Name: ______ A-Level Economics: **w25 24**

4 **(a)** Using **two** tools of protection, explain what is meant by protectionism **and** consider the extent to which these two tools may benefit an economy. [8]

(b) Assess the extent to which the principle of comparative advantage should be the main factor to consider when countries decide whether to trade with each other. [12]

OR

A-Level Economics: **w25 32**

12 A government intervenes to raise the wages of a group of workers to prevent their exploitation.

Where might such government intervention be justified?

A in an industry that is protected by tariffs on imports from abroad

B in an industry where a trade union negotiates wages for the workers

C in an industry where the output is produced by a single firm monopolist

D in an industry where workers are employed by a monopsonist

A-Level Economics: **s25 11**

4 In 2020, there was a worldwide pandemic. High-income countries quickly developed a vaccine. Low-income countries built high-tech factories to manufacture large quantities of the vaccine for export.

What explains this international division of labour?

	high-income countries	low-income countries
A	availability of specialists in research and development	lower costs of production
B	scarce human resources	over-supply of unskilled labour
C	many people tended to avoid the disease	many people tended to catch the disease
D	no government control over resource allocation	strict government control over resource allocation

11 What is an example of wealth?

A interest received

B profits

C property

D incomes

A-Level Economics: **s25 11**

20 The price of a pack of six eggs rises from \$1.00 to \$1.32 over a year. Consumer prices, as measured by the consumer price index, rise by 10% over the same period.

What is the real price of a pack of six eggs at the end of the year?

A \$1.00 **B** \$1.10 **C** \$1.20 **D** \$1.32

28 A country has a persistent deficit on the current account of its balance of payments.

What is most likely to improve the situation in the long run?

A a lowering of the level of import duties

B a reduction in the level of income tax

C the introduction of expansionary monetary policy

D the use of grants to encourage new investment by firms

5 **(a)** Explain what is meant by a deficit on the current account of an economy's balance of payments **and** consider whether a high rate of inflation will always lead to a deficit on the current account of an economy's balance of payments. [8]

(b) Assess whether a high rate of inflation or a deficit on the current account of the balance of payments is the more serious problem for an economy. [12]