Solutions

Marking: **K** = knowledge, **App** = using the data or case, **An** = analysis (explaining each step: cause, then effect), **Ev** = evaluation (a judgement with a reason). In calculations, **M1** is for the method and **A1** for the answer. Longer answers are marked in levels: the top level needs analysis of both sides **and** a conclusion with a reason.

Each answer shows the steps, then the **result**.

2.1

- $(200 + 120 + 80)/500 \times 100$
- **80**%

2.2

- $20 \times 40 \times 1$
- $**800** a week

2.3

Any two (1 mark each):

- doctors need long training and high skills (K)
- the supply of doctors is small compared with demand (K)
- doctors' work has a high value and responsibility (K)
- many people can do cleaning work, so supply is large (K)

3.1

Any one, explained (3 marks):

- set a maximum price, so the monopoly cannot charge too much (K, An)
- stop mergers that would create a monopoly (K, An)
- break up the monopoly or open the market to new firms (K, An)
- nationalise it, so it is run for consumers, not profit (K, An)

3.2

(a) CR4 $28 + 22 + 15 + 10 =$ **75**%; merged share **50**%

(b) points to include:

- bulk buying gives economies of scale, so prices could fall (An)
- the merged firm may invest more in delivery and online shopping (An)
- but with 50% of the market it may become a monopoly and raise prices later (App)
- less choice for consumers, and suppliers (farmers) may be forced to accept lower prices (An)
- jobs may be lost if stores close (An)
- conclusion: allow it only with conditions, e.g. selling some stores to rivals, or block it, because 50% is a very large share (Ev)

Levels: **top** (7–9) analysis of both sides, used with the data, and a conclusion with a reason; **middle** (4–6) some analysis, or one side only; judgement weak; **bottom** (1–3) relevant points, little explanation.