5	**QS2** Calculate, use and understand percentages, percentage changes and percentage point changes **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is B** **A** is not correct because Denmark generated more non-renewable resources in 2010 and more renewable resources in 2021 **C** is not correct because a higher proportion of electricity was generated from non-renewable resources in 2010 **D** is not correct because a higher proportion of electricity was generated using renewable resources in 2021	**(1)**

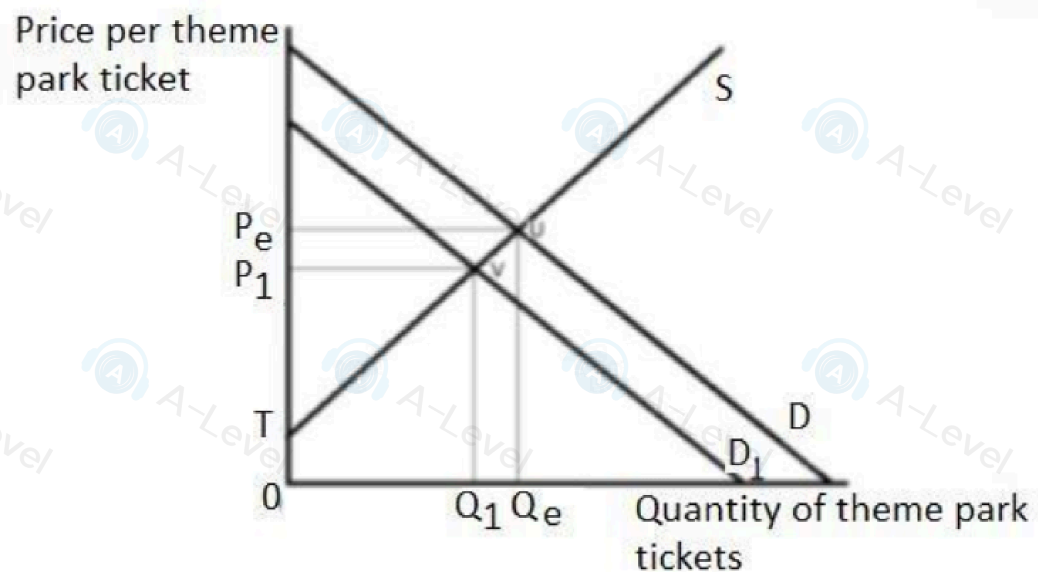
4	**QS4**: Construct and interpret a range of standard graphical forms **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is D** **A** is not correct because the market equilibrium quantity is at Q_1 **B** is not correct because the social optimum quantity is at Q_2 **C** is not correct because the welfare gain area is equal to the area UWX	**(1)**

5	**QS9**: Interpret, apply and analyse information in written, graphical and tabular forms	C	**(1)**

5	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	B	**(1)**

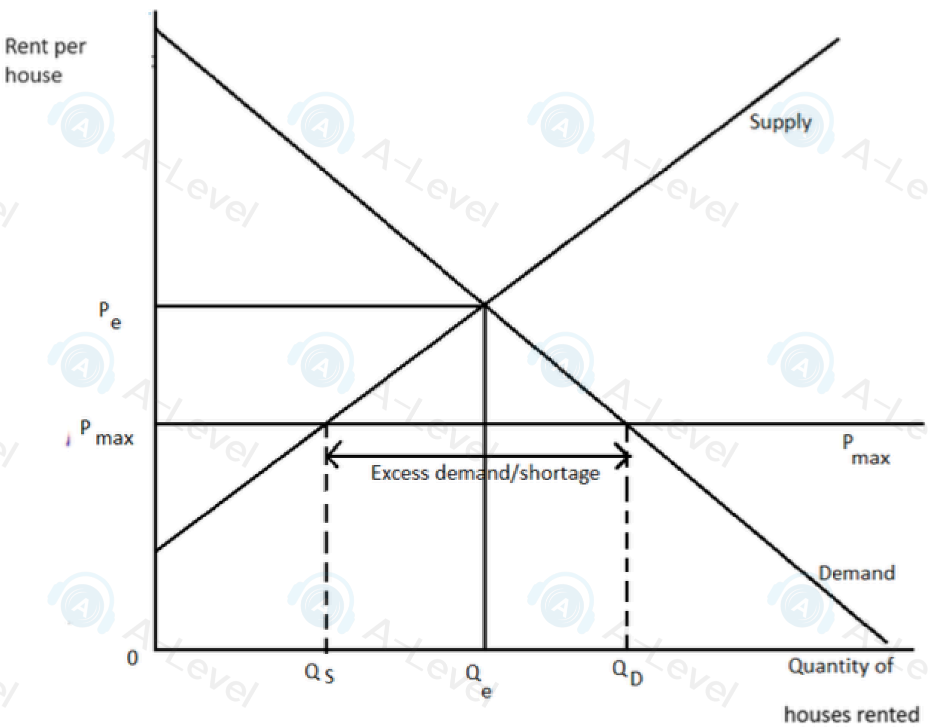
4	**QS4**: Construct and interpret a range of standard graphical forms **QS8**: Make calculations of elasticity and interpret the result **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is C** **A** is not correct because the PED will be 0 **B** is not correct because the PED will be between 0 and -1 **D** is not correct because the PED will be -infinity	**(1)**

