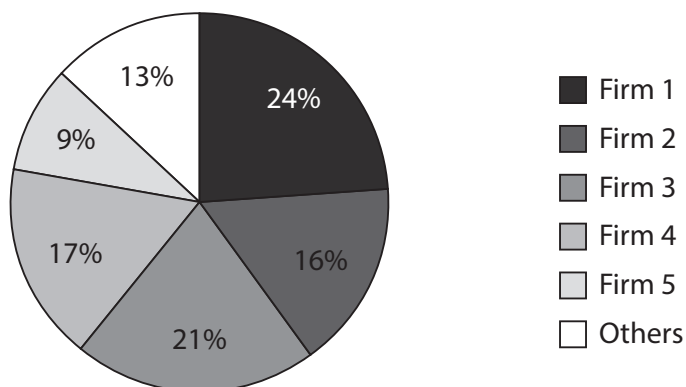


Figure 3



(Total for Question 3 = 20 marks)

2

Market share by sales of firms in a market in Kuwait**Figure 2**

- (a) Which **one** of the following options is the most suitable term for the type of market shown in Figure 2?

(1)

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

- (b) Which **one** of the following is a reason why consumers may not maximise their benefit?

(1)

- ☐ **A** Consumers may not accurately calculate benefits
- ☐ **B** Consumers may find it easy to give up habits
- ☐ **C** Consumers never copy the behaviour of others
- ☐ **D** Rational decisions are always made by consumers

Figure 3 shows some of the production costs in the month of September for a firm manufacturing rugby souvenirs in France, in preparation for the 2025 Six Nations tournament.

Production costs	Euro (€)
Rent	7 000
Raw materials	3 000
Advertising	1 300
Labour (paid according to output)	18 000

Figure 3

(c) Calculate the **total variable costs** for the firm in the month of September. You are advised to show your working.

(2)

(d) What is meant by the term total revenue?

(2)



(9)

[illegible]

(Total for Question 2 = 20 marks)



- 2 A country is able to produce agricultural and non-agricultural goods with a given amount of resources. Its production possibility curve (PPC) is shown in Figure 2.

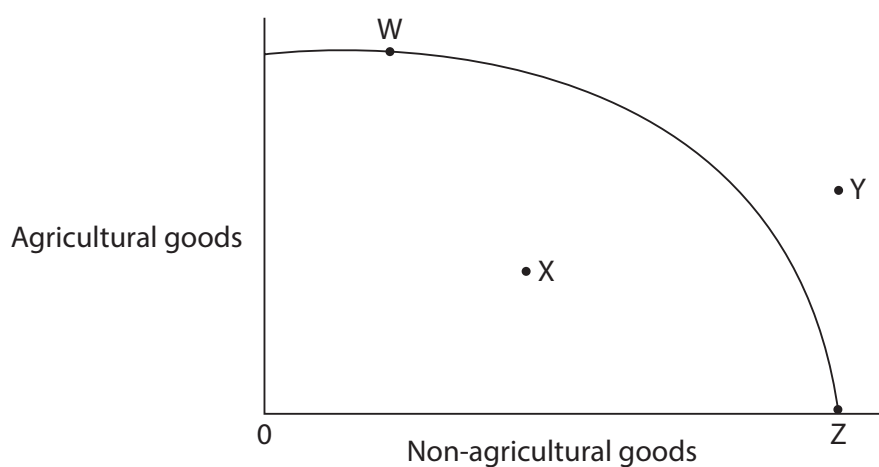


Figure 2

- (a) Which **one** of the following options shows unobtainable production?

(1)

- ☐ A W
- ☐ B X
- ☐ C Y
- ☐ D Z

- (b) Which **one** of the following is a factor that may affect the supply of labour?

(1)

- ☐ A Age distribution of population
- ☐ B Economies of scale
- ☐ C Firms aiming to maximise profit
- ☐ D Long run average costs

(g) With reference to the data above and your knowledge of economics, assess the effectiveness of trade unions in increasing pay and improving working conditions for their members.

