Past-paper walk-through

Protectionism ▪ 6.2

eXercise

Questions in this set

- 9708/12 N25 Q30 ▪ 1 mark
- 9708/14 N25 Q3 ▪ 1 mark
- 9708/14 N25 Q23 ▪ 1 mark
- 9708/14 N25 Q26 ▪ 1 mark
- 9708/21 N25 Q5 ▪ 20 marks
- 9708/11 J25 Q21 ▪ 1 mark
- 9708/11 J25 Q27 ▪ 1 mark
- 9708/12 J25 Q26 ▪ 1 mark
- 9708/1 23 Q29 ▪ 1 mark

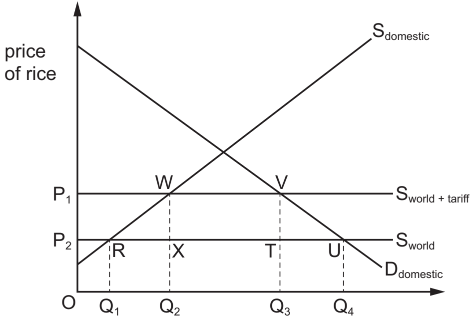
Reading the mark scheme

- **B1** a mark that stands on its own – the point is either made or not.
- **M1** a *method* mark: the right approach, even if the number is wrong.
- **A1** an *answer* mark, and it usually needs its M mark first.
- **C1** a working mark on the way to the answer.
- // separates answers the examiner accepts equally.
- **ecf** = error carried forward: a later part is marked on your own earlier answer.
- **owtte** = "or words to that effect" – the wording need not match.

Question 30

9708/12 N25 ▪ Q30 ▪ 1 mark

30 The diagram shows the effect of a government removing the tariff on imports of rice into its country.



Question 30

quantity of rice

How would the removal of this tariff affect the consumer surplus and the government's revenue?

	consumer surplus	government revenue
A	increases by VUT	decreases by WVTX
B	increases by VUT	decreases by WVQ_3Q_2
C	increases by P_1VUP_2	decreases by WVTX
D	increases by P_1VUP_2	decreases by WVQ_3Q_2

Solution 30

Answer: **C**

Why

- Removing a tariff lowers the domestic price of the imported good.
- Domestic production falls, domestic consumption rises, and the gap is filled by more imports.
- Consumer surplus rises, producer surplus falls, and the government loses its tariff revenue.

Question 3

9708/14 N25 ▪ Q3 ▪ 1 mark

3 A government wants to move its economy away from central planning towards a market economy.

Which policy would be consistent with this aim?

A introduce tariffs on imported goods

B privatise the ownership of electricity generation

C provide free education for primary school pupils

D reduce prices of foods such as wheat and rice

Solution 3

Answer: **B**

Why

- Moving towards a market economy means letting prices and profit allocate resources.
- Privatisation, deregulation and removing subsidies all do that.
- Introducing tariffs is more intervention, so it works against the aim.

Question 23

9708/14 N25 ▪ Q23 ▪ 1 mark

23 What is an example of a supply-side policy?

A an import quota to restrict the supply of goods

B a rise in interest rates to encourage the supply of savings

C a specific tax on the supply of goods to raise revenue

D a subsidy to businesses to promote the supply of training courses

Solution 23

Answer: **D**

Why

- Supply-side policy raises the economy's productive capacity.
- So training, deregulation, tax incentives to invest and improving labour mobility all count.
- An import quota or a tax on a good works on demand and prices, not on capacity.

Question 26

9708/14 N25 ▪ Q26 ▪ 1 mark

26 For which government measure would both the outcomes shown be likely to benefit its economy?

	government measure	outcome 1	outcome 2
A	embargoes	protect against import of harmful materials	encourage illegal trade and corruption
B	export subsidies	give home producers a cost advantage	are a drain on government expenditure
C	import quotas	restrict volume of expensive imports	reduce balance of payments deficit
D	tariffs	protect some jobs by raising import prices	cause unemployment due to rising costs of

Question 26

		raising import prices	due to rising costs of imported raw materials

Solution 26

Answer: **C**

Why

- Read both outcomes and ask whether *each* is a benefit.
- A measure with one good and one bad outcome cannot be the answer.
- So look for the government measure where both listed outcomes work in the economy's favour.

Question 5

9708/21 N25 ▪ Q5 ▪ 20 marks

5 (a) Explain two tools of protection used by a country when trading internationally and consider whether one is likely to have more of an impact on the country's economy than the other. [8]
(b) Assess whether all consumers, all producers and the government in a country will benefit equally from protectionism. [12]

(a) (a) Explain two tools of protection used by a country when trading internationally and consider whether one is likely to have more of an impact on the country's economy than the other. [8] **[8]**

(b) (b) Assess whether all consumers, all producers and the government in a country will benefit equally from protectionism. [12] **[12]**

Solution 5

(a) Mark scheme

- Explain two tools of protection used by a country when trading
- internationally and consider whether one is likely to have more of an
- impact on the country's economy than the other.
- Follow the point-based marking guidance at the top of this mark scheme and
- award:
- up to 3 marks for AO1 Knowledge and understanding up to 3 marks for AO2
- Analysis, up to 2 marks for AO3 Evaluation.
- AO1 Knowledge and understanding (max 3 marks)

