Solutions

Marking: **K** knowledge, **App** application to the case, **An** analysis (a developed chain of reasoning), **Ev** evaluation (a justified judgement); calculations earn **M1** for the method and **A1** for the answer.

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

2.1

any two: shorter **hours**; longer **holidays**; job **security**; **training** or promotion chances; better **conditions**; nearer **location**; **fringe benefits**

2.2

- $38 \times 15 + 4 \times 22.50 = 570 + 90$
- = \$**660**

2.3

- surgeons need many years of **training and qualifications**, so the **supply** of surgeons is low (K)
- their work is highly valued, so **demand** for them is high (An)
- many people can do cleaning, so supply is high and wages low (An)

3.1

B

3.2

(a)

- 2500×1.08
- = \$**2700**

(b) two reasons, each explained (K + App each):

- **collective bargaining** gives more power to win higher pay than bargaining alone
- the union protects **jobs** and safety on the line, and supports members in disputes
- members get legal advice, training and other benefits

(c) a developed chain, for example:

- each worker repeats one task and becomes **skilled and fast** at it (K)
- output per worker (**productivity**) rises (An)
- less time is lost moving between tasks, and training is quick (App)
- so the **average cost** of each car falls (An)
- but if workers become bored, mistakes and absence may rise, pushing costs up again (An)

(d) agree: (An)

- avoids a **strike** that would stop the whole line
- better pay keeps skilled workers and may raise motivation and productivity

refuse: (An)

- profits have fallen: higher wages raise costs and may force price rises or job cuts
- the firm may replace workers with machines

judgement: (Ev) for example, offer a smaller rise now, with more linked to productivity or a return to profit, because a strike would cost more than a modest rise, while 8 % is risky when profits are falling.

Level 3 (6–8): both sides analysed and a justified judgement. Level 2 (3–5): one side analysed or both explained. Level 1 (1–2): simple points.