[illegible]

(Total for Question 2 = 20 marks)



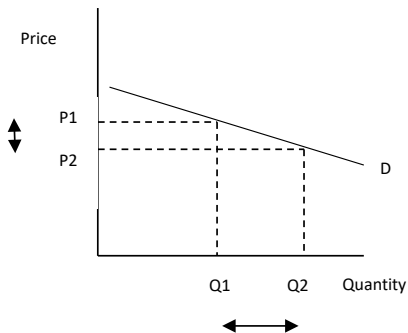
MARK SCHEMES

official mark schemes, in the same order as the questions



Question number	Answer	Mark
3(a)	AO1 1 mark A A higher retirement age	(1)

Question number	Answer	Mark
3(b)	AO1 1 mark D $\frac{\text{Total costs}}{\text{Output}}$	(1)

Question number	Answer	Mark
3(c)	AO2 3 marks Award 1 mark for clearly drawing an elastic demand curve Award 1 mark for showing smaller price change from P_1 to P_2 on the axis Award 1 mark for showing a greater change in the quantity Q_1 to Q_2 on the axis 	(3)

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	Answer	Mark
2(a)	AO2 1 mark	
	D Most efficient	(1)

Question number	Answer	Mark
2(b)	AO1 1 mark	
	C Producer demand for labour to make goods	(1)

Question number	Answer	Mark
2(a)	AO1 1 mark The only correct answer is: C Increase in female participation A is not correct because this would lead to a decrease in the supply of labour B is not correct because this would lead to a decrease in the supply of labour D is not correct because this would lead to a decrease in the supply of labour	(1)

Question number	Answer	Mark
2(b)	AO2 1 mark The only correct answer is: C Niche A is not correct because this is where there is one dominant seller in the market B is not correct because this relates to the demand and supply of labour D is not correct because this does not relate to manufacturing to customer requirements	(1)

Question number	Answer	Mark
2(c)	AO1 1 mark Award 1 mark for correct formula in words/as an equation $\frac{\% \text{ change in quantity supplied}}{\% \text{ change in price}}$	(1)

Question number	An increase in which one of the following is most likely to cause a decrease in the supply of labour?	Mark
	Answer	
3(a)	AO1 1 mark The only correct answer is: B The school-leaving age A is not correct because this would increase the supply of labour C is not correct because this would mean more people were available to work D is not correct because this would affect the demand for labour	(1)

Question number	Which one of the following is the formula to calculate total revenue?	Mark
	Answer	
3(b)	AO1 1 mark The only correct answer is: A Quantity sold x price B is not correct because this does not allow revenue to be calculated C is not correct because this does not account for units sold D is not correct because this does not calculate revenue	(1)

Question number	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.	Mark
	Answer	
3(c)	AO2 3 marks Award 1 mark for drawing elastic demand curve, labelled Award 1 mark for showing smaller price change on the axis Award 1 mark for showing a greater change in the quantity on the axis	(3)

Question number	State one factor that may affect the supply of labour. Answer	Mark
1(d)	AO1 1 mark Award 1 mark for correct factor • Population • Migration • Retirement age • School-leaving age • Age distribution of population • Female participation • Skills and qualifications • Ability to move geographic locations • Ability to move to different types of employment Accept any other appropriate response	(1)

Question number	Define the term government. Answer	Mark
1(e)	AO1 1 mark Award 1 mark for a correct definition • A group with the authority to run a country/state Accept any other appropriate response	(1)

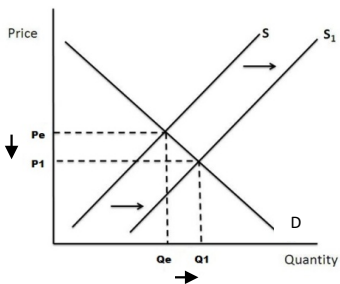
Question number	Which one of the following options shows unobtainable production?	Mark
	Answer	
2(a)	AO2 1 mark The only correct answer is: C Y A is not correct because production is possible using all resources B is not correct because some resources are unemployed D is not correct because all resources will be fully employed	(1)

Question number	Which one of the following is a factor that may affect the supply of labour?	Mark
	Answer	
2(b)	AO1 1 mark The only correct answer is: A Age distribution of population B is not correct because the supply of labour is not affected by economies of scale C is not correct because this may affect the demand for labour D is not correct because these will not cause changes in the supply of labour	(1)

Question Number	Calculate, to two decimal places, the percentage change in the population in Austria between 2000 and 2018. You are advised to show your working.	Mark
	Answer	
4(a)	AO2 2 marks Award 1 mark for showing correct calculation $8,891,388 - 8,069,276 = 822,112 \quad \textbf{(1)}$ Award 1 mark for correct percentage change $\frac{822,112}{8,069,276} \times 100 = 10.19\% \quad \textbf{(1)}$ Award 2 marks if percentage change is accurately calculated as 10.19%, even if no calculations are shown Award 1 mark if the answer given is 10.19 with or without calculations shown Do not award marks for a formula	(2)

