6	**QS2** Calculate, use and understand percentages, percentage changes and percentage point changes **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 A** **B** is not correct because the supply of new houses would decrease **C** is not correct because the supply of new houses would decrease **D** is not correct because the PES has been divided by the price change	**(1)**

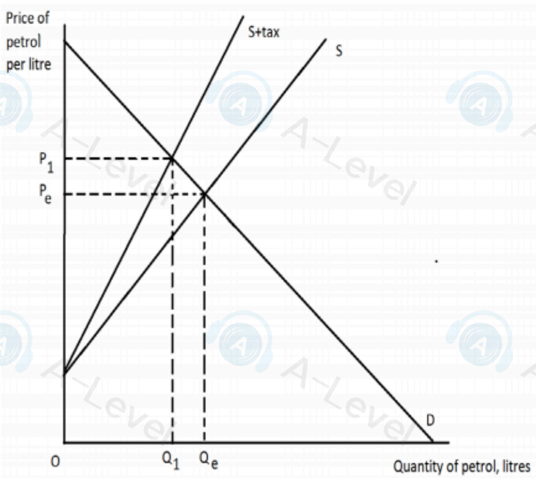
5	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is B** **A** is not correct because if consumers experienced habitual behaviour they would remain with their existing supplier **C** is not correct because if consumers are poor at computation, they would not be able to calculate their savings from switching **D** is not correct because a rational consumer maximises utility	**(1)**

6	**QS8**: Make and interpret calculations of elasticity	D	**(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 Q_1 is the market equilibrium output **B** is not correct because Q_2 is the social optimum output **C** is not correct because ABC is the welfare gain	**(1)**

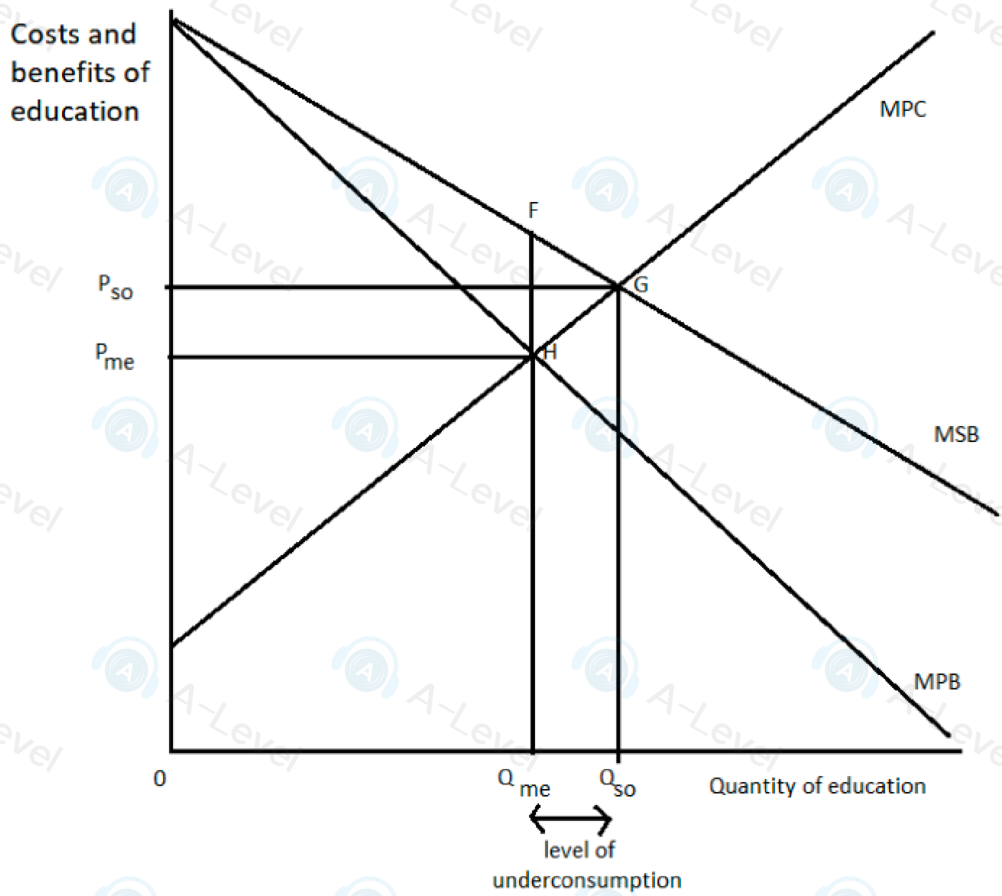
1	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is B** **A** is not correct because this is an advantage of a free market economy **C** is not correct because a free market economy does not have government intervention **D** is not correct because a free market economy is likely to result in an unequal distribution of income	**(1)**

3	**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 A** **B** is not correct because the consumers would buy fewer products to maximise utility **C** is not correct because habitual behaviour would not result in consumers buying fewer products **D** is not correct because poor computational skills mean consumers would not be able to calculate the savings and would not buy fewer products	**(1)**

