

1		<p>The only correct answer is A</p> <p>B is not correct because the increase in house prices in Sydney relative to other parts of Australia would reduce geographical mobility of labour</p> <p>C is not correct because the increase in house prices in Sydney relative to other parts of Australia would reduce geographical mobility of labour</p> <p>D is not correct because the increase in house prices in Sydney affects geographical mobility of labour</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 B</p> <p>A is incorrect because PES of labour would not change</p> <p>C is incorrect because this would not decrease the skills of construction workers</p> <p>D is incorrect because the wage rates of construction workers are likely to increase</p>	(1)
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3		A	(1)
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5	<p>QS8: Make calculations of elasticity and interpret the result</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>B is incorrect because this affects the price elasticity of supply of labour</p> <p>C is incorrect because this affects the price elasticity of supply of labour</p> <p>D is incorrect because this affects the supply of labour</p>	(1)
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6	<p>QS8: Make calculations of elasticity and interpret the result.</p>	A	(1)
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4	<p>QS8: Make calculations of elasticity and interpret the result.</p>	<p>The only correct answer is C</p> <p>A is not correct because a fall in net migration would cause a fall in the supply of labour</p> <p>B is not correct because a decrease in productive efficiency would affect output and not the elasticity of supply of labour</p> <p>D is not correct because a rise in trade union membership could cause a fall in the supply of labour</p>	(1)
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4	QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	The only correct answer is B A is incorrect because more passengers are a likely to cause a rise in employment C is incorrect because it is unlikely to cause a rise in unemployment since costs have decreased D is incorrect because it is unlikely to cause a rise in unemployment since costs have decreased	(1)
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3	QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	The only correct answer is C A is incorrect because this is likely to increase unemployment B is incorrect as this affects the geographical mobility of labour D is incorrect because this is likely to increase unemployment	(1)
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Question	Quantitative skills assessed	Answer	Mark
1	QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	The only correct answer is D A is incorrect because this is impacted by the demand for labour B is incorrect because the rate of unemployment should fall C is incorrect because an increase in immigration would increase the population	(1)

5	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 incorrect because this would result in an elastic demand for construction workers C is incorrect because this would result in an elastic demand for construction workers D is incorrect because this would influence the supply of construction workers	(1)
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6

QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.

The only correct answer is C

(1)

A is incorrect because this would increase the occupational mobility of labour

B is incorrect because this would increase the geographical mobility of labour

D is incorrect because this would increase the geographical mobility of labour

3

QS8: Make calculations of elasticity and interpret the result.

The only correct answer is A

B is not correct because this would imply that the supply of aerospace engineers is elastic

C is not correct because an increase in government support into training programmes would make the supply of labour more elastic

D is not correct because a fall in the demand for aerospace products would impact the demand for labour not the elasticity of supply of labour

(1)

5

The only correct answer is A

(1)

B is not correct as this would affect the demand for labour

C is not correct as this would increase the supply of labour

D is not correct as this would affect the demand for labour

4

The only correct answer is C

A is not correct because this will affect the supply of labour

B is not correct as this will affect the supply of labour

D is not correct because will affect the supply of labour

(1)

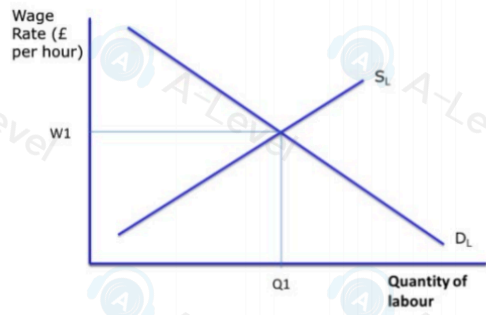
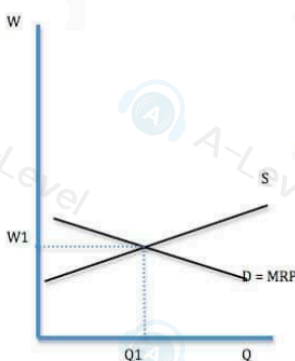
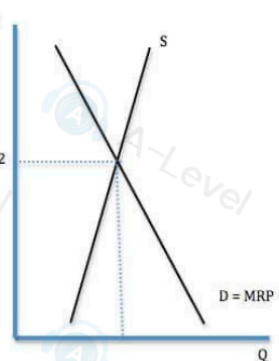
3		<p>The only correct answer is A</p> <p>B is incorrect as this would cause more available labour to enter the country</p> <p>B is incorrect as incentives to work would increase</p> <p>D is incorrect as this would not affect the supply of labour</p>	(1)
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6	<p>QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.</p>	<p>The only correct answer is A</p> <p>B is incorrect because high wage rates would affect the price elasticity of supply of labour</p> <p>C is incorrect because if the demand for labour is elastic then the demand for the product will be elastic</p> <p>D is incorrect because this would discourage firms from employing workers</p>	(1)
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3	<p>QS8: Make calculations of elasticity and interpret the result</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>A is incorrect because the demand for labour would be elastic</p> <p>B is incorrect because this impacts the elasticity of supply of labour</p> <p>C is incorrect because this impacts the elasticity of supply of labour</p>	(1)
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6	<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 because an increase in the costs of production would cause a contraction in the demand for labour</i></p> <p><i>B is not correct because a decrease in the productivity of labour would cause a contraction in the demand for labour</i></p> <p><i>D is not correct because a decrease in net migration would decrease the supply of labour</i></p>	(1)
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Question Number	<p>In New Zealand in 2018, it was estimated that the average worker employed in the private sector earned 30% less than the average worker in the public sector.</p> <p>Evaluate the reasons why wage differences exist.</p> <p>Illustrate your answer with an appropriate diagram(s).</p> <p>Indicative content</p>
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10	<p>Indicative content guidance</p> <p>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.</p> <p>Quantitative skills assessed:</p> <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>Knowledge, Application and Analysis (12 marks) – indicative content</p> <ul style="list-style-type: none"> This labour market equilibrium may differ between markets and this will cause the wage rate to differ as the equilibrium determines the wage rate <div style="text-align: center;">  </div> <p>Or</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>
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		<ul style="list-style-type: none"> • If the supply or demand for labour changes in a market, this will also change the equilibrium price of labour. Therefore, the supply or demand of labour in a market will cause the wage to differ • The level of education/skill required for the job. Jobs which require more training and education offer higher wages because the supply of workers with this training and skills will be lower than the supply of unskilled workers • Wages in the private sector could be lower than the public sector because public sector pay is funded from taxation and not dependent on profit • In some parts of the private sector firms may have monopsony power and so be able to pay lower wages than firms in other sectors • Other factors such as age, gender and ethnic background may account for wage differences • Trade union may be able to increase the wage rate through collective bargaining • Workers may have non-financial benefits that account for some of the difference e.g. hours of work, holidays, security • Workers may have financial benefits that account for some of the difference e.g. pensions, private healthcare, longer holidays • If the demand for labour is inelastic wages would be higher than if elastic • Wages tend to be higher in the sector that has more inelastic demand and /or inelastic supply • Wage differences may occur if there are immobilities present in the labour market causing shortages in the supply of labour <p>Restrict to a maximum of Level 3 if no appropriate diagram provided Accept reverse argument for KAA</p>
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.

