



Rewarding Learning

General Certificate of Secondary Education
2019

Centre Number

--	--	--	--	--

Candidate Number

--	--	--	--	--

Economics

Paper 1



G9281

[G9281]

FRIDAY 24 MAY, AFTERNOON

TIME

1 hour 45 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

You should answer all questions in the spaces provided.

If you do not have enough space to complete your answer, extra lined pages are provided at the back of the booklet.

Answer **all** questions in **Section A**.

Answer **both** questions in **Section B**.

Answer **one** question from questions 6, 7 and 8 in **Section C**.

INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Any working should be clearly shown since marks may be awarded for partially correct solutions.

Your quality of written communication will be taken into account in assessing your answers to question 4(d) in **Section B** and the question that you choose to answer from **Section C**.

ADVICE TO CANDIDATES

You should take into account the maximum marks available when deciding how much time to spend on each question.

For Examiner's
use only

Question Number	Marks
--------------------	-------

Section A

1	
---	--

2	
---	--

3	
---	--

Section B

4	
---	--

5	
---	--

Section C

6	
---	--

7	
---	--

8	
---	--

Total Marks	
----------------	--

Section A

Answer **all three** questions

- 1 Many economists believe that foreign aid is essential to help developing countries.

- (a)** Explain **one** economic characteristic of a developing country.

[2]

- (b)** Explain what is meant by foreign aid.

[2]

- (c) Explain **one** advantage and **one** disadvantage of foreign aid.**

Advantage

[2]

Disadvantage

[2]

Examiner Only	
Marks	Remark

- 2 Burgerland is a large takeaway restaurant chain. Research suggests that if Burgerland increases the price of its best selling burger meal from £5 to £6, sales will fall by 5%. To help with its decision, Burgerland has asked an economist to calculate Price Elasticity of Demand (PED).

(a) What is meant by Price Elasticity of Demand (PED)?

 [2]

(b) Using the formula outlined below, calculate the Price Elasticity of Demand for burgers.

$$\text{Formula: PED} = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$$

Calculations

% change in quantity demanded = 5%

% change in price = _____

PED = _____

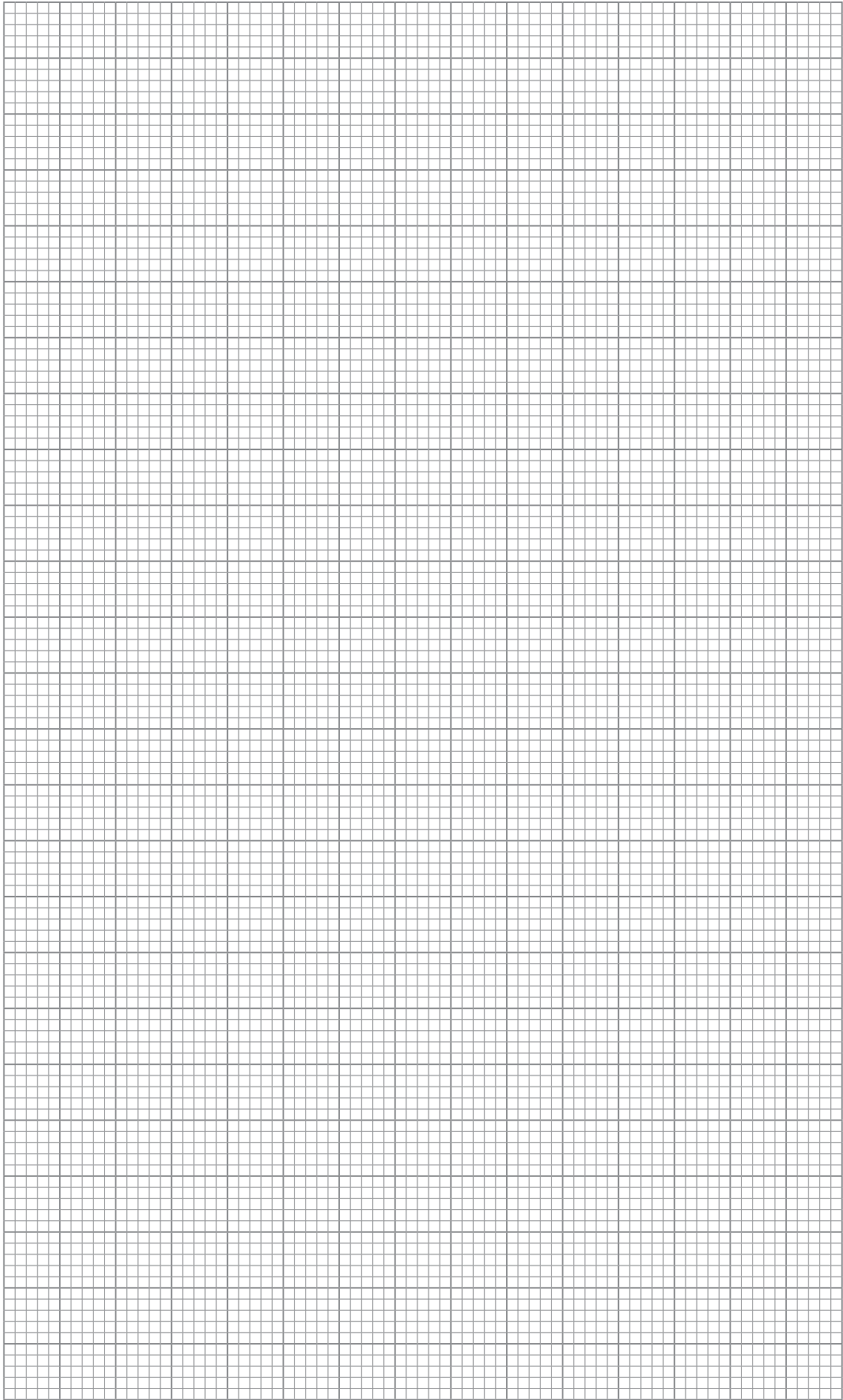
[2]

