



INTERNATIONAL GCSE

ECONOMICS

Topic TEST

MARK SCHEME

SECTION A

01 Which of the following is the central purpose of economic activity?

Answer: C Producing goods and services to satisfy needs and wants

Mark for this question: AO1-1mark

02 Which of the following activities would be included in the primary sector of the economy?

Answer: B Farming

Mark for this question: AO1-1mark

03 Which of the following would cause the demand curve for cars to shift to the right?

Answer: D An increase in consumer incomes

Mark for this question: AO1-1mark

04 What is the equilibrium price after a rise in supply of 10 units at all prices?

Answer: B £5

Mark for this question: AO1-1mark

05 Which of the following correctly shows the rewards to the four factors of production?

Answer: D interest, profit, rent, wages

Mark for this question: AO1-1mark

06 Which of the following is the most likely cause of a rise in price of lemons?

Answer: A reduction in the number of firms supplying lemons

Mark for this question: AO1-1mark

07 Which of the following could be a disadvantage of specialisation to a firm?

Answer: B Increased cost of training workers

Mark for this question: AO1-1mark

08 Which one of the following is NOT a factor of production?

Answer: D Money

Mark for this question: AO1-1mark

09 Fish and chips are complementary goods. Which of the following would shift the demand curve for chips to the left?

Answer: D A rise in the price of fish

Mark for this question: AO1-1mark

10 Equilibrium price in a market is best defined as the price at which

Answer: C there is no excess demand or excess supply

Mark for this question: AO1-1mark

11 Which of the following diagrams illustrates the effect of an increase in consumer incomes on the market for smartphones?

Answer: A DIAGRAM A

Mark for this question: AO1-1mark

12 Which of the following would be an opportunity cost of the owner of a factory buying a new machine?

Answer: D The money that could have been spent on advertising

Mark for this question: AO1-1mark

13 Which of the following would not be classed as a factor of production?

Answer: A a bank account

Mark for this question: AO1-1mark

14 Economics is primarily concerned with?

Answer: A allocating scarce resources for unlimited wants

Mark for this question: AO1-1mark

15 Which of the following could lead to a reduction in the quantity demanded of a product?

Answer: A A fall in price of a substitute product

Mark for this question: AO1-1mark

16 Which of the following is NOT one of the main economic groups?

Answer: D Workers

Mark for this question: AO1-1mark

17 FIGURE 1 shows the quantities of tea supplied and demanded at various prices. What is the excess supply at a price of £40 per kg?

Answer: B 3500KG

Mark for this question: AO1-1mark

18 Which of the following is an example of a 'need' rather than a 'want'?

Answer: D water

Mark for this question: AO1-1mark

SECTION B

1	9	Explain ONE possible effect on the equilibrium market price of cars of a fall in consumer incomes		
		[2 marks]		
		Level of response	Response	Max 2 marks
		2	Identifies that equilibrium market price will fall as a result of a decrease in demand.	2 marks
		1	Identifies that equilibrium market price will fall.	1 mark
		0	Nothing written worthy of credit.	0
		<p>NB: must be reference to a fall in price to score a mark</p> <p>Possible answers:</p> <ul style="list-style-type: none"> Fall in consumers' ability to purchase goods and services, leading to a decrease in demand and hence a fall in equilibrium price Fall in demand, leading to a leftwards shift in the market demand curve and hence a fall in equilibrium price Cars are a luxury / normal good, so a fall in incomes will lead to a fall in demand 		

		and hence a fall in equilibrium price
		<ul style="list-style-type: none"> If student draws a correct leftwards shift of a demand curve and indicates new lower equilibrium price. <p>Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>

2	0	Explain ONE factor that might shift the demand curve for foreign holidays to the right		
		[2 marks]		
		Level of response	response	Max 2 marks
		2	Possible factor explained	2
		1	Possible factor identified	1
		0	Nothing written worthy of credit	0
		<p>Possible answers:</p> <ul style="list-style-type: none"> Increased incomes (1) meaning consumers can now afford to spend more money on luxuries such as foreign holidays (2). Increased population. Increased price of domestic holidays (substitutes). Reduced price of airport parking, flights (complements). Change in tastes, fashions, popularity, advertising. <p>Do not allow a change in the price of foreign holidays.</p> <p>Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>		

2	1	Explain ONE opportunity cost a government might face when making economic decisions		
		AO1 = 2		
		[2 marks]		
		Level of response	Response	Max 2 marks
		2	Relevant opportunity cost explained	2 marks
		1	Relevant opportunity cost identified.	1 mark
		0	Nothing written worthy of credit.	0

2	2	Define “secondary sector”	
		[2 marks]	
	Level of response	Response	Max 2 marks
	2	A full and precise definition is given.	2 marks
	1	The substantive content of the definition is correct, but there may be some imprecision or inaccuracy	1 mark
	0	Nothing written worthy of credit.	0