		<p>Ability to apply knowledge and understanding to some elements of the question. Some evidence and contextual references are evident in the answer.</p> <p>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.</p>
Level 4	10-12	<p>Demonstrates accurate and precise knowledge and understanding of economic terms, principles, concepts, theories and models.</p> <p>Ability to link knowledge and understanding in context using appropriate examples which are fully integrated to address the broad elements of the question.</p> <p>Analysis is clear, coherent, relevant and focused. The answer demonstrates logical and multi-stage chains of reasoning in terms of cause and/or consequence.</p>

Evaluation (8 marks) - indicative content

- If labour is homogenous wage differences may not be different
- If workers and employers have perfect knowledge of the labour market wages will be more similar
- High mobility of labour enables workers to move between jobs and areas keeping wages stable
- If there is no (age/gender/ethnic) discrimination in the market, everyone should be paid the same for the same job
- Relative significance of relevant reasons
- Private sector in some countries may be able to offer higher wages due to higher levels of profit
- In the public sector, the government may have monopsony in the labour market and so can drive down the price of labour as workers have a lower price setting ability
- The wage differential in NZ between workers in the public and private sectors may be temporary e.g. due to a downturn/recession
- Government may limit pay rises for public sector workers e.g. to reduce budget deficit

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

<p>Question</p> <p>9</p>	<p>Evaluate the possible reasons for wage differentials in an occupation of your choice. Illustrate your answer with an appropriate diagram(s).</p> <p>Indicative content</p> <p>Indicative content guidance</p> <p>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.</p> <p>Quantitative skills assessed:</p> <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> <ul style="list-style-type: none"> • Level of skill and education, as lawyers with specialised skills, experience or higher levels of education receive higher wages because of scarcity of labour or higher productivity of the workers • If the demand for a particular skill set is high relative to the supply, then the wage rate is likely to be higher than if demand is low relative to the supply • Elasticity of demand for labour, the more elastic and substitutable the labour is the lower the wage rate. If labour cannot be replaced by capital the demand for labour is more inelastic and the wage rate is likely to be higher <div data-bbox="427 835 1152 1153" data-label="Figure"> </div> <ul style="list-style-type: none"> • If the supply of labour is inelastic e.g. if high qualifications or extensive experience is required then the wage rate is likely to be higher than if supply of labour is elastic • Job characteristics and working conditions - if the job requires high levels of physical demands/high-risk level/ poor working conditions, the business may need to pay higher wages to encourage individuals to work in the occupation. Higher-paid lawyers may be required to work much longer hours or be under more stress than lower paid lawyers • Labour market discrimination could be based on biases in accessing higher-paying jobs or receiving equal pay e.g. gender, race, age
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	<ul style="list-style-type: none"> • Higher living costs in certain areas such as Geneva may lead to higher wages to attract workers, while lower living costs in other areas of Switzerland may result in lower wages • Legislation e.g. different minimum wage rates for workers of different ages • Contractual status/Trade union membership may influence the wage paid to different groups for identical work • Greater degree of monopsony power may allow firms to reduce pay rates in certain geographical areas compared to more competitive labour markets • Public vs private sector wages <p>NB: If no diagram candidate can achieve a maximum of level 3</p> <p>Maximum of level 3 if no reference to an industry</p> <p>Accept other labour market diagrams if they illustrate differences in wage rates</p>
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Evaluation (8 marks) – indicative content

- Prioritisation of reasons for wage differentials
- Anti-discrimination laws might limit the size of wage differentials in an occupation
- Paternity leave would cause men to also have gaps in their work, making the pay more equal between men and women
- Government Policies: Government regulations, such as minimum/maximum wage laws, can influence wage differentials by setting a floor/ceiling on wages or affecting the take-home pay of workers
- Trade unions may bargain for higher wages for lower-paid employees reducing the wage differential
- Significance of reasons changes over time
- Combination of reasons contribute to wage differentials