

2	<p>QS5: Calculate and interpret index numbers</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.</p>	<p>The only correct answer is A</p> <p><i>B is not correct because the rate of inflation was 3%</i></p> <p><i>C is not correct because additional factors affect the standard of living</i></p> <p><i>D is not correct because the CPI does not measure the price of exports alone</i></p>	(1)
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5		<p>The only correct answer is D</p> <p>A is not correct because decreased rate of economic growth will most likely result in reduced levels of investment</p> <p>B is not correct because an increase in indirect taxation adds to the costs of business and will result in reduced investment</p> <p>C is not correct because an increase in the tax on company profits means less profits can be used to fund investment reducing the investment in the economy</p>	(1)
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3	<p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is D</p> <p>A is not correct as an increase in business confidence is most likely to increase AD</p> <p>B is not correct as an increase in house prices is most likely to increase AD</p> <p>C is not correct as an increase in net exports is most likely to increase AD</p>	(1)
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1	-	A	(1)
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4	<p>QS4: Construct and interpret a range of standard graphical forms</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is A</p> <p><i>B is not correct because an increase in real GDP per capita is likely to cause a decrease in the rate of unemployment</i></p> <p><i>C is not correct because an increase in real GDP per capita is likely to cause an increase in consumer confidence</i></p> <p><i>D is not correct because an increase in real GDP per capita is likely to increase the purchasing power of consumers</i></p>	(1)
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6	<p>QS5: Calculate and interpret index numbers</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is D</p> <p><i>A is not correct as this will be a result of a fall in consumer confidence</i></p> <p><i>B is not correct as the price level will rise</i></p> <p><i>C is not correct as real output will rise</i></p>	(1)
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2	<p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is A</p> <p><i>B is not correct because this policy would cause an increase in AD</i></p> <p><i>C is not correct because the Bank of England is using monetary policy</i></p> <p><i>D is not correct because the Bank of England is using monetary policy</i></p>	(1)
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6	<p>QS5: Calculate and interpret index numbers</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is D</p> <p><i>A is not correct as this is the base year</i></p> <p><i>B is not correct as this is the index number for 2020 using 2019 as the base year</i></p> <p><i>C is not correct as this is the index number for 2021 using 2020 as the base year</i></p>	(1)
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3	<p>QS2: Calculate, use and understand percentages, percentage changes and percentage point changes</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is C</p> <p><i>A is not correct as unemployment did not rise due to changes in seasons</i></p> <p><i>B is not correct as unemployment did not rise due to changes in technology/sectors</i></p> <p><i>D is not correct as unemployment did not rise as a result of people changing jobs</i></p>	(1)
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1	<p>QS4: Construct and interpret a range of standard graphical forms</p>	<p>The only correct answer is C</p> <p><i>A is not correct because this is an injection into the circular flow of income</i></p> <p><i>B is not correct because this is not a withdrawal</i></p> <p><i>D is not correct because this is an injection into the circular flow of income</i></p>	(1)
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6	<p>QS2: Calculate, use and understand percentages, percentage changes and percentage point changes</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is B</p> <p><i>A is not correct as the positive output gap decreased between 2017 and 2018</i></p> <p><i>C is not correct as there is a negative output gap in 2019 and positive output gap in 2017</i></p> <p><i>D is not correct as the negative output gap increased between 2018 and 2019</i></p>	(1)
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5	<p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.</p>	<p>The only correct answer is A</p> <p><i>B is not correct because welfare payments would fall when unemployment decreases</i></p> <p><i>C is not correct because demand for exports is affected by unemployment rates overseas, not in Spain</i></p> <p><i>D is not correct because we cannot tell what happened to economic inactivity rates</i></p>	(1)
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4		D	(1)
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5	<p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is C</p> <p><i>A is not correct as there are more withdrawals from the CFI</i></p> <p><i>B is not correct as savings are a withdrawal from the CFI</i></p> <p><i>D is not correct as imports are likely to fall as the savings ratio increases</i></p>	(1)
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2	<p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is B</p> <p><i>A is not correct as this implies higher consumption and therefore leads to an increase in the average price level</i></p> <p><i>C is not correct as this would lead to higher consumption and therefore an increase in the average price level</i></p> <p><i>D is not correct as this would lead to higher consumption/investment and therefore an increase in the average price level</i></p>	(1)
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4	<p>QS4: Construct and interpret a range of standard graphical forms</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is C</p> <p><i>A is not correct as this will increase aggregate demand</i></p> <p><i>B is not correct as this will cause a rightward shift in the SRAS curve</i></p> <p><i>D is not correct as this will increase aggregate demand /shift the LRAS curve to the right</i></p>	(1)
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3	-	<p>The only correct answer is D</p> <p>A is not correct because an increase in non-price competitiveness is likely to cause an increase in exports and a fall in imports</p> <p>B is not correct because a fall in real incomes is likely to reduce the demand for imports</p> <p>C is not correct because an decrease in the non-price competitiveness of a major trading partner's products is likely to cause the developed country's exports to increase its imports to fall</p>	(1)
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4	<p>QS4: Construct and interpret a range of standard graphical forms</p> <p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms</p>	<p>The only correct answer is B</p> <p>A is not correct because between A to B the economy is experiencing a downturn/negative economic growth</p> <p>C is not correct because at point C there is no output gap</p> <p>D is not correct because between C and D the economy is growing, and with greater output, unemployment is likely to be falling</p>	(1)
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Question	<p>Between 2012 and 2022 the productivity rate in Turkey increased by 39.2%. Evaluate the likely benefits of an increase in the productivity rate. Refer to an economy of your choice in your answer.</p>	
14	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance.</p> <p>The indicative content below exemplifies some of the points that candidates may make, but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p>Knowledge, Application and Analysis (12 marks) – indicative content</p> <ul style="list-style-type: none"> • Understanding of productivity: measures the efficiency of production. • It is usually measured as output per worker/output per hour worked • Increased productivity rate increases the productive potential of the economy, increasing LRAS and resulting in a rise in real output causing economic growth and a reduction in unemployment (may be shown diagrammatically) • An increase in LRAS could result in a decrease in the price level/lower inflationary pressures (may be shown diagrammatically) • Higher productivity rates may increase demand for exports. As export prices fall/the value of exports increases: improves the current account of the balance of payments/ balance of trade • Increased productivity rate can result in a greater incentive for businesses to invest: this leads to greater injections into the circular flow of income • A highly productive workforce may increase the demand for labour and real wages, increasing consumption and AD: hence real output (may be shown diagrammatically) • Higher productivity rate is likely to reduce unit costs and therefore increase company profits: this could result in an increase in investment and/or increase in wages of the workforce • Higher productivity rate is likely to increase tax revenue: this can lead to more government spending and potential multiplier effects on GDP <p>NB Award a maximum of Level 3 for answers with no reference to an economy in their answer</p>	
Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	<p>Displays isolated, superficial or imprecise knowledge and understanding of economic terms, principles, concepts, theories and models.</p> <p>Use of generic material or irrelevant information or inappropriate examples.</p> <p>Descriptive approach which has no chains of reasoning.</p>
Level 2	4–6	<p>Displays elements of knowledge and understanding of economic terms, principles, concepts, theories and models.</p> <p>Limited application of knowledge and understanding to economic problems in context.</p>

