

4	<b>QS9:</b> Interpret, apply and analyse information in written, graphical, tabular and numerical forms	<b>The only correct answer is B</b> <b>A</b> is not correct as utility is maximised at 4 glasses of milk <b>C</b> is not correct as consumption of the fifth glass results in decreasing marginal utility <b>D</b> is not correct as utility is maximised at 4 glasses of milk	(1)
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1	-	<b>The only correct answer is B</b> <b>A</b> is not correct because statement 2 is normative and not positive <b>C</b> is not correct because statement 1 is positive and not normative <b>D</b> is not correct as statement 1 is positive and statement 2 is normative	(1)
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Question	Quantitative skills assessed	Answer	Mark
1	<b>QS9:</b> Interpret, apply and analyse information in written, graphical, tabular and numerical forms	<b>The only correct answer is B</b> <b>A</b> is not correct because resources are finite <b>C</b> is not correct because wants are unlimited and resources are finite <b>D</b> is not correct because wants are unlimited	(1)

1	-	B	(1)
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6	<b>QS9:</b> Interpret, apply and analyse information in written, graphical, tabular and numerical forms	<b>The only correct answer is B</b>  A is not correct because the utility is maximised at four glasses of fruit juice C is not correct because diminishing marginal utility sets in at the fourth glass D is not correct because the consumer experiences maximum utility with the fourth glass	(1)
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1	-	B	(1)
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Question Number	Answer	Mark
8	<p><b>Knowledge 2, Application 2</b></p> <p><b>Knowledge</b></p> <p>1 mark for defining 'positive statement.'</p> <ul style="list-style-type: none"> <li>Value free/ can be verified with evidence/ objective/ based on facts (1)</li> </ul> <p>1 mark for defining 'normative statement.'</p> <ul style="list-style-type: none"> <li>Based on value judgement/ cannot be verified or proven/ subjective (1)</li> </ul> <p><b>Application</b></p> <p>2 marks for applying to the statements e.g.:</p> <ul style="list-style-type: none"> <li>Statement 1 is positive as you can verify whether \$140bn was spent on renewable subsidies / \$260bn was spent on non-renewable subsidies/ check if the government subsidised (1)</li> <li>Statement 2 is normative as the word 'should' shows it is a value judgement/ suggests a course of action based on a person's value judgement (1)</li> </ul>	(4)

Question	With reference to Lake Chad, explain the difference between a free good and an economic good.	Mark
8	<p><b>Answer</b></p> <p><b>Knowledge 2, Application 2</b></p> <p>Quantitative skills assessed:</p> <p><b>QS9:</b> Interpret, apply and analyse information in written, graphical, tabular and numerical forms.</p> <p><b>Knowledge</b></p> <p>1 mark for understanding of 'free good', e.g.</p> <ul style="list-style-type: none"> <li>- Free good is a resource which is so abundant that its availability is not a constraint on economic activity/in unlimited supply/a good with no opportunity cost/good does not have a price <b>(1)</b></li> </ul> <p>1 mark for understanding of 'economic good', e.g.</p> <ul style="list-style-type: none"> <li>- Economic good is a good that derives utility/a good with scarcity and therefore an opportunity cost/scarcity means people may be willing to pay for it <b>(1)</b></li> </ul> <p><b>Application</b></p> <p>1 mark for reference to Lake Chad as a free good in 1960, e.g.</p> <ul style="list-style-type: none"> <li>• In 1960 water from the lake was a free good/lake used to provide irrigation to farmers for their crops suggesting free good <b>(1)</b></li> </ul> <p>1 mark for reference to Lake Chad as an economic good in 2017, e.g.</p> <ul style="list-style-type: none"> <li>• By 2017 the farmers could no longer use the lake for irrigation suggesting it is an economic good/has an opportunity cost <b>(1)</b></li> </ul>	(4)