2	3	Define “Capital”	
		[2 marks]	
	Level of response	Response	Max 2 marks
	2	A full and precise definition is given.	2 marks
	1	The substantive content of the definition is correct, but there may be some imprecision or inaccuracy	1 mark
	0	Nothing written worthy of credit.	0
2	4	What is the difference between “normal goods” and “inferior goods”	
		[2 marks]	
	Level of response	Response	Max 2 marks
	2	A full and precise definition is given.	2 marks
	1	The substantive content of the definition is correct, but there may be some imprecision or inaccuracy	1 mark
	0	Nothing written worthy of credit.	0

2	5	State two examples of land
		[2 marks]
		AO1 = 2
		Possible answers: <ul style="list-style-type: none">• water• minerals

	1 mark for each factor.
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2	6	Explain one role of a market
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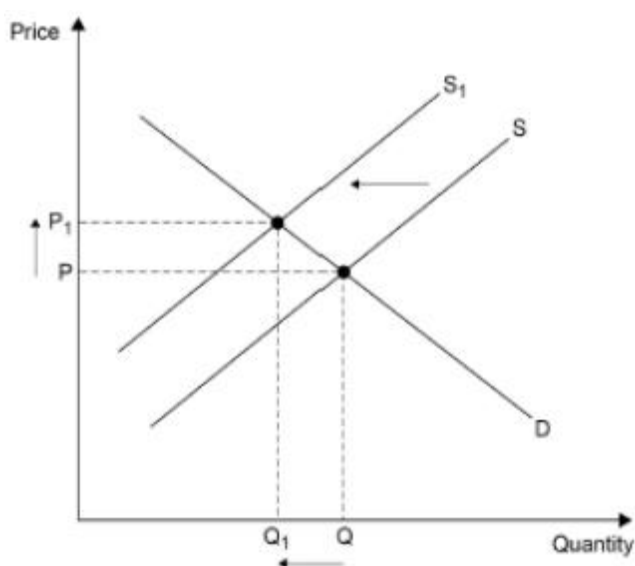
Level of response	response	Max 2 marks
2	Role of a market explained	2
1	Role of a market identified	1
0	Nothing written worthy of credit	0

Possible answers:

- Opportunity for buyers and sellers to interact
- Allocating scarce resources

Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.

2	7	Draw and label a supply and demand diagram to show the effects of bad weather on the equilibrium price and quantity of coffee beans
		[3 marks]



Correct drawing of original S and D curves (1 mark)

Correct drawing and labelling of the new S curve to the left of the original (1 mark)

Correct labelling of new equilibrium price, higher than the original and new equilibrium quantity, lower than the original (1 mark)

No marks for a shift in demand, even if labelled supply

2	8	Assess whether the costs to Jennifer specialising in a particular job outweigh the benefits
		[9 marks]

Descriptor	Max 9 marks
■ A fully justified conclusion with sustained evaluation, which is	7-9 marks

	<p>coherent and relevant, with judgements supported by evidence.</p> <ul style="list-style-type: none"> ■ A full analysis of the economic evidence, a well-developed and logical chain of reasoning. ■ Comprehensive application of knowledge and understanding of pertinent concepts/issues relevant to the context; specialist language used throughout. 	
	<ul style="list-style-type: none"> ■ A partially justified conclusion with an evaluation, which is mostly coherent and relevant; judgements may not be fully supported by evidence. ■ An incomplete analysis of the economic evidence; starts to develop a chain of reasoning. ■ Good application of knowledge and understanding of concepts/issues mostly relevant to the context; specialist language used mostly appropriately. 	4-6 marks
	<ul style="list-style-type: none"> ■ A basic conclusion or assertion may be present based on evaluative judgements supported by little or no evidence. Analysis of discrete points of the economic evidence with no chain of reasoning attempted. ■ Basic application of knowledge and understanding of concepts/issues with limited relevance to the context; may use non-specialist language. 	1-3 marks
	<ul style="list-style-type: none"> ■ Nothing written worthy of credit. 	0
<p>Indicative content:</p> <ul style="list-style-type: none"> ■ Costs <ul style="list-style-type: none"> • Over-specialisation – may lack the skills for other jobs • Boredom – job may become repetitive and lead to demotivation • Occupational immobility – if patterns of demand change, workers may find it difficult to get another job because they lack the necessary skills/experience • Risk of replacement by automation ■ Benefits <ul style="list-style-type: none"> • Specialisation may lead to increased productivity • May lead to increased skill level via repetition and gaining knowledge – can command higher wages • May increase job satisfaction if workers specialise in what they are best at and enjoy most • Increased living standards <p>Possible issues for evaluation include:</p> <ul style="list-style-type: none"> • Prioritisation of the effects discussed • Extent to which costs outweigh benefits, or vice-versa • Depends on nature of job, level of skill involved etc. <p>Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>		