		A narrow response or superficial, only two-stage chains of reasoning in terms of cause and/or consequence.
Level 3	7–9	Demonstrates accurate knowledge and understanding of economic terms, principles, concepts, theories and models. Ability to apply knowledge and understanding to some elements of the question. Some evidence and contextual references are evident in the answer. Analysis is clear and coherent. Chains of reasoning in terms of cause and/or consequence are evident but they may not be developed fully or some stages are omitted.
Level 4	10–12	Demonstrates accurate and precise knowledge and understanding of economic terms, principles, concepts, theories and models. Ability to link knowledge and understanding in context using appropriate examples which are fully integrated to address the broad elements of the question. Analysis is clear, coherent, relevant and focused. The answer demonstrates logical and multi-stage chains of reasoning in terms of cause and/or consequence.

Evaluation (8 marks) – indicative content

- May conflict with government’s environment objectives
- Higher productivity may be the result of capital investment that may reduce employment of labour / structural unemployment
- Workers may need to be retrained to move to a different sector
- Magnitude of productivity rate improvement
- Depends on relative productivity rates
- Difficulty in measuring productivity rates e.g. especially service sector
- Increased productivity may only occur in the long-run, so unlikely to have an immediate impact on real output
- Other factors might be more significant for economic growth e.g. high consumption through demand-side policies
- Impact on inflation on the shape of/elasticity of LRAS and position of AD
- Current account of the balance of payments is also influenced by other factors e.g. exchange rate
- Investment by businesses may be based more on confidence than productivity

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	Identification of generic evaluative comments. No supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	4–6	Evidence of evaluation of alternative approaches. Some supporting evidence/reference to context. Evaluation is supported by a partially-developed chain of reasoning.
Level 3	7–8	Evaluation recognises different viewpoints and/or is critical of the evidence, leading to an informed judgement. Appropriate reference to evidence/context. Evaluation is supported by a logical chain of reasoning.