Multiple Choice Answers

Q11: A
Q28: C

Multiple Choice Answers

Q9: C

Multiple Choice Answers

Q19: B

Multiple Choice Answers

Q10: B
Q12: D
Q13: B

Multiple Choice Answers

Q3: C

1(a)	**Calculate the value of Gabon's oil production as a percentage of Gabon's GDP.** 30%.
1(b)	**Identify <u>two</u> external benefits of rainforests.** Two from: • reduce air pollution / pollution / improves air quality (1) • protect against floods (1) • prevent soil erosion (1).
1(c)	**Explain what effect an increase in tourism may have on Gabon's current account of the balance of payments.** • Increase in exports (1) • increase trade in services (invisible) surplus / reduces deficit (1) • Improves the current account balance surplus / reduces deficit (1).
1(d)	**Explain <u>two</u> reasons why the Gabonese Government wants to reduce reliance on oil.** Logical explanation which might include: • Running out of oil / create a shortage (1) revenue from the industry will decline / employment in the industry will decline / GDP will decline /cause recession / conserve for future generations / may need to import oil / price for oil may rise (1). • Oil industry creates water pollution / pollution (1) an external cost / harms health / reduces standard of living / protect the environment / attract tourists (1).

1(e)	**Draw a demand and supply diagram to show the effect of the discovery of new gold deposits on the market for gold.** Coherent analysis which might include: D&S diagram: Axes correctly labelled – price and quantity or p and q (1). Original demand and supply curves correctly labelled (1). New supply curve shifted to the right (1). Equilibriums – shown by lines P_1 and Q_1 and P_2 and Q_2 or equilibrium points marked as E_1 and E_2 (1).

1(f)	**Analyse the relationship between the literacy rate and the percentage of the labour force employed in agriculture.** Coherent analysis which might include: **Expected relationship:** • Generally, an inverse / negative relationship (1) the higher the literacy rate, the smaller the % of the labour force employed in agriculture (1). **Supporting evidence:** • South Africa had the highest literacy rate and the lowest % of the labour force employed in agriculture (1). • Zambia / Sierra Leone / Mali had the lowest literacy rates and the highest %s of labour force employed in agriculture (1). **Analysis of expected relationship:** • A high literacy rate may increase the chance of workers gaining jobs in high paid tertiary jobs (1) a low literacy rate may mean workers have to undertake unskilled jobs in agriculture / a high proportion of workers employed in agriculture may mean that high literacy rate is not required (1). **Exception:** • Gabon (1) Gabon has a high literacy rate but also a high % of the labour force employed in agriculture (1). **Analysis of exception**: • Some jobs in agriculture are skilled / secondary and tertiary sectors may be small (1).

1(g)	**Discuss whether or not a government should pay private sector firms to give work experience to unemployed young people.** **Award up to 4 marks for logical reasons why it should,** which may include: • can enable young workers to develop their skills / raise their productivity (1) increase their confidence / motivation to get a job / get higher paid jobs (1) young people may make mistakes and cost firm money while being trained (1) • can increase the chances of young people gaining a job (1) reduce unemployment (1) reduce the cost of unemployment benefits (1) reduce future training costs (1) increase tax revenue (1) leads to economic growth (1). **Award up to 4 marks for logical reasons why it should not**, which may include: • the quality of the work experience may not be good (1) the young may be given unskilled jobs (1) poor working conditions / not regulated (1) • opportunity cost [implied] (1) government spending could be used to e.g. improve state education (1) government incurs additional expenditure / raises taxes to pay for it (1) the young may have been employed by the private sector without payment by the government (1) • it may reduce the efficiency of private firms (1) reduce their output (1) firms may be corrupt (1).

IGCSE Economics: **s25 21**

1(h)	**Discuss whether or not a growth in the size of firms in Gabon's textile industry will reduce their average cost of production.** **Award up to 4 marks for logical reasons why it might**, which may include: • labour economies (1) workers can specialise / increase labour productivity (1) • managerial economies (1) employ specialists (1) • technical economies (1) using advanced capital equipment (1) • buying / purchasing economies (1) receiving a discount as buying in bulk (1) • selling economies (1) reducing transport costs (1) • marketing economies (1) spreads fixed costs over more output (1) • financial economies (1) easier / cheaper to borrow (1) • research and development economies (1) introduce new products / new production methods (1) • risk bearing economies (1) able to suffer fall in demand for one product or supply problems connected to one product (1) • may experience external economies of scale (1) example (1). **Award up to 4 marks for logical reasons why it might not**, which may include: • difficulty of controlling a large firm (1) may be slower to make decisions (1)

1(h)	• communication problems (1) may be more difficult to keep everyone informed (1) • poor industrial relations (1) may be less contact between managers and workers / decreasing productivity (1).

2(d)	**Discuss whether or not multinational corporations (MNCs) benefit host countries.** In assessing each answer, use the table opposite. Why MNCs might benefit host countries: • bring in new capital and technology • bring in investment • create jobs • may provide high quality training • pay taxes • may increase competition • may buy raw materials from the country Why MNCs might not benefit host countries: • may exploit domestic labour by poor work conditions • may take profits out of the country and not reinvest domestically • may avoid taxes • may dominate domestic market and drive local firms out of the market • are footloose and may leave anytime – more instability • may deplete natural resources • may damage the environment	**8**	**Level**	**Description**
			3	A reasoned discussion which accurately examines both sides of the economic argument, making use of economic information and clear and logical analysis to evaluate economic issues and situations. One side of the argument may have more depth than the other, but overall both sides of the argument are considered and developed. There is thoughtful evaluation of economic concepts, terminology, information and/or data appropriate to the question. The discussion may also point out the possible uncertainties of alternative decisions and outcomes.
			2	A reasoned discussion which makes use of economic information and clear analysis to evaluate economic issues and situations. The answer may lack some depth and development may be one-sided. There is relevant use of economic concepts, terminology, information and data appropriate to the question.
2(d)		**8**	**Level**	**Description**
			1	There is a simple attempt at using economic definitions and terminology. Some reference may be made to economic theory, with occasional understanding.
			0	A mark of zero should be awarded for no creditable content.