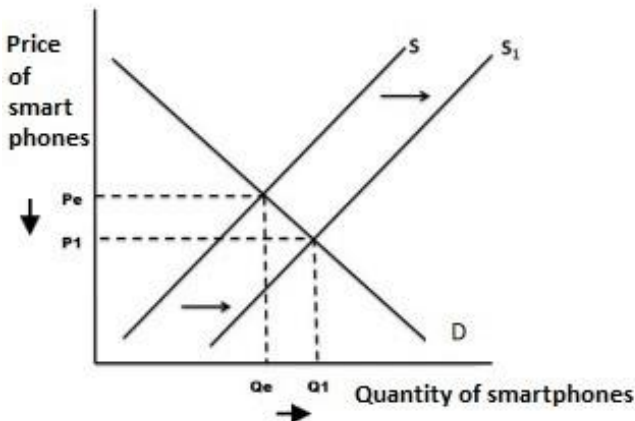
Question Number	With reference to the data above and your knowledge of economics, analyse how the quantity supplied of bananas might be affected by an increase in price.
	Indicative content
4(b)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • The diagram shows that the PES of bananas is inelastic • This means that the quantity of bananas supplied is not very responsive to a change in price • The PES of bananas is inelastic because farmers cannot easily increase the production level even with a change in price • Bananas take time to grow and are primary/agricultural products. The supply is therefore dependent on factors such as the weather/climate. It cannot therefore be easily increased, even if there is an increase in the price consumers are willing and able to pay • It is also not possible to store bananas for a long period because they are perishable and therefore stock cannot be used to increase the quantity of supply, this also makes the PES of bananas inelastic

Question number	Calculate, to two decimal places, the percentage change in the population of Finland between 2021 and 2023. You are advised to show your working.	Mark
	Answer	
4(a)	AO2 2 marks Award 1 mark for showing correct calculation $\frac{5,601,185 - 5,541,075}{5,541,075} \times 100 \quad (1)$ OR $\frac{60,110}{5,541,075} \times 100 \quad (1)$ Award 1 mark for correct percentage change = 1.08% (1) Award 2 marks if percentage change is correctly calculated as 1.08%, even if no calculations are shown Award 1 mark if the answer given is 1.08 with or without calculations shown Do not award marks for the formula	(2)

Question Number	Using the diagram below, draw the likely effects on the market for cars of the introduction of more effective technology in production. Label the new curve, the new equilibrium price and the new equilibrium quantity.	Mark
	Answer	
1(g)	A02 3 marks Award 1 mark for rightward shift of supply, labelled Award 1 mark for lower equilibrium price, labelled Award 1 mark for higher equilibrium quantity, labelled 	(3)

Question Number	Explain one possible effect on the supply of labour of the school-leaving age being raised.	Mark
	Answer	
1(h)	A02 3 marks Award 1 mark for identifying an effect Award 1 mark for developing the response Award 1 mark for the response being in context One effect would be a decrease in the supply of labour (1) because young people would not be able to be employed full-time until they reached the school-leaving age (1) which means only people over 18 in England could contribute to the supply of labour (1) Accept any other appropriate response	(3)

Question number	Explain one advantage for firms of an increase in the retirement age.	Mark
	Answer	
2(f)	AO2 3 marks Award 1 mark for identifying a relevant advantage Award 1 mark for developing the advantage Award 1 mark for the advantage being in context - Firms will be able to retain their skilled workers (1) because workers will not be able to access their pension until the age of at least 57 (1) reducing the cost of recruitment and training (1) - Supply of labour may increase (1) because people may need to continue working for another two years (1) thus reducing the price of labour/wage rate for firms Accept any other appropriate response	(3)

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

Question number	Explain one possible effect of this change in the pension age on the supply of labour.	Mark
1(h)	Answer AO2 3 marks Award 1 mark for identifying a relevant effect Award 1 mark for developing the effect Award 1 mark for the response being in context One effect would be an increase in the supply of labour (1) because fewer people would be able to afford to retire until they reached the retirement age (1) meaning more people up to the age of 64 would be available for work (1) Accept any other appropriate response	(3)