9	<p><b>Knowledge 2, Application 2</b></p> <p><b>QS9:</b> Interpret, apply and analyse information in written, graphical, tabular and numerical forms.</p> <p><b>Knowledge</b></p> <p>1 mark for definition of normative statements e.g.:</p> <ul style="list-style-type: none"> <li>• Statements that contain value judgements/ cannot be proven/ not based on fact/ subjective <b>(1K)</b> 1 mark for definition of positive statements</li> <li>• Statements that are value free/ can be proven/ based on fact/ objective <b>(1K)</b></li> </ul> <p><b>Application</b></p> <p>Up to 2 marks for applying to stem e.g.:</p> <ul style="list-style-type: none"> <li>• Statement 1 is positive <b>(1AP)</b></li> <li>• Statement 2 is normative <b>(1AP)</b></li> </ul>	(4)
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Question	With reference to the table, explain the difference between 'capital goods' and 'consumer goods'.	Mark
<b>8</b>	<p><b>Answer</b></p> <p><b>Knowledge 2, Application 2</b></p> <p>Quantitative skills assessed:</p> <p><b>QS9:</b> Interpret, apply and analyse information in written, graphical, tabular and numerical forms.</p> <p><b>QS2:</b> Calculate, use and understand percentages, percentage changes and percentage point changes.</p> <p><b>Knowledge</b></p> <p>1 mark for defining 'capital goods'</p> <ul style="list-style-type: none"> <li>• Capital goods are man-made aids to production/goods used in the production of other goods/examples such as machinery/tools, buildings <b>(1)</b></li> </ul> <p>1 mark for defining 'consumer goods'</p> <ul style="list-style-type: none"> <li>• Consumer goods sold to individuals to satisfy their wants and needs <b>(1)</b></li> </ul> <p><b>Application</b></p> <p>1 mark for applying explicitly to the data in the table linked to capital goods e.g.:</p> <ul style="list-style-type: none"> <li>• Sales of capital goods declined 6.5% in April compared to March/ sales of capital goods grew 2.3% in May 2020 compared to April 2020 <b>(1)</b></li> </ul> <p>1 mark for applying to the data in the table linked to consumer goods e.g.:</p> <ul style="list-style-type: none"> <li>• Sales of consumer goods declined 14.7% in April compared to March/ sales of capital goods grew 17.7% in May 2020 compared to April 2020 <b>(1)</b></li> </ul>	<b>(4)</b>

Question Number	<p>Lake Poopó in Bolivia used to provide the local community with water to irrigate the quinoa fields. By 2017 there had been a 98% reduction in the size of the lake. The community could no longer use the lake for irrigation.</p> <p>Explain whether Lake Poopó is a free good or an economic good.</p>	Mark
9	<p><b>Knowledge 1, Application 1, Analysis 2</b></p> <p><b>Knowledge</b></p> <p>Up to 1 mark for defining 'free good' or 'economic good', e.g.:</p> <ul style="list-style-type: none"> <li>Free good is a resource which is so abundant that its availability is not a constraint on economic activity/ a good with no opportunity cost</li> </ul> <p>OR</p> <p>Economic good is a good that derives utility/ a good with scarcity and therefore an opportunity cost/ scarcity means people may be willing to pay for it <b>(1)</b>.</p> <p><b>Analysis</b></p> <p>Up to 2 marks for explaining why the lake might be a free good or economic good e.g.:</p> <ul style="list-style-type: none"> <li>The lake provides water to irrigate quinoa <b>(1)</b> with abundant supply of water thus likely to be a free good <b>(1)</b>.</li> <li>The lake reducing in size means less water for irrigation is available <b>(1)</b> this scarcity suggests it is an economic good <b>(1)</b>.</li> </ul> <p><b>Application</b></p> <p>Up to 1 mark for applying this to Lake Poopó, e.g.:</p> <ul style="list-style-type: none"> <li>The lake is now 2% of its former size/there has been a 98% reduction in the size/lake used it irrigate quinoa fields <b>(1)</b>.</li> </ul>	<b>(4)</b>