ST EDWARD'S

OXFORD

16+ ENTRANCE EXAMINATION

For entry in 2017

ECONOMICS

Instructions to Candidates

□ Write your answer to each question in the space provided.

□ Use black ink. Pencil may be used for graphs and diagrams only.

□ Answer all the questions

Information for Candidates

□The number of marks is given in brackets **[ ]** at the end of each question or part question.

□ The total number of marks for this paper is **40**

1. Using an example, explain what you understand by the economic problem?

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2. Using a supply and demand diagram in your answer, explain what could have caused a decrease in the price of steel.

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3. What does the term 'credit crunch' mean to you in terms of Economics?

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4. Discuss the likely economic effects of increasing VAT tax rate from 20% to 30% in a country.

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5. Assess the economic effects if the Central Bank increased the interest rate.

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6. From your knowledge of economics, evaluate the extent to which the benefits of Economic growth outweigh the costs.

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Additional answer space. Any answers written in this space must be clearly numbered.

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