Question number	With reference to the data above and your knowledge of economics, analyse the impact of an increase in price on the quantity supplied of avocados.
	Indicative content
1(i)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • The diagram shows that the PES of avocados is inelastic • This means that the quantity of avocados supplied is not very responsive to an increase in price • The PES of avocados is inelastic because farmers cannot easily increase the production level even with an increase in price • Avocados take time to grow and are primary/agricultural products. The supply is dependent on factors such as weather/climate. It cannot therefore be easily increased, even if there is an increase in the price consumers are willing and able to pay • It is also not possible to store avocados for a long period because they are perishable and therefore stock cannot be used to increase the quantity of supply, this also makes the PES of avocados inelastic

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	Indicative content
3(d)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • There may not be enough people in Canada undertaking the required training to gain the specialist skills and qualifications required • This may be because it takes too long or costs too much for the training • Canada is a very big country and so it may be difficult for the specialist workers to move from their geographic locations • There may have been a faster increase in demand for the specialist skills such as computer engineers and web designers, than the supply of them • Wages and rewards for the computer engineers/web designers may be higher in other countries, encouraging workers to leave Canada

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	Indicative content	
3(d)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • The demand for labour is likely to be affected by the wage rate, derived demand, productivity and the availability of substitutes • Machines provide a substitute for labour in many jobs and this factor is increasing • Google has developed an automated assistant meaning jobs currently performed by labour in call centres may also be replaced by machines • If machines can do the job more efficiently and/or cheaper then firms are likely to want to switch to machines, reducing the demand for labour • The more technology advances, the more substitutes there will be for labour and so the demand for labour is likely to continue to decrease	
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	Answer	Mark
4(a)	AO2 2 marks Award 1 mark for selecting product Y (1) Award 1 mark for correct total revenue $\\$1\,650 \times 20 = \\$33\,000$ (1) Award 2 marks if total revenue is accurately calculated as \$33 000, even if no calculations are shown Award 1 mark if the answer given is 33 000 with or without calculations shown If product X is selected, and a correct calculation of \$37 500 given, award 1 mark Do not award marks for a formula	(2)

Question number	Indicative content
4(b)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • The supply of labour refers to the quantity of labour (employees) willing and able to work at any given wage • (Occupational) mobility of labour is where workers have the ability to move between different types of employment, such as artist to art teacher • The supply of labour is likely to increase when it is easier for workers to move to different types of employment • For example, they are able to leave an industry where there is little employment such as selling paintings in small craft shops in order to find work in an industry that needs more employees such as teachers • By providing a scheme to help applicants train to be teachers, the government are providing an opportunity to increase the supply of labour • This is because it would allow more people to become mobile between different types of employment

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 how an increase in demand for furniture made of wood may affect the demand for woodcutters.
	Indicative content
1(i)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • When an industry needs labour to create a good/service, the demand for labour is a derived demand • This is because the good/service cannot be produced without labour • Therefore, woodcutters are needed to cut the wood with which to make the furniture (the final product) • An increase in demand for furniture made of wood by 5% is likely to lead to an increase in the demand for woodcutters • This is because the greater the demand for a good or service, the greater the demand for labour is likely to be

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	Indicative content
3(e)	A02 (3 marks)/A03 (3 marks)/A04 (3 marks) A02 and A03 • The supply of labour is the amount of time a worker is willing and able to work at a given wage rate, over a given period of time • By increasing the retirement age people will have to work longer before they can receive a state pension • In Singapore, 62-, 63- and 64-year-olds will need to continue to work after the change to the age of retirement comes into effect • This means that there will be an increase in the supply of labour • As there are more people living to 80+, this will mean the increase in the retirement age will be effective in increasing the supply of labour A04 • However, a higher retirement age may not be the most effective method of increasing the labour supply in the manufacturing sector, which is significant in Singapore • This is because this sector may require younger employees to carry out the roles required within the industry • Other factors such as lowering the school-leaving age, migration or female participation may be more effective • Increasing skills and qualifications of employees may also be more effective, especially if the financial services industry continues to grow in Singapore • This is because the nature of the industry means being skilled in financial services may lead to employees who are able to supply a greater amount of labour than older employees

