Multiple Choice Answers

Q4: C

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Q3: D

1(a)	**Calculate the number of Malawians who had access to electricity in 2022.** 3.3 m or 3 300 000.
1(b)	**Identify <u>two</u> capital goods used in Malawi.** Two from: Factories (1) power stations (1) solar panels (1) electricity (1) fertilisers (1).
1(c)	**Explain what is likely to have happened to Malawi's production possibility curve (PPC) in January 2022.** • It is likely to have shifted to the left / inside / inwards / contract (1). • due to natural disasters / Storm (Ana) / resources destroyed / productive capacity (or land) reduced / less labour (1).
1(d)	**Explain <u>two</u> reasons why the supply of Malawian tea may increase.** Logical explanation which might include: • good weather conditions (1) would increase crop yields / prevent crops being destroyed (1). • government subsidies (1) provide a financial incentive / additional payment to that received from consumers / reduce costs of production (1). • fall in price of fertiliser (1) which reduces cost of production / increase crop yields / allows farmers to purchase more fertiliser (1). • fall in exchange rate (1) higher demand for Malawian tea (1).

1(e)	**Draw a demand and supply diagram to show the effect of a report stating the health risks of consuming sugar on the market for sugar.** Coherent analysis which might include the following. D&S diagram: • Axes correctly labelled – price and quantity or p and q (1). • Original demand and supply curves correctly labelled (1). • New labelled demand curve shifted to the left (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 GDP per head and the percentage of children who complete primary education.** Coherent analysis which might include the following. Expected relationship: Generally, a direct / positive relationship (1) the higher the GDP per head, the higher the percentage of children who complete primary education (1).

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1(f)	Supporting evidence: Four countries with the highest GDP per head had the highest percentage of children who complete primary education / Malawi / Uganda have the lowest of both (1). South Africa had the highest GDP per head and the highest percentage of children who complete primary education (1). Comparison of two countries (e.g. Namibia and Senegal where GDP falls as does percentage of children completing primary education). Analysis of the expected relationship: Parents in countries with high incomes are more likely to be able to afford to keep their children in primary education (1). Government tax revenue is likely to be higher in countries with high incomes and so will be able to spend more on primary education (1). Completing primary education may increase the chance of skilled / occupationally mobile high income earning workers (1). Exception: Malawi / Uganda (1) Malawi has a lower GDP per head but a higher percentage of children who complete primary education than Uganda (1). Analysis of exception: A higher percentage of children may complete primary education but the quality of the education may be low leading to a low GDP per head / GDP per head may be high but there may be a high degree of inequality with a relatively high proportion of the population unable to keep their children in primary education (1).

1(g)	**Discuss whether or not Malawi should develop a solar energy industry.** Award up to 4 marks for logical reasons why it might, which may include: • a sustainable source of energy (1) enables future generations to access energy (1) • would create less pollution / external costs than burning wood and charcoal / improve air quality (1) reduce deforestation (1) improve health (1) • may enable more Malawian households to gain access to electricity (1) increase living standards / reduce inequality (1) • setting up solar panels creates jobs (1) leads to increased output / economic growth / access to electricity for Malawian firms (1) • long hours / 3000 hours of sunshine (1) a good / viable source of energy (1) • less need to import energy (1) reduce current account deficit (1) • develops employment opportunities (1) raising incomes (1).

1(g)	Award up to 4 marks for logical reasons why it might not, which may include: • opportunity cost of installing (1) example (1) • opportunity cost of land use (1) reduced agricultural output (1) • dependent on weather / sunshine and days lost (1) unstable supply (1) may experience storm damage / natural disasters (1) • visual pollution (1) might reduce tourism / reduce house prices (1) • cost of developing an electricity distribution network may be prohibitive • cost of switching from fossil-fuel burning domestic appliances to electrical ones may not be affordable to households (1) limiting the impact of the switch (1) • expensive to install (1) worsen government budget position (1) • visual pollution (1) might reduce tourism / reduce house prices (1) • solar panels could be damaged by storms (1) making them inefficient (1).

1(h)	**Discuss whether or not a government should try to stop its country's foreign exchange rate falling in value.** Award up to 4 marks for logical reasons why it should try to stop it falling in value e.g. the disadvantages of the fall, including: • will increase import prices (1) reducing imports (1) may increase cost of imported raw materials and capital goods cost (1) cause cost-push inflation (1) cause slow economic growth (1) • may reduce pressure on domestic firms to keep prices low (1) quality high (1) • may reduce confidence in the economy (1) reduce investment (1) increase debt (1). Award up to 4 marks for logical reasons why it should allow a fall in value e.g. the advantages of the fall, including: • will reduce export prices (1) increase exports (1) reduce imports (1) • make domestic goods more competitive (1) reduce a current account deficit / improve the balance of payments (1) • may increase economic growth (1) reduce unemployment (1) attract MNCs / attract investment (1) increase tourism (1) • opportunity cost / costly for government to intervene (1) e.g. less funding for education / healthcare / housing (1) • may increase government tax revenue (1).