Multiple Choice Answers

Q9: C

Q10: D

Multiple Choice Answers

Q6: B

Multiple Choice Answers

Q7: A

2(a)	**Define *market equilibrium.*** Demand equalling supply (2). No shortage (1) no surplus (1). Balance of demand and supply (2).
2(b)	**Explain <u>two</u> ways an economy could reach a point outside its current PPC.** Logical explanation which might include the following. • Increase investment (1) devoting more resources to capital goods (1). • Encourage immigration (1) increase size of the labour force (1). • Land reclamation (1) creating more land on which to e.g. grow crops (1). • Increase in education and training (1) raise quality / efficiency / productivity of labour (1). • Increase spending on research and development / new technology (1) increase quality / efficiency / productivity of capital (1). • Discovery of sources of resources (1) example/enables extra output to be produced (1).

2(c)	**Analyse how price elasticity of demand can influence a firm's pricing decisions.** Coherent analysis which might include the following. Price elasticity of demand is a measure of the responsiveness of demand to a change in price (1). If demand is elastic, a rise in price will cause a greater percentage change in demand (1) may indicate the firm's product has close substitutes / is not a necessity / takes a significant proportion of consumers' incomes (1) may encourage firms to lower price (1) raise revenue (1). If demand is inelastic, a rise in price will cause a smaller percentage change in demand (1) may indicate the firm's product has few substitutes / is a necessity / takes a small proportion of consumers' incomes (1) may encourage firms to raise prices (1) revenue would increase (1).

2(d)	**Discuss whether or not firms benefit from their workers undertaking training.** In assessing each answer, use the table opposite. Why they might: • may increase productivity • may enable workers to work with more advanced technology • may lower costs of production • may be able to fill promoted posts • reduce waste • raise quality of output • training may be provided by the government at no direct cost for firms. • increase workers motivation, reducing labour turnover • increase flexibility to cover absences. Why they might not: • if the firms provide the training, increase costs / opportunity cost • output may fall while workers are being trained • training may not be successful • trained workers may demand higher wages • trained workers may leave to work for other firms – other firms will gain the benefits of the training.

IGCSE Economics: **w25 22**

2(d)	

IGCSE Economics: **s25 11**

Multiple Choice Answers

Q6: D

IGCSE Economics: **s25 12**

Multiple Choice Answers

Q5: C

IGCSE Economics: **s25 13**

Multiple Choice Answers

Q5: C

IGCSE Economics: **m25 12**

Multiple Choice Answers

Q6: B

IGCSE Economics: **w24 11**

Multiple Choice Answers

Q6: C