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
2(h)	A02 (3 marks)/A03 (3 marks)/A04 (3 marks) A02 and A03 • The supply of labour is the number of people willing and able to work • It can be affected by many factors, including skills and qualifications • Normally, the supply of labour will increase if there is an increase in the number of people qualified to work in that industry • There has been an increase in the number of graduates with degrees in science, maths and modern languages • By having a degree in these subjects, graduates are more likely to be attracted into the teaching profession by the bonus payment of £9 000 • Therefore, having a degree in science, maths or modern languages would lead to an incentive of higher wages, meaning that the supply of teachers should increase with an increase in skills and qualifications A04 • However, it may depend on other factors such as working conditions in teaching because long hours, bureaucracy and student behaviour may deter those with skills and qualifications to teach • If the skills and qualifications can be used by other occupations, graduates may move to alternative types of employment and will not increase the supply of teachers • The bonus is only available to teachers with degrees in maths, science and modern languages and so those qualified in other subjects may find it more beneficial to work in other types of employment • Therefore, an increase in skills and qualifications may not always lead to an increase in the supply of teachers

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
3(e)	A02 (3 marks)/A03 (3 marks)/A04 (3 marks) A02 and A03 • The quantity of workers whom producers are willing and able to employ is known as the demand for labour • It can be affected by demand for the product, productivity and availability of substitutes, such as machines • This means that the advancement of technology in the retail sector has seen labour being replaced by machines • Therefore, fewer employees would be needed in shops such as those in town centres, especially as at least 10% of shops have been vacant for the last five years • As a result, the demand for labour is likely to be reduced by the availability of substitutes A04 • However, labour is still needed to develop, build and maintain the machines • As the percentage of online sales is now above 20% of total retail sales, more employees will be needed to meet this online demand, including warehouse operatives and postal workers to deliver retail orders • Therefore, although certain types of labour may reduce (such as shop workers), other types may increase (such as software developers) • As a result, the demand for labour will not always be reduced due to the availability of substitutes

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 to Dubai of employing such a high proportion of migrant labour.
	Indicative content
3(e)	A02 (3 marks)/A03 (3 marks)/A04 (3 marks) A02 and A03 • Migration occurs when a person moves to live in a foreign country • There will be an increase the supply of labour, which shifts the labour supply curve to the right, when there is an increase in the number of workers entering a country and available for employment • Possible use of a diagram • This could increase in the number of workers employed in a city such as Dubai and will reduce labour shortages in particular sectors • The fact that 2 million migrants (80% of the population) live in Dubai, providing services such as construction, highlights the large contribution migration makes towards the supply of labour in the city • This should help Dubai's economy to be more productive and expand A04 • However, the majority of immigrants work in construction, cleaning and care services • This means there may not be a large increase in the supply of labour in other sectors of the economy • The migrant workers may not have the right skills to fill all labour shortages • The supply of labour may only be short-term if migrants return to their home countries after a short period of time. This may make migration less effective as a way to increase the supply of labour • Increasing the retirement age, reducing the school-leaving age or making it easier for females to participate in the workforce may be more effective ways to increase the supply of labour • This is because these methods may make it more effective to keep a long-term supply of labour as well as to recruit workers into jobs in other sectors of the economy than those such as construction, cleaning and care services

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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	Calculate the total revenue for the product that has a price elasticity of demand (PED) which is inelastic. You are advised to show your working.	Mark
4(a)	Answer	
	A02 2 marks Award 1 mark for selecting product X (1) Award 1 mark for correct total revenue $\\$3\,000 \times 50 = \\$150\,000$ (1) Award 2 marks if total revenue is accurately calculated as \$150 000, even if no calculations are shown Award 1 mark if the answer given is 150 000, even if no calculations are shown Do not award marks for a formula	(2)

Question number	With reference to the data above and your knowledge of economics, evaluate the extent to which derived demand affects the demand for labour. Indicative content
(c)	AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks) AO2 and AO3 • The quantity of workers whom producers are willing and able to employ is known as the demand for labour • It can be affected by demand for the product (derived demand), productivity and availability of substitutes, such as machines • The greater the demand for a good or service, the greater the demand for labour is likely to be • This means that more security staff are likely to be demanded to control spectators at sporting events or at music festivals because there is a greater demand from fans to watch the event • As there is a greater demand for food from those celebrating special holidays, more supermarket staff are likely to be demanded to sell goods to these customers at certain times of the year • Similarly, if there is less demand for a service, such as at a football stadium when no matches are being played, there will be less demand for labour, such as security staff • As a result, the demand for labour is affected considerably by derived demand AO4 • However, even with an increase in demand for some goods and services, machinery may be substituted to meet the additional demand • This means that the demand for labour would not always increase due to derived demand • It is also possible that employees may be more productive under certain circumstances, meaning they can meet additional demand for goods and services without there being an actual increase in the demand for labour • At the same time, high levels of productivity may mean the firm requires fewer workers as costs can be reduced. This would again have a significant effect on the demand for labour • The advancement of technology has seen labour being replaced by machines in many industries, such as hospitality and customer services, as well as manufacturing • Although, the demand for labour is likely to increasingly be affected by the availability of substitutes. E.g. the availability of substitutes would be limited for security at music festivals and sporting events • The significance of derived demand may depend on the industry, as some work may be conducted by machines instead • It may also depend on the extent to which labour is needed to develop, build and maintain machines that have been used as substitutes for labour because this could reduce the effect this factor has on the demand for labour

