

Section A 2019 Paper 2

1)

a) A

b) 13000 = loss
15000 = profit

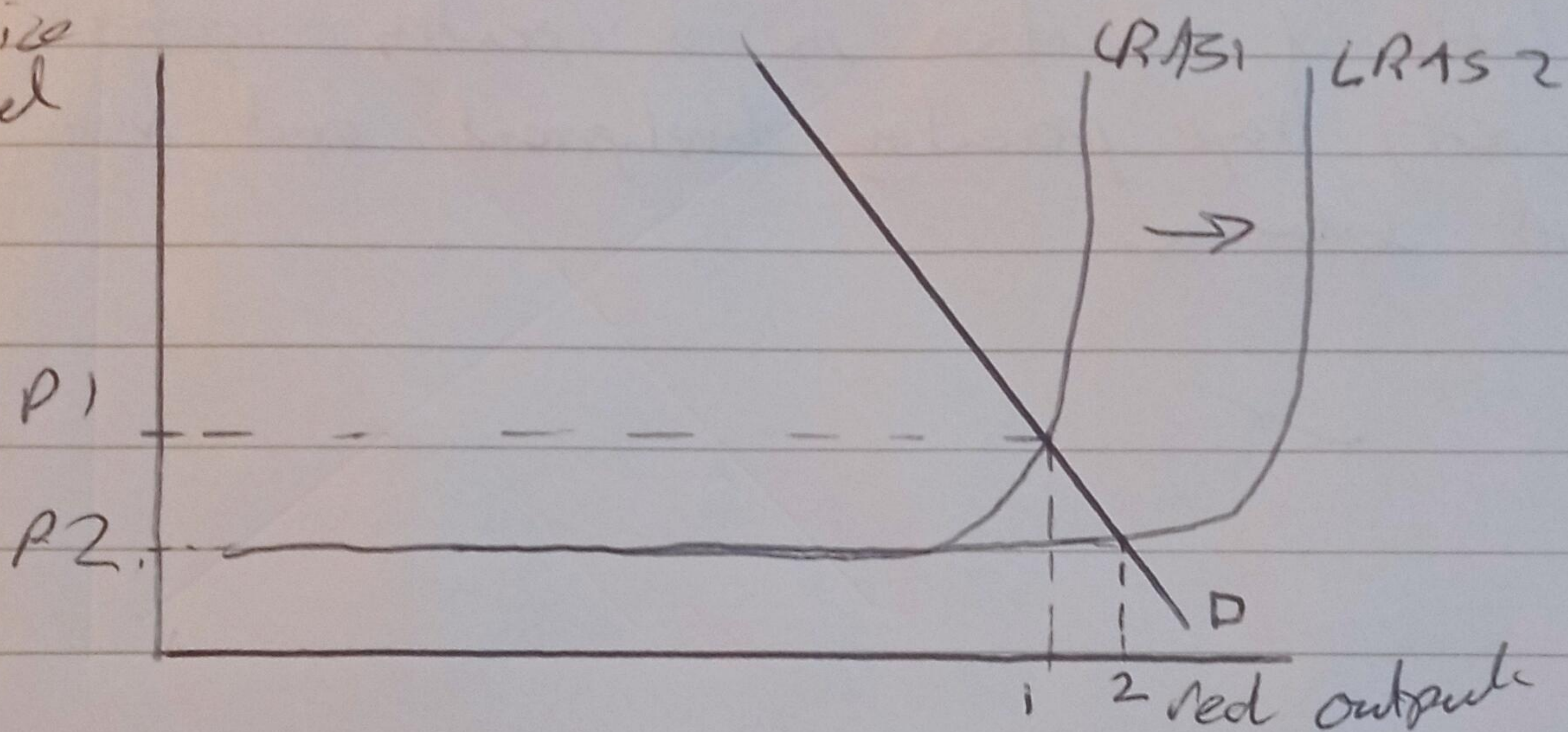
~~new = 115~~

new = 115.4 //

$$\frac{\text{diff}}{\text{original}} \times 100 = 2000$$

c) a rise in spending increases AD and //
can lead to an increase in inflation.

2) price level



b) A ✓

3) a) This could be due to lower productivity in
estonian workers, potentially caused ~~by~~ by
lack of training or education. ✓✓

b) higher costs mean higher prices which makes estonia
less competitive on the global market as other
countries will be cheaper. ✓✓

c) C ✓

4) a) D ✓

b) $500,000 \times 0.17 = 85,000$ ✓
 ~~$500,000 \times 0.17 = 85,000$~~ ~~$415,000$~~

c) more profit for the firms allows them to invest and grow, allowing them to make more profit in the future and more now ✓

5) a) income is the money made or an inflow ✓
and wealth is the store of income or assets. ✓

b) The lack of education in a country creates a poverty trap preventing development and more equal salaries. ✓

c) B ✓