Multiple Choice Answers

Q10: C

3(a)	**Identify two ways central banks differ from commercial banks.** Award one mark for a characteristic of the central bank such as: • in the public sector / owned by the government • operate monetary policy • main objective is usually price stability • hold the accounts of the government • lend to governments and sometimes commercial banks • manage foreign exchange rate. Award one mark for a characteristic of a commercial bank such as: • usually in the private sector / owned by individuals • provide services for consumers • main objective is profiting maximization or growth • hold the accounts of firms and households • lend to households and firms • buy and sell foreign currency to firms and households.

3(b)	**Explain <u>two</u> characteristics that coins possess which mean they can perform the functions of money.** Logical explanation which might include: • generally acceptable (1) can be used to buy and sell products / acts as medium of exchange (1) • limited in supply (1) minted by the government (1) • durable (1) last some time / does not perish / hard to break / made of metal / acts as store of wealth / store of value (1) • portable (1) coins can be carried in pockets / bags (1) • homogeneous (1) all coins of the same value are the same (1) • divisible (1) coins have different values / acts as medium of exchange (1).

3(c)	**Analyse the services provided to households by commercial banks.** Coherent analysis which might include: • enable households to save their money (1) provide deposit / time accounts / deposit boxes (1) earn interest (1) • enable households to make and receive payments (1) provide current / sight accounts (1) credit cards (1) • lend to households (1) by providing a loan / overdraft / mortgage (1) to e.g. buy a house / a car (1) pay interest (1) • give financial advice (1) e.g. on how to manage debt / retirement plans / buy stocks and shares (1) • arrange insurance (1) e.g. for house / car (1) • Convert foreign currency (1) buying / selling goods and service abroad / travelling abroad (1) charge commission (1).

3(d)	**Discuss whether or not division of labour will benefit workers.** In assessing each answer, use the table opposite. Why they might: • can be trained quickly • rise in productivity might be linked to a rise in income • can become skilled at a particular task – practice makes perfect • can concentrate on what they are most interested in • can gain confidence in the task they undertake – less stressful. Why they might not: • can be boring • occupational mobility is limited • may not make full use of their skills • may be replaced by machinery • work may be disrupted by absence of other staff.

IGCSE Economics: **w25 23**

3(d)	

IGCSE Economics: **s25 13**

Multiple Choice Answers

Q1: A

IGCSE Economics: **m25 12**

Multiple Choice Answers

Q10: B

IGCSE Economics: **w24 11**

Multiple Choice Answers

Q10: B

IGCSE Economics: **w24 13**

Multiple Choice Answers

Q10: A