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).

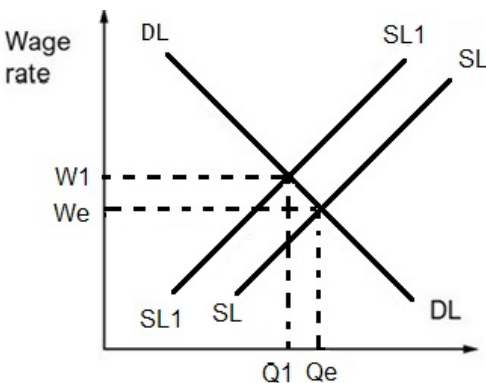
Question number	Answer	Mark
3(a)	AO1 1 mark B Flexibility	(1)

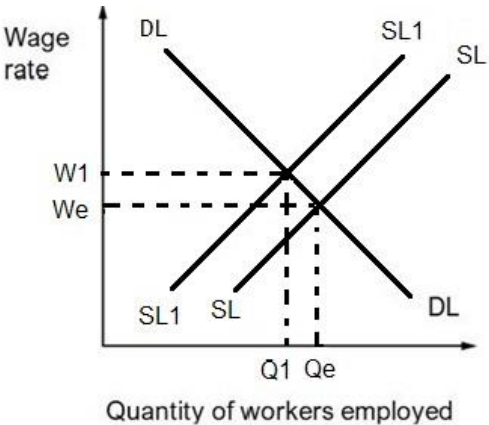
Question number	Answer	Mark
3(b)	AO1 1 mark D Price inelastic	(1)

Question number	Answer	Mark
3(c)	AO2 3 marks Award 1 mark for rightward shift of labour supply, labelled Award 1 mark for lower equilibrium wage rate, labelled Award 1 mark for higher equilibrium quantity of workers employed, labelled Quantity of workers employed	(3)

Question number	Answer	Mark
3(a)	AO1 1 mark The only correct answer is: D Privatisation A is not correct because this is the creation of new land from drained wetlands B is not correct because this is the creation of a new product from an idea C is not correct because this is where an enterprise previously part of the private sector is taken into state ownership	(1)

Question number	Answer	Mark
3(b)	AO1 1 mark The only correct answer is: B Farmer A is not correct because it is a service C is not correct because it is not production involving extraction of raw materials from the earth D is not correct because it is in the tertiary sector	(1)

Question number	Answer	Mark
3(c)	AO2 3 marks Award 1 mark for leftward shift of labour supply, labelled Award 1 mark for higher equilibrium wage rate, labelled Award 1 mark for lower equilibrium quantity of workers employed, labelled  Quantity of workers employed	(3)

Question number	On the diagram below, draw the effects of a decrease in the retirement age on the labour market in a country. Label the new curve, the new equilibrium wage rate and the new equilibrium quantity of workers employed. Answer	Mark
3(c)	A02 3 marks Award 1 mark for leftward shift of labour supply, labelled Award 1 mark for higher equilibrium wage rate, labelled Award 1 mark for lower equilibrium quantity of workers employed, labelled  The diagram is a coordinate system with 'Wage rate' on the vertical axis and 'Quantity of workers employed' on the horizontal axis. A downward-sloping demand curve is labeled 'DL' at both ends. Two upward-sloping supply curves are shown: the original supply curve 'SL' and a new supply curve 'SL1' shifted to the left. The initial equilibrium is at the intersection of SL and DL, with a horizontal dashed line to 'We' on the vertical axis and a vertical dashed line to 'Qe' on the horizontal axis. The new equilibrium is at the intersection of SL1 and DL, with a horizontal dashed line to 'W1' on the vertical axis and a vertical dashed line to 'Q1' on the horizontal axis. 'W1' is higher than 'We', and 'Q1' is lower than 'Qe'.	(3)

