6	**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 B** ***A*** *is incorrect as AD is likely to shift to the left as a result of falling net exports* ***C*** *is incorrect as SRAS is likely to shift to the right as a result of the falling costs of imports for firms* ***D*** *is incorrect as SRAS is likely to shift to the right as a result of the falling costs of imports for firms/AD likely to shift to the left as a result of falling net exports*	**(1)**

2	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is D** ***A*** *is not correct because this is a market-orientated strategy to promote economic growth and development* ***B*** *is not correct because this is a market-orientated strategy to promote economic growth and development* ***C*** *is not correct because this is a market-orientated strategy to promote economic growth and development*	**(1)**

6	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is C** ***A*** *is not correct because the Central Bank of India would sell the US dollar* ***B*** *is not correct because this would cause a depreciation in the Indian rupee against the US dollar* ***D*** *is not correct because the Central Bank of India would buy the Indian rupee*	**(1)**

6	**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 this will shift the Lorenz curve away from the line of perfect equality* ***B*** *is not correct because this will shift the Lorenz curve away from the line of perfect equality* ***C*** *is not correct because this will shift the Lorenz curve away from the line of perfect equality*	**(1)**

2	–	**The only correct answer is A** ***B*** *is not correct because this is related to industrialisation* ***C*** *is not correct because this is related to the current account position of the BOP* ***D*** *is not correct because this is related to primary product dependency*	**(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 D** ***A*** *is not correct because this will happen when the opportunity cost for producing both goods for both the countries are the same/have identical PPFs* ***B*** *is not correct because Country A does not have a comparative advantage over Country B in the production of both the goods* ***C*** *is not correct because Country A has an absolute advantage over Country B in the production of both goods*	**(1)**

5	**QS5:** Calculate and interpret index numbers **QS9:** Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is A** ***B*** *is not correct because this uses 2018 as the base year* ***C*** *is not correct because this calculates the index number for 2019, using 2018 as the base year* ***D*** *is not correct because this calculates the index number for 2019, using 2020 as the base year*	**(1)**

5	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is D** ***A*** *is not correct because the EAC is a customs union* ***B*** *is not correct because the EAC is a customs union* ***C*** *is not correct because the EAC is a customs union*	**(1)**

5	**QS9:** Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is C** ***A*** *is not correct because consumer surplus has decreased by the area* P_1P_2EF ***B*** *is not correct because government tax revenue is the area BCDE* ***D*** *is not correct because producer surplus has increased by the area* P_1P_2BA	**(1)**

5	**QS5**: Calculate and interpret index numbers. **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is B** *__A__ is not correct because export prices have fallen at a faster rate than import prices* *__C__ is not correct because export prices have fallen at a faster rate than import prices* *__D__ is not correct because export prices have fallen at a faster rate than import prices*	**(1)**

	forms.	*prices or index of import prices*	**(1)**
6	**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 because Uruguay's Lorenz curve shifted away from the line of perfect equality* *__B__ is not correct because perfect income inequality in Uruguay would imply that the Gini coefficient will be 100%* *__D__ is not correct because income inequality in Uruguay increased by 1.3 percentage points*	**(1)**

2	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is D** *__A__ is not correct because transfer payments relate to payments made by government to individuals in the form of benefits* *__B__ is not correct because automatic stabilisers are not a discretionary fiscal policy* *__C__ is not correct because the government's current expenditure is an example of its day-to-day spending*	**(1)**

6	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is D** *__A__ is not correct because there will be a rise in both unit labour costs and export prices* *__B__ is not correct because there will be a rise in both unit labour costs and export prices* *__C__ is not correct because there will be a rise in both unit labour costs and export prices*	**(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 A** ***B*** *is not correct because this would reduce economic development in India* ***C*** *is not correct because this would reduce economic development in India* ***D*** *is not correct because this would reduce economic development in India*	**(1)**
6	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is A** ***B*** *is not correct because there will be a fall in both unit labour costs and export prices* ***C*** *is not correct because there will be a fall in both unit labour costs and export prices* ***D*** *is not correct because there will be a fall in both unit labour costs and export prices*	**(1)**
4	**QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.	**The only correct answer is A** ***B*** *is not correct because government tax revenue area is BCDE* ***C*** *is not correct because net welfare loss areas are ABC and DEF* ***D*** *is not correct because producer surplus has increased by the area* $P_1 P_2$ *B A*	**(1)**
5	**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 A** ***B*** *is not correct because the opportunity cost for producing shoes and bags for both countries is the same* ***C*** *is not correct because country X has an absolute advantage over country Y in both bags and shoes* ***D*** *is not correct as there is an opportunity cost for producing shoes and bags for both countries*	**(1)**
5	**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 because both countries will not benefit from specialisation and trade* ***B*** *is not correct because there will be an opportunity cost for producing televisions or computers for both countries* ***D*** *is not correct because the opportunity cost for producing televisions or computers for both countries is the same*	**(1)**

Question Number	Indicative content
8	**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. **QS9**: Interpret, apply and analyse information in written, graphical, tabular and numerical forms. **Knowledge, Application, Analysis (12 marks) – indicative content** • Understanding/explanation of national debt National debt is a cause for concern: • Rising national debts imply a fiscal deficit which has been mainly caused by deep recessions in many countries. This reflects disequilibrium between the government spending and tax revenues which may lead to structural issues in the long term. • Higher interest payments represent costs to the future generations. Less money will be available for spending on social services and they face high opportunity cost of interest payments • Higher national debt implies increased interest payments: danger of financial crowding out. Higher interest rates reduce private sector investment • Rising national debts lead to loss of confidence in the currency (euro, in case of eurozone countries) that may cause a fall in its value • Possibility of the need to seek assistance from international organisations and other countries; e.g. the IMF or the ECB in case of eurozone countries • Reduction in the country's credit rating and higher future borrowing costs. This leads to a significant loss of confidence in markets resulting in a fall in foreign direct investment (FDI) • Rising national debts could lead to inflationary pressures. If debt becomes too high, there may be insufficient investors to buy government securities. Thus, the government may have to fill the shortfall in revenue by printing money and increasing the money supply **N.B. Candidates may take either perspective as analysis and use their reverse arguments for evaluation i.e. they can argue that national debt is or is not a cause of concern** **N.B. Award maximum of Level 3 (9 marks) if a candidate does not refer to a developed country in their answer**

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 • National debt will be less of a concern if the fiscal deficits are cyclical and short-term rather than structural and unsustainable • Some countries like Greece and Italy faced deflation even when its debts were high/inflation will be unlikely as debts were caused by a recession following the financial crisis • Future generations will not be affected much as high inflationary pressures might erode the real value of debt. This depends on the size of national debt. • As current interest rates in most countries are low, financial crowding out may not be a significant issue • In some countries, their national debts may not be a significant issue if it is financed internally and not from borrowing • Depends on the size of national debt as a proportion of GDP; 55 percentage points increase for Portugal and 30 percentage point increase for Italy show that this will be a significant cause for concern

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.