(c) Should Burgerland increase the price of burgers? Briefly explain your answer.

 [2]

Examiner Only

Marks Remark



Examiner Only	
Marks	Remark

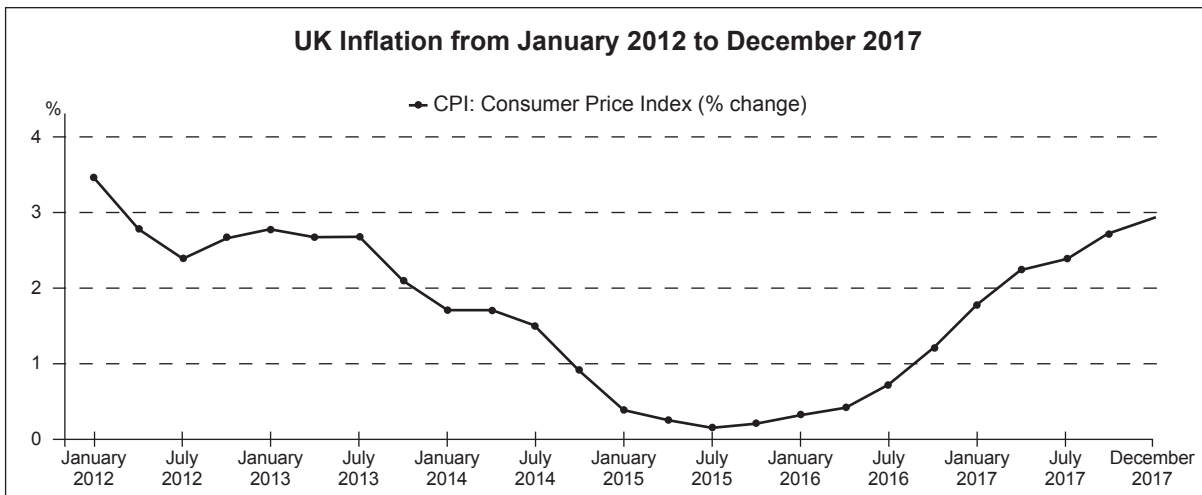
(d) Discuss the possible impact of rising milk prices on:

- milk producers and other businesses that use milk as a raw material.

[illegible]

Examiner Only	
Marks	Remark

5 Study the information below and answer the questions that follow.



Source: Graph by CCEA. Data from: ONS under Open Government Licence v3.0

- (a)** Explain what is meant by inflation.

[2]

- (b)** Describe what has happened to UK inflation between January 2012 and December 2017.

[4]

Examiner Only	
Marks	Remark

(c) Explain **two** reasons why the government would be concerned about inflation rising.

2. _____

[6]

Examiner Only	
Marks	Remarks

- | Examiner Only | |
|---------------|--------|
| Marks | Remark |
| | |

[4]

[illegible]

[4]

Examiner Only	
Marks	Remark

[illegible]

Examiner Only	
Marks	Remark

[illegible]

[15]

Examiner Only	
Marks	Remark

[Turn over

[illegible]

Examiner Only	
Marks	Remark

(b) Examine the possible advantages and disadvantages of the National Minimum Wage for the UK labour market.

[illegible]

Examiner Only	
Marks	Remark

[illegible]

Examiner Only	
Marks	Remark

Continuation page (Use this page if you need extra space to complete your answers.)

Examiner Only	
Marks	Remarks

[illegible]

Examiner Only	
Marks	Remark

Continuation page (Use this page if you need extra space to complete your answers.)

Examiner Only	
Marks	Remarks

Continuation page (Use this page if you need extra space to complete your answers.)

[illegible]

THIS IS THE END OF THE QUESTION PAPER

Examiner Only	
Marks	Remarks

Permission to reproduce all copyright material has been applied for.
In some cases, efforts to contact copyright holders may have been unsuccessful and CCEA
will be happy to rectify any omissions of acknowledgement in future if notified.