Question number	With reference to the data above and your knowledge of economics, analyse why some people may ignore the negative impacts of spending a lot of time using a mobile phone. Indicative content
3(d)	AO2 (3 marks)/AO3 (3 marks) AO2 and AO3 • Consumers are not always good at calculating what is or is not good for them • Therefore, the mass of information and facilities available on a mobile phone can be difficult to resist • This is also true due to the habit many people have developed to use their mobile phone for so many things in daily life • Developing such a habit of reaching for the phone for a wide variety of reasons can reduce a person's ability to make rational decisions • When so many other people spend so much time on their phone, this behaviour can influence others • Therefore, making it difficult to maximise their benefit regarding use of mobile phones

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	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	Answer	Mark
2(a)	AO2 1 mark The only correct answer is: B X A is not correct because there will be no unemployed resources C is not correct because it is not achievable D is not correct because all resources will be fully employed	(1)

Question number	Answer	Mark
2(b)	AO1 1 mark The only correct answer is: C employee rights A is not correct because consumers are not members of the union B is not correct because this is not the responsibility of a trade union D is not correct because trade unions are independent of the government	(1)

Question number	Answer	Mark
2(c)	AO1 1 mark Award 1 mark for a correct reason • Size of market • Nature of market (niche) • Lack of finance • Aims of the entrepreneur Accept any other appropriate response	(1)

Question number	A trade union is an organisation that aims to improve Answer	Mark
1(a)	AO1 1 mark The only correct answer is: D working conditions A is not correct because trade unions do not focus on the objectives of firms B is not correct because the government does not receive revenue due to trade union actions C is not correct because the environment is not a focus of trade union activity	(1)
Question number	Figure 1 below shows a change in demand for tickets to a sporting event. Which one of the following statements is true? Answer	Mark
1(b)	AO2 1 mark The only correct answer is: C An increase in demand is shown by a shift to the right A is not correct because when the price falls, the quantity demanded rises B is not correct because the demand curve slopes downwards from left to right D is not correct because a decrease in demand is shown by a shift to the left	(1)
Question number	What is meant by the term economies of scale? Answer	Mark
1(c)	AO1 2 marks Award up to 2 marks for a correct definition Falling average costs (1) due to expansion of the firm (1) Accept any other appropriate response	(2)

Question number	Which one of the following options best describes the demand for the product?	Mark
	Answer	
2(a)	A02 1 mark The only correct answer is: B Luxury A is not correct because the percentage changes are not the same C is not correct because the percentage change in quantity is positive D is not correct because the percentage change in quantity is greater than the percentage change in income	(1)

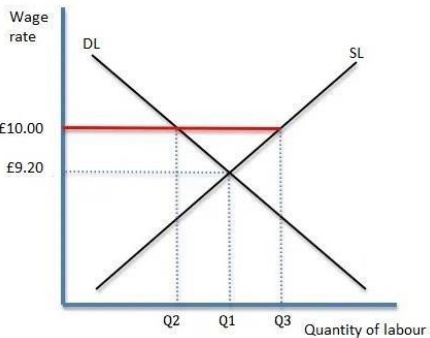
Question number	Which one of the following is the formula for social benefits?	Mark
	Answer	
2(b)	A01 1 mark The only correct answer is: C Private benefits + external benefits A is not correct because it does not include any third-party effects B is not correct because it includes costs D is not correct because this is not the formula used to calculate social benefits	(1)

Question number	What is meant by the term trade union?	Mark
	Answer	
2(c)	A01 2 marks Award 1 mark for reference to an organisation for employees and 1 mark for reference to protecting the interests of members An organisation for employees (1) that aims to protect the interests of its members (1) Accept any other appropriate response	(2)

Question number	Indicative content
3(f)	A02 (3 marks)/A03 (3 marks)/A04 (3 marks) A02 and A03 • Trade unions can help raise wages and improve working conditions for workers by putting pressure on employers during negotiations • SAFTU has nearly 700,000 members and is the 2nd largest federation in South Africa meaning it could have a lot of influence on employers • SAFTU is a new trade union group and so may have new ideas with which to push for workers' rights • The higher wages may reduce the quantity of labour that firms can afford to employ, thus meaning fewer workers are employed in the industry but those remaining receive higher wages • The use of a quantity/wage of labour diagram A04 • However, the influence of trade unions has been decreasing all over the world • The effectiveness of the trade unions may depend on whether their power and influence is restricted by legislation • When wage rates increase, if productivity also rises, firms may not have to reduce the number of workers they employ due to higher labour costs • There isn't enough information in the data to know whether 700,000 is a large proportion of the workforce and therefore how influential they might be • How effective trade unions are in influencing the price and quantity of labour may depend on whether firms can pass on increased costs through increased prices or reduced profit margins

