5 India's net migration was –2.7 million in 2017. This caused a decrease in the supply of labour.

Which other factor would also cause a decrease in India's supply of labour?

- ☒ **A** An increase in the level of welfare benefits
- ☒ **B** A decrease in the productivity of labour
- ☒ **C** An increase in the size of the population
- ☒ **D** A decrease in the price of capital

(Total for Question 5 = 1 mark)

4 In 2022 Google's global market share of the internet search engine market was 84%.

Which **one** of the following is the most likely outcome of Google operating at its profit maximising output?

- ☒ **A** Average revenue is equal to marginal cost
- ☒ **B** Marginal revenue is greater than average revenue
- ☒ **C** Marginal revenue is equal to total cost
- ☒ **D** Average revenue is greater than average cost

(Total for Question 4 = 1 mark)

5 A profit maximising firm decides to change its objective to revenue maximisation.

Which **one** of the following combinations is the most likely impact of this decision?

	Supernormal profit	Price
☒ **A**	No change	No change
☒ **B**	Increase	Increase
☒ **C**	Decrease	Decrease
☒ **D**	Increase	No change

(Total for Question 5 = 1 mark)

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5 The table shows the total costs of a shirt manufacturer at different levels of output.

Output	Total costs $
0	100 000
5 000	120 000
10 000	150 000
15 000	170 000
20 000	180 000

Which **one** of the following is the average fixed cost if the shirt manufacturer is producing 10 000 shirts?

☒ **A** $5

☒ **B** $6.67

☒ **C** $10

☒ **D** $20

(Total for Question 5 = 1 mark)

5 In March 2020 the Angolan Government announced that it was privatising three state-owned textile factories.

Which **one** of the following is the most likely effect of this privatisation?

☒ **A** A decrease in X-inefficiency

☒ **B** A decrease in productive efficiency

☒ **C** A decrease in consumer choice

☒ **D** A decrease in share ownership

(Total for Question 5 = 1 mark)

5 In Australia the elasticity of demand for construction workers is estimated to be –0.18.

Which **one** of the following factors is the most likely explanation of this elasticity of demand for construction workers?

☒ **A** The construction workers cannot be easily replaced by capital

☒ **B** The costs of employing construction workers are low

☒ **C** The productivity of construction workers is low

☒ **D** The majority of construction workers are members of trade unions

(Total for Question 5 = 1 mark)

6 Prior to 2016 there was a competitive labour market for nurses in Argentina. Following the introduction of a universal healthcare system there is now a monopsony employer of nurses in the country.

Which **one** of the following combinations is the most likely impact of the introduction of this monopsonistic labour market?

		Wages	Number of employees
☒	**A**	Lower	Lower
☒	**B**	Lower	Higher
☒	**C**	Higher	Lower
☒	**D**	Higher	Higher

(Total for Question 6 = 1 mark)

2 A monopoly sets its price at the output where average revenue is equal to average cost.

Which **one** of the following best describes this firm's objective?

☒ **A** Revenue maximisation

☒ **B** Profit maximisation

☒ **C** Sales maximisation

☒ **D** Profit satisficing

(Total for Question 2 = 1 mark)

1 In 2022 Canadian National Railway paid $27.2 billion to acquire Kansas City Southern, a Mexico-USA cross-border railway.

Which **one** of the following best describes the acquisition of the Kansas City Southern railway by Canadian National Railway?

☒ **A** Conglomerate integration

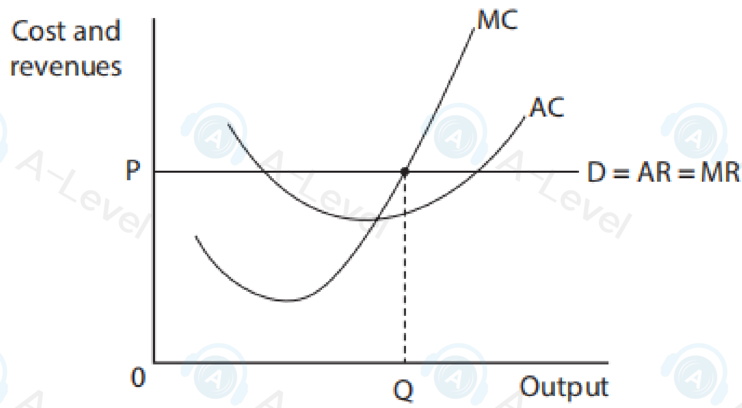
☒ **B** Forward vertical integration

☒ **C** Horizontal integration

☒ **D** Backward vertical integration

(Total for Question 1 = 1 mark)

4 The diagram shows the short-run costs and revenues for a farmer producing wheat in India.



Which **one** of the following is most likely to occur in the long-run?