Multiple Choice Answers

Q27: B

1(a)	**Calculate Romania's current account deficit on its balance of payments in $s**. $27bn (1).
1(b)	**Identify <u>two</u> reasons why Romania's population fell between 1990 and 2022.** Fall in birth rate (1) emigration / net emigration / people leaving the country (1).
1(c)	**Explain why immigration into Romania may increase in the future.** High economic growth rate / economic growth (1) higher wages / higher income / more chance of employment / more job opportunities / higher living standards (1).
1(d)	**Explain two reasons why household spending has increased in Romania.** Logical explanation which might include: • Romanians have become wealthier (1) more money to spend / greater purchasing power / higher income / higher GDP per head / can sell assets to get money to spend / more able to borrow / greater confidence (1). • More confident about the future / increased optimism (1) about future job prospects / higher earning / job security / may encourage more borrowing / less saving (1). • Low interest rates (1) encourage borrowing / reduce cost of borrowing / discourage saving (1). • High rate of inflation (1) spending more to maintain living standards (1).

1(e)	**Draw a demand and supply diagram to show the effect of setting a maximum price on electricity.** Coherent analysis which might include: D&S diagram: Axes correctly labelled – price and quantity or p and q (1). Demand and supply curves correctly labelled (1). Maximum price set below the equilibrium price – labelled as max price, P1, PX or any other P. (1). Quantity demanded and quantity supplied at the maximum price identified (1).

1(f)	**Analyse the relationship between GDP per head and average spending on food as a percentage of total household spending.** Relationship (up to 2 marks): Generally, an inverse relationship / negative relationship (1) the higher the GDP per head, the lower the average household spending on food as a % of household spending (1). Supporting evidence (up to 2 marks): E.g. the five countries with the lowest GDP per head had the highest % average household spending on food (1). Ethiopia had the lowest GDP per head and the highest average household spending on food as a % of total spending (1) Cambodia had the second lowest GDP per head and the second highest spending on food as a % of total spending (1) Egypt had the third lowest GDP per head and the third highest spending on food as a % of total spending (1). Analysis of relationship (up to 2 marks): As households get richer, they can afford to spend more in total on food / higher quality food (1) but can afford to buy more of other items / buy more luxury items / spend less on necessities (1). Exception (up to 2 marks): Norway / USA (1) Norway had a higher GDP per head but also a higher % of household spending on food (1). Analysis of exception (up to 1 mark): Food may be more expensive in Norway / Norwegians may have a different diet / buy a higher proportion of high quality food (1).

1(g)	**Discuss whether or not foreign MNCs reduce poverty in their host countries.** Award up to 4 marks for logical reasons why they might, which may include: • they may increase employment / reduce unemployment (1) which may increase incomes / increase wages (1) cause economic growth / raise GDP (1) enabling people to buy more basic necessities / raise purchasing power (1). • may train workers (1) increase skills (1). • they may have lower costs of production / more efficient (1) use more advanced technology (1) may take advantage of economies of scale (1) able to charge lower prices (1). • they may pay tax / less may be spent on unemployment benefit (1) some of this could be spent on e.g. education / healthcare / training unemployed (1) income could be redistributed (1). Award up to 4 marks for logical reasons why it might not, which may include: • they may replace domestic firms / drive domestic firms out of business (1) may employ workers from their own countries (1) leaving employment / unemployment unchanged (1). • they may use capital-intensive methods (1) reducing demand for unskilled workers (1). • they may use up non-renewable resources (1) reducing incomes in the future / raising prices (1). • they may send profits back home (1) making them unavailable for re-investment in the host country (1). • may increase relative poverty / not reduce relative poverty (1) may widen gap in pay between e.g. skilled and unskilled workers (1). • may become a monopoly (1) charge high prices (1).

1(h)	**Discuss whether or not a higher proportion of women is likely to enter Romania's labour force in the future.** Award up to 4 marks for logical reasons why it might, which may include: • there may be an increase in childcare facilities (1) making it easier for women who are parents to work (1) • more part-time work / more job opportunities for women / shortage of labour / higher demand for labour (1) lower birth rate (1) which may enable women to combine work and child rearing (1) • increase in female education / qualifications / training (1) which may increase skills / productivity (1) which may increase wages (1). • increase in healthcare / family planning (1) reduce size of families (1) • may seek to reduce poverty / improve living standards (1) by earning an income (1). Award up to 4 marks for logical reasons why it might not, which may include: • discrimination may occur (1) in terms of jobs available / wages (1). • negative social attitudes may continue (1) e.g. other workers may make the working environment uncomfortable for women (1). • women may emigrate (1) leaving the labour force (1) • working hours may increase (1) making it more difficult for women to combine work and home life (1). • An increase in income / higher household income (1) may enable women to work fewer hours / reduce need to work (1).

IGCSE Economics: **w24 11**

Multiple Choice Answers

Q5: D

IGCSE Economics: **w24 12**

Multiple Choice Answers

Q3: C