Question Number	Saudi Arabia introduced its first indirect tax on the sale of goods and services in 2018. The tax is charged at 5% of the price of goods and services. Draw a diagram to illustrate the impact of the introduction of the indirect tax on the equilibrium price and quantity of petrol in Saudi Arabia.	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 drawing original supply and demand (they do not have to include market equilibrium). OR • 1 mark for definition of indirect tax e.g. tax on expenditure OR • 1 mark for definition/identification of ad valorem **Application** Up to 3 marks for the following information included on diagram: • 1 mark for drawing a supply curve to the left of original • 1 mark for the new supply curve pivoting rather than parallel to old supply curve • 1 mark for labelling the new higher price and lower quantity.  	**(4)**

9	**Knowledge 2, Application 2** **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms. **Knowledge** 1 mark for definition of normative statements e.g.: • Statements that contain value judgements/ cannot be proven/ not based on fact/ subjective **(1K)** 1 mark for definition of positive statements • Statements that are value free/ can be proven/ based on fact/ objective **(1K)** **Application** Up to 2 marks for applying to stem e.g.: • Statement 1 is positive **(1AP)** • Statement 2 is normative **(1AP)**	**(4)**

Question	With reference to China, explain the difference between 'capital goods' and 'consumer goods'. **Answer**	Mark
8	**Knowledge 2, Application 2** Quantitative skills assessed: **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms. **Knowledge** 2 marks for understanding of 'capital goods' and 'consumer goods', e.g. • Capital goods are man-made aids to production/ Goods used in the production of other capital and/or consumer goods/ Includes machines/tools/vehicles/buildings **(1)** • Consumer goods are goods used by consumers/ Goods that people buy to use themselves/ Goods purchase to gain utility/satisfy current needs and wants **(1)** **Application** 2 marks for reference to China e.g.: • Expenditure on capital goods was 47% in 2018/ 43% in 2019/capital expenditure decreased 4 **percentage points (1)** • Spending on consumer goods increased from 38.7% to 38.8%/ 0.1 **percentage point** increase **(1)** • The changes in expenditure in China may result in a reduction in the rate of economic growth/increase current living standards **(1)**	**(4)**

Question	In 2021 the number of citizens taking online education courses in the Philippines was 1 300 000. Draw a diagram to illustrate the likely external benefits resulting from online education in the Philippines. **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 • Downward sloping MSB above MPB **(1)** **Application** Up to 3 marks for the following information included on diagram: • Market equilibrium price **and** quantity **(1)** • Social optimum price **and** quantity **(1)** • Welfare loss/welfare gain area FGH/ size of external benefit FH/ level of underconsumption Qme - Qso **(1)** **(allow underprovided)**  **NB accept a parallel shift of MPB to MSB**	**(4)**

Question	Explain the likely impact on the USA's production possibility frontier (PPF) of this change in migration. Illustrate your answer with a fully labelled PPF diagram. **Answer**	**Mark**
11	See below	**(4)**

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

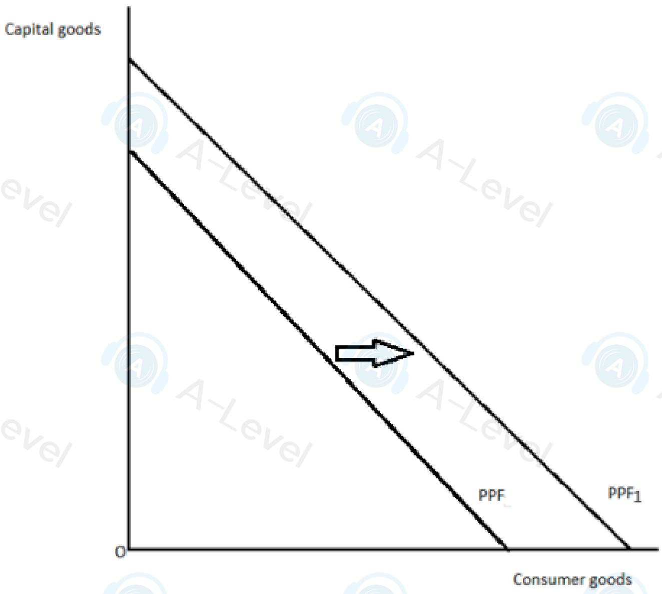
1 mark for definition of PPF e.g.:

- Production Possibility Frontier is the maximum possible production using all available resources **(1)**

Application

1 mark for correct shift of PPF diagram:

- Outward/rightward shift of PPF **(1)**



NB Accept curved PPF

Analysis

Up to 2 marks for:

- An increased population in the USA would increase the number of workers/ more factors of production available **(1)**
- Increase in the output of capital goods and consumer goods that can be produced **(1)**
- Identifying that this illustrates **economic growth**/an increase in productive potential **(1)**