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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 impact of trade union activity on Morrisons and its employees.
	Indicative content
3(e)	A02 (3 marks)/A03 (3 marks)/A04 (3 marks) A02 and A03 • A trade union is an organisation which represents the employees in an industry • It aims to protect workers' rights, increase wages, provide legal assistance, put pressure on governments to legislate in favour of employees and improve working conditions • Trade union, Usdaw negotiated an hourly wage increase for the 110,000 workers at Morrisons supermarkets of nearly 9% • An increase in the wage rate may lead to inefficiency and unemployment • This is because the wage increase at the supermarket will mean higher costs for the firm. It may therefore, try to reduce costs by employing fewer workers • Possible use of a diagram  A04 • However, the wage rate increase of at least £0.80 per hour may increase productivity • This means Morrisons may be able to maintain the number of workers it employs because, increased productivity would not result in higher costs due to the wage increase • As Morrisons is a leading supermarket, it may be able to pass some of the higher wage rate costs on to consumers in the form of increased prices • This may depend whether the products sold are price inelastic in demand

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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).
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Question number	When the current level of output is 250 units of consumer goods, calculate the opportunity cost of producing an additional 40 units of consumer goods. You are advised to show your working. Answer	Mark
4(a)	A02 2 marks Award 1 mark for showing correct calculation 500 - 400 (1) Award 1 mark for calculating correct opportunity cost = 100 units of capital goods (1) Award 2 marks if opportunity cost is correctly calculated as 100 units of capital goods, even if no calculations are shown Award 1 mark if the answer given is 100, even if no calculations are shown Do not award marks for a formula	(2)

Question number	With reference to the data above and your knowledge of economics, assess the effectiveness of trade unions in increasing wages, such as for the transport workers in Germany. Indicative content
2(g)	AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks) AO2 and AO3 • Trade unions can help raise wages for workers by putting pressure on employers during negotiations • In this case a major strike was organised by the trade unions, which makes employers more likely to negotiate • Verdi is Germany's second largest trade union, meaning it could have a lot of influence on employers • 2.5 million transport workers were helped by the union, in obtaining a 5.5% pay increase • Therefore, other firms may be willing to discuss wages with trade unions in order to benefit from increased productivity and/or reduced disruption AO4 • However, the effectiveness of the trade unions depends upon how many members support the strike action • Verdi was aiming to increase wages by 10.5% for transport workers, meaning trade union membership was only partially effective • Workers may not think it worth paying a membership fee to a trade union if it is unable to deliver wage increases • The effectiveness of trade unions may depend on whether firms can pass on increased costs through increased prices, such as higher prices for passengers to travel by train on German railways • The alternative may be reduced profit margins for the transport firms, meaning they would be less likely to agree to pay increases

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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 effectiveness of trade unions in increasing pay and improving working conditions for their members. Indicative content
2(g)	AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks) AO2 and AO3 • Trade unions can help raise wages and improve working conditions for workers by putting pressure on employers during negotiations • Mine workers have already been helped by the GMWU, in obtaining an increase in the monthly minimum wage to \$500 • A higher rate of pay may lead to increased productivity from more motivated workers, making employers more likely to accede to the union's demands • The union has been supporting workers for 80 years and has over 16,000 members, meaning it could have a lot of influence on employers • This longevity and the ongoing pressure of GMWU on employers to improve health and safety, shows the union has been reasonably effective so far AO4 • However, the need for further talks to protect mine workers' jobs shows GMWU membership may only be partially effective • Workers may not think it worth paying a membership fee to a trade union if it is unable to guarantee secure jobs • When wage rates increase, employers may not be able to afford to employ the same quantity of workers, thus meaning mine workers' jobs are at risk • Improving health and safety is likely to incur higher costs for mining firms • This means that the effectiveness of trade unions may depend on whether firms can pass on these increased costs through increased prices, such as when demand for products from mines is falling • The alternative may be reduced profit margins for the mining firms, meaning they would be less likely to agree to pay increases

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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).