Solution 5

- An explanation of what is meant by protectionism in general, i.e. to protect
- domestic industries from international competition. 1
- An explanation of two tools of protection used by a country when trading
- internationally, including tariffs, import quotas, export subsidies, embargoes
- and excessive administrative burdens (‘red tape’). (1×2)
- AO2 Analysis (max 3 marks)
- An analysis of the two tools and how they impact an economy as methods of
- protection (a maximum of 2 marks if only one tool of protection is analysed).
- AO3 Evaluation (max 2 marks)
- Offers a valid judgement on whether one of the tools of protection is likely to

Solution 5

- have more of an impact on the country than the other (1) to reach a
- conclusion. 1
- 8
- AO1 Knowledge and understanding
- 3
- AO2 Analysis
- 3
- AO3 Evaluation
- 2
- 9708/21

Solution 5

- October/November
- 2025

Solution 5

(b) Mark scheme

- Assess whether all consumers, all producers and the government in a
- country will benefit equally from protectionism.
- Use Table A: AO1 Knowledge and understanding and AO2 Analysis and Table
- B: AO3 Evaluation to mark candidate responses to this question.
- AO1 and AO2 out of 8 marks. AO3 out of 4 marks.
- Indicative content
- Responses may include:
- AO1 Knowledge and understanding and AO2 Analysis

Solution 5

- Consumers:
- ▪
- Consumers are likely to be worse off as a result of protectionist
- measures. There may be a restriction of choice. In the case of a tariff,
- consumer surplus will be lower after a tariff is imposed because
- consumers will pay a higher price but will consume less (i.e. there will be
- a redistribution of income away from consumers).
- Producers:
- ▪
- Producers may gain from protectionism as there will be a higher producer

Solution 5

- surplus with producers gaining at the expense of consumers (i.e. there
- will be a redistribution of income towards producers). However,
- protectionism may reduce the incentive to be efficient, e.g. potential
- benefits of the infant industry argument may not materialise.
- Government:
- ▪
- A government can receive revenue from a tariff. There may be an
- improvement in the balance of trade if protectionism is successful in
- reducing imports. However, whether domestic production will be able to
- compensate for this will depend on the elasticity of supply.

Solution 5

- (Up to 8 marks)
- Level 1 responses will be assertive and lacking in explanations/mainly
- descriptive and/or mainly lacking in relevance to the question.
- Level 2 responses may contain some inaccuracies and will be one-sided.
- Analysis will be explained at least in part and will be largely relevant to the
- question.
- Level 3 responses will consider alternative policies/concepts etc. and will be
- balanced. Explanations of points raised will be offered and will be accurate
- and relevant to the question.
- AO3 Evaluation

Solution 5

- ▪
- Consideration of whether all consumers, all producers and the
- government in a country will benefit equally from protectionism to reach a
- conclusion.
- Accept all valid responses.
- A one-sided response cannot gain any marks for evaluation. (Up to 4 marks)
- 12
- 9708/21
- October/November
- 2025

Solution 5

- AO1 Knowledge and understanding and AO2 Analysis
- 8
- AO3 Evaluation
- 4

Question 21

9708/11 J25 ▪ Q21 ▪ 1 mark

21 What is **not** an example of monetary policy?

A a rise in import tariffs on manufactured goods

B a rise in interest rates by the central bank

C a rise in credit regulations

Question 21

D a rise in the money supply

Solution 21

Answer: **A**

Why

- Monetary policy works through interest rates, the money supply and credit conditions.
- Raising interest rates or tightening credit regulation are both monetary.
- An import tariff is a trade policy, collected as a tax – nothing to do with the money supply.

Question 27

9708/11 J25 ▪ Q27 ▪ 1 mark

27 Which statement correctly describes a tariff?

A It is a complete ban on imports.

B It is a minimum price for domestic producers.

C It is a payment to exporters.

D It is a tax imposed on imports.

Solution 27

Answer: **D**

Why

- A tariff is a tax placed on imported goods.
- It raises the price of imports, so domestic producers become more competitive.
- A complete ban is an embargo, and a payment to producers is a subsidy.

Question 26

9708/12 J25 ▪ Q26 ▪ 1 mark

26 Which statement is **not** a valid reason why a country may impose protectionist measures?

A to allow a newly developed domestic industry to grow to a viable size

B to enable a country to retain control of an industry it regards as being of strategic importance

C to give consumers a wider choice of goods and services

D to give time for workers in a declining domestic industry to find alternative employment

Solution 26

Answer: **C**

Why

- Protecting an infant industry, or a strategic one, or retaliating against dumping, are all recognised arguments.
- So is protecting employment during structural change.
- What is *not* valid is a reason that would simply raise costs for consumers with no offsetting gain.

Question 29

9708/1 23 ▪ Q29 ▪ 1 mark

29 A small trading country decides on a policy of import substitution by producing more goods and services itself rather than purchasing them from other countries.

What is the most likely reason for this policy?

A to follow the principle of absolute advantage

B to influence world prices in international markets

C to protect local industries from foreign competition

D to substitute imported technology for local labour

Solution 29

Answer: **C**