1		**The only correct answer is A** **B** is not correct because private goods are excludable **C** is not correct because private goods are rival **D** is not correct because this describes a public good	**(1)**

Question	*Ceteris paribus*, explain the likely impact of this decrease in visitor numbers on the producer surplus for Legoland. **Answer**	Mark
11	**Knowledge 1, Application 1, Analysis 2** Quantitative skills assessed: **QS4**: Construct and interpret a range of standard graphical forms **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms. **Knowledge** • 1 mark for definition of producer surplus e.g.: Producer surplus – the difference between the price charged and the price the firm is willing to sell at/above the supply line and below the equilibrium price **(1)** **Application** 1 mark for shifting demand to the left **(1)**  **Analysis** Up to 2 marks for showing the change in producer surplus Original producer surplus decreased from P_eUT **(1)** to P_1VT **(1)** **Or** Producer surplus decreases **(1)** by P_eP_1VU **(1)** Shaded reduction in producer surplus **(1)**	**(4)**

Question	Explain why this tax on imported cars is an example of government failure. **Answer**	Mark
9	**Knowledge 1, Application 1, Analysis 2** **Knowledge** 1 mark for defining government failure, e.g.: • where government intervention leads to a net welfare loss/misallocation of resources Or for identifying the type of government failure • This is government failure as it is an unintended consequence **(1)** **Application** Up to 1 mark for applying to the government failure in the stem, e.g.: • Government seized smuggled cars / removed 800 smuggled cars in July 2018 **(1)** • Calculation of a relevant tax payable on a car / the calculation must be for a car worth $74 000 or above **(1)** **Analysis** Up to 2 marks for explaining how this is an example of government failure e.g.: • The 50% tax on imports of cars over $74 000 is substantial **(1)** meaning consumers may try to avoid the tax and smuggle cars **(1)** • The tax on a car valued at $74 000 is excessive at $37 000 **(1)** creating an incentive for people to smuggle cars **(1)** • To avoid the tax consumers will smuggle cars **(1)** meaning the Government will lose tax revenue **(1)** • There will be more unregistered cars on Philippine roads **(1)** owners will not pay for road taxes **(1)** • Owners of smuggled cars will struggle to find people to maintain unregistered cars **(1)** compromising safety of other drivers **(1)**	**(4)**

Question	With reference to the house rental market in Brisbane, draw a diagram to illustrate the introduction of a maximum price for renting a house. **Answer**	Mark
7	**Knowledge 1, Application 3** Quantitative skills assessed: **QS4**: Construct and interpret a range of standard graphical forms **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms. **Knowledge** 1 mark for showing knowledge on diagram • Original supply and demand with correctly labelled axes **(1)** **Application** Up to 3 marks for the following information included on diagram: • Maximum price below equilibrium price **(1)** • Q_D and Q_S at maximum price **(1)** • Excess demand/shortage **(1)**	



N.B. The market equilibrium is not necessarily required

(4)

Question	With reference to health insurance, explain what is meant by moral hazard. **Answer**	**Mark**
8	**Knowledge 1, Application 1, Analysis 2** **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms. **Knowledge** 1 mark for understanding moral hazard e.g.: • Where the consumer does not suffer from the consequences of their action/ • Where the costs associated with risks of an action are transferred to another party **(1K)** **Application** 1 mark for applying to health insurance e.g.: • 68% of those without health insurance visited a dentist but 88% of those with health insurance visited a dentist/ • Those with health insurance visited the dentist more often than those without health insurance **(1AP)** **Analysis** up to 2 marks for linked expansion • The consumers that are insured take more risks with their health **(1AN)** and are therefore more likely to need healthcare and make a claim/ so they are less careful with their health **(1AN)** • The consumer is more likely to smoke/eat sugary food/drink fizzy drinks **(1AN)** as any healthcare costs to treat teeth are covered by the insurance policy **(1AN)**	**(4)**

Question	Explain **one** reason why there might have been a housing market bubble in Australia in 2021. **Answer**	Mark
8	**Knowledge 1, Application 1 Analysis 2** Quantitative skills assessed: **QS2**: Calculate, use and understand percentages, percentage changes and percentage point changes. **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms. **Knowledge** 1 mark for understanding of 'market bubble': • A period where prices rise rapidly/ where prices are above their true/intrinsic value/ an adjustment may lead to rapid price reductions **(1)** **Application** 1 mark for reference to data: • Prices rising rapidly in 2021 24.5%/ Price fell rapidly 2022 -4.9% **(1)** **Analysis** Up to 2 marks for linked analysis: • Speculators **(1)** buying houses in the hope that their value will increase/ so that they can sell them for profit later (**1**) • Very low interest rates **(1)** causing more demand/people to purchase houses **(1)** • Consumer exuberance/overconfidence **(1)** meaning they are willing to pay prices above the value of the house **(1)** • Excess demand for houses **(1)** as demand far outstrips the supply of housing **(1)** • Shortage of supply of housing **(1)** resulting in prices being bid up substantially by many buyers **(1)** • Poor lending decisions by bankers/banks **(1)** may result in borrowers with poor credit history/no deposit adding to demand for housing **(1)** • Large increase in immigration **(1)** may lead to increased demand for housing **(1)**	**(4)**