☒ **A** Additional wheat farmers will enter the market

☒ **B** Some wheat farmers will leave the market

☒ **C** The wheat farmer will make supernormal profit

☒ **D** The wheat farmer will make a loss

(Total for Question 4 = 1 mark)

4 Which **one** of the following will influence the elasticity of demand for labour?

☒ **A** The size of the population

☒ **B** The level of welfare benefits

☒ **C** Labour costs as a percentage of total costs

☒ **D** The rules determining the number of immigrants

(Total for Question 4 = 1 mark)

3 The table shows the total costs of a battery manufacturer at different levels of output.

Output	Total costs (£)
0	£4 500
100	£8 000
200	£10 700
300	£13 200
400	£15 300

Which **one** of the following is the average variable cost at 300 units?

☒ **A** £15

☒ **B** £27

☒ **C** £29

☒ **D** £44

(Total for Question 3 = 1 mark)

5 The table shows the price for an adult ticket at a particular cinema in Dhaka in 2024.

Time	Price (BDT)
Afternoon	300
Evening	450

Which **one** of the following best describes the reason for this price difference?

☒ **A** Demand is more price elastic in the afternoon

☒ **B** Demand is more price inelastic in the afternoon

☒ **C** Supply is perfectly elastic in the evening

☒ **D** Supply is more elastic in the evening

(Total for Question 5 = 1 mark)

4 The table shows the total costs of producing sports footwear by a firm in the USA.

Units of output	Total Cost ($)
0	12
1	16
2	19
3	22
4	27
5	33
6	40
7	48

Between which of the following outputs do diminishing returns start to set in?

☒ **A** 1–2 units

☒ **B** 3–4 units

☒ **C** 5–6 units

☒ **D** 6–7 units

(Total for Question 4 = 1 mark)

6 A 2022 study found that the geographical mobility of labour in the USA has been decreasing for the last 30 years.

Which **one** of the following is most likely to cause a **decrease** in the geographical mobility of labour?

☒ **A** An increase in the skills of the workforce

☒ **B** An increase in relocation grants provided by the government

☒ **C** An increase in average house prices and rents

☒ **D** An increase in the availability of affordable housing

(Total for Question 6 = 1 mark)

2 Sony, an electronics company, and Honda, a vehicle manufacturing company, have collaborated to develop a new electric car.

Which **one** of the following best describes this type of arrangement?

☒ **A** A co-operative

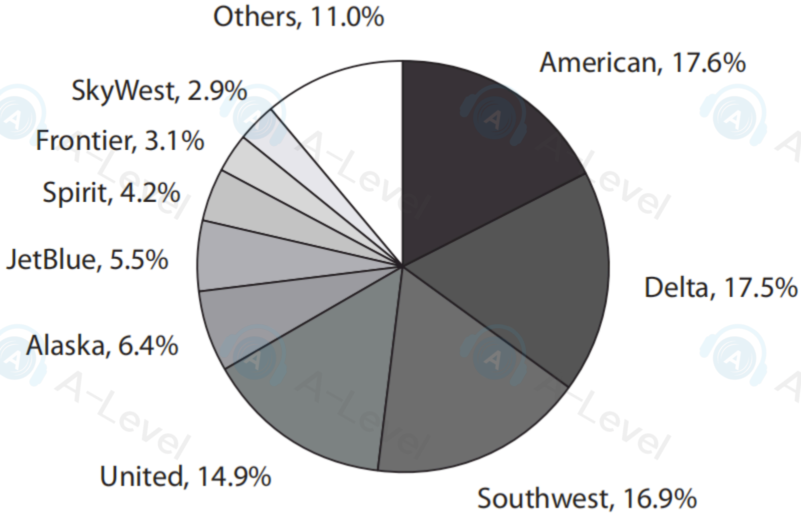
☒ **B** State-owned enterprise

☒ **C** A joint venture

☒ **D** Horizontal integration

(Total for Question 2 = 1 mark)

4 The chart shows the market share, by revenue, for airlines operating domestic flights in the USA, February 2019–January 2020.



Which **one** of the following is the five-firm concentration ratio for airlines operating domestic flights in the USA?

☒ **A** 66.9%

☒ **B** 73.3%

☒ **C** 77.9%

☒ **D** 78.8%

(Total for Question 4 = 1 mark)

5 A monopoly is operating at its revenue maximising output.

Which **one** of the following is true?

☒ **A** Marginal revenue is equal to marginal cost

☒ **B** Average revenue is equal to average cost

☒ **C** Average fixed costs are rising

☒ **D** Marginal revenue is zero

(Total for Question 5 = 1 mark)

10 In 2022, the Canadian airline WestJet completed a takeover of Sunwing Travel Group, an airline and luxury holiday provider. WestJet's objective was to sell luxury flights and holidays to more destinations.

Evaluate the benefits of growth by takeover for a business in an industry of your choice.

Illustrate your answer with an appropriate diagram(s).

(Total for Question 10 = 20 marks)