3	**QS1:** Calculate, use and understand ratios and fractions **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is C** ***A*** *is not correct as this is the marginal propensity to consume multiplied by itself* ***B*** *is not correct as this is the value of the marginal propensity to withdraw* ***D*** *is not correct as this uses the incorrect formula of 1/MPC*	**(1)**

6	QS1 Calculate, use and understand ratios and fractions 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 the value of the marginal propensity to withdraw **C** is not correct because this is 1/MPC = 1/0.49 **D** is not correct because this is the MPC multiplied by 10	**(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 B** ***A*** *is not correct as this is the difference in expenditure between 2021 and 2022* ***C*** *is not correct as this uses the incorrect formula [(new-old/new)x100] to calculate the percentage change* ***D*** *is not correct as this uses the incorrect formula [(new/old)x100] to calculate the percentage change*	**(1)**

1	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is C** ***A*** *is not correct as this is not calculated using the correct formula* ***B*** *is not correct as this is calculated using the formula (1-0.4)* ***D*** *is not correct as this is calculated using the formula (1/0.4)*	**(1)**

1	**QS1**: Calculate, use and understand ratios and fractions	**The only correct answer is D** ***A*** *is not correct because the value of the multiplier ratio is 2* ***B*** *is not correct because the value of the multiplier ratio is 2* ***C*** *is not correct because the value of the multiplier ratio is 2*	**(1)**

3	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is A** ***B*** *is not correct as data does not refer to inactive people but to underemployment* ***C*** *is not correct as data does not refer to unemployment but to underemployment* ***D*** *is not correct as the data does not relate to the price level*	**(1)**

2	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is C** ***A*** *is not correct as this occurs when people move between jobs* ***B*** *is not correct as this occurs when wages are set above the equilibrium wage rate* ***D*** *is not correct as this occurs when there is a mismatch between the skills that workers have and the skills demanded by employers*	**(1)**

3		**The only correct answer is C** **A** is not correct because lower welfare payments would reduce government expenditure **B** is not correct because a lower exchange rate is unlikely to have a direct influence on government expenditure **D** is not correct because increased business confidence will be likely to lead to higher rates of economic growth reducing the proportion of GDP made up by government expenditure	**(1)**

Question Number	Quantitative skills assessed	Answer	Mark
1	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is C** ***A*** *is not correct because potential growth is illustrated by a rightward shift in the LRAS* ***B*** *is not correct because potential growth is illustrated by a rightward shift in the LRAS* ***D*** *is not correct because potential growth is illustrated by a rightward shift in the LRAS*	**(1)**

3	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is C** ***A*** *is not correct because this will decrease the value of the multiplier* ***B*** *is not correct because this will decrease the value of the multiplier* ***D*** *is not correct because this will decrease the value of the multiplier*	**(1)**

3	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is D** ***A*** *is not correct because AD would increase* ***B*** *is not correct because government spending is an injection into CFI* ***C*** *is not correct because AS is likely to increase*	**(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 C** ***A*** *is not correct as unemployment did not rise due to changes in seasons* ***B*** *is not correct as unemployment did not rise due to changes in technology/sectors* ***D*** *is not correct as unemployment did not rise as a result of people changing jobs*	**(1)**

1	-	A	**(1)**

4	**QS1:** Calculate, use and understand ratios and fractions **QS9** Interpret, apply and analyse information in written, graphical, tabular and numerical forms	**The only correct answer is D** **A** is not correct as the incorrect formula has been used (0.4 x 2.5) **B** is not correct as the incorrect formula has been used (0.6 x 2.5) **C** is not correct as the incorrect formula has been used (2.5 / 0.6)	**(1)**

3	**QS1:** Calculate, use and understand ratios and fractions	**The only correct answer is C** ***A*** *is not correct because this will increase the value of the multiplier* ***B*** *is not correct because this will increase the value of the multiplier* ***D*** *is not correct because this will increase the value of the multiplier*	**(1)**

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

<table>
<tr><th>Question</th><th>In 2022 the Government of China decided to invest 1.48 trillion yuan in many new transportation, energy, and telecommunication infrastructure projects.
Evaluate the likely benefits of an increase in government expenditure on infrastructure.
Refer to an economy of your choice in your answer.</th></tr>
<tr><td>13</td><td>
Indicative content guidance
Answers must be credited by using the level descriptors (below) in line with the general marking guidance.
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.
Knowledge, Application and Analysis (12 marks) – indicative content

Infrastructure spending includes spending on transport, power supplies and telecommunications
Infrastructure projects will increase government spending/investment which will boost AD as government spending/investment is a component of AD (may be shown diagrammatically)
The injection into the circular flow of income will result in further rounds of spending via the multiplier effect (may be shown diagrammatically)
This may increase real output
Improved infrastructure will make doing business easier and cheaper; it lowers production costs for firms
Reliable energy/power supplies mean production can happen undisrupted
Better transport systems mean that raw materials can be moved quicker wasting less time, increasing efficiency
Workers will waste less time traveling as there is less congestion
Better telecommunications e.g. broadband speeds will enable workers to work more quickly, not waiting for information to download or upload
The LRAS shifts rightwards: this may cause deflationary pressure and an increase in potential output (may be shown diagrammatically)
Employment increases as people work on projects directly and indirectly

NB Award a maximum of Level 3 for answers with no reference to an economy in their answer
</td></tr>
</table>

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	Displays isolated, superficial or imprecise knowledge and understanding of economic terms, principles, concepts, theories and models. Use of generic material or irrelevant information or inappropriate examples. Descriptive approach, which has no chains of reasoning.
Level 2	4–6	Displays elements of knowledge and understanding of economic terms, principles, concepts, theories and models. Limited application of knowledge and understanding to economic problems in context.

		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

- Increased AD may cause greater inflationary pressures
- Infrastructure projects may have a negative effect on the environment
- The rise in government expenditure may mean that the government cannot meet the objective of achieving a balanced budget
- Significant time lag for infrastructure projects to be completed
- Infrastructure projects can result in delays during construction
- No guarantee that infrastructure projects will have a positive impact on productivity if the value of the projects is lower than the cost of building
- Consideration of effectiveness of infrastructure projects at delivering economic growth that does not negatively impact third parties
- Overall impact on real output depends on size of the multiplier
- Impact on real output/inflation depends on the level of spare capacity in the economy/elasticity of the LRAS
- Magnitude- this is substantial spending which should see a larger benefit in terms of increase in GDP
- The increase in government spending/investment could be offset by a decrease in the other components of AD e.g. consumption or net trade

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.