

Pearson Edexcel Level 3 GCE

Sample assessment materials for first teaching September 2015

Time 2 hours

Paper
reference

9EB0/01

Economics B

Advanced

PAPER 1: Markets and how they work

Source Booklet

Do not return this Booklet with the question paper.

Turn over ►

S84148A

©2024 Pearson Education Ltd.
1/1




Pearson

Sources for use with SECTION A

Read the following extracts (A–E) before answering Question 1.

Extract A

Fairtrade UK sales

Fairtrade is about better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. It requires companies to pay sustainable prices (which must never fall lower than the market price). In 2012, farmers and workers from some of the world's poorest countries received €80m in Fairtrade premium to invest in business, social and environmental projects in their communities. Fairtrade products are now sold in more than 125 countries; 78% of consumers recognise the Fairtrade Mark and globally it is the most widely-recognised ethical label.

5

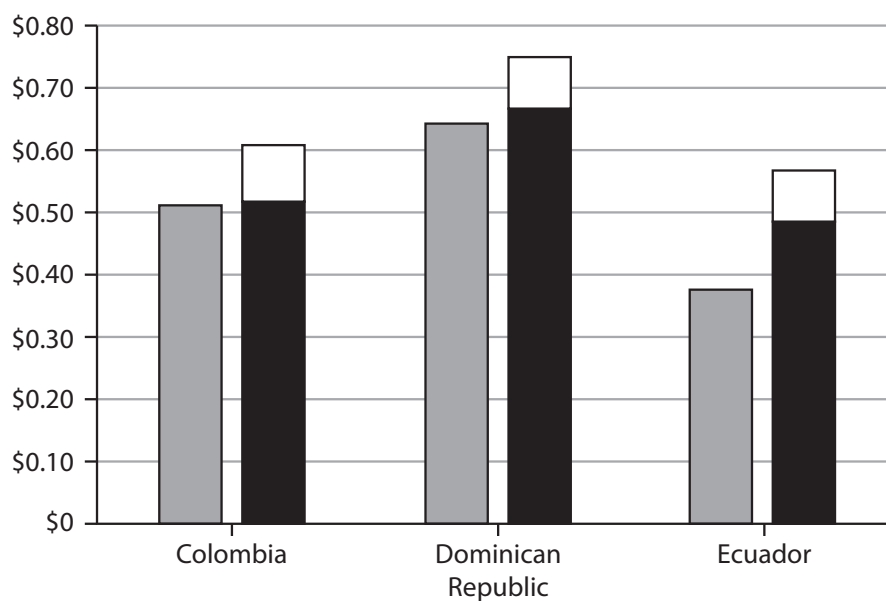
Fairtrade products cover a wide range of goods, including coffee, tea, cocoa, sugar, honey, bananas, flowers, wine, cotton, fresh fruit and fruit juices.

10

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total UK Fairtrade retail sales (£m)	63	92.3	140.8	195	286.3	493	712.6	843.4	1 173.8	1 294.1	1 530.2
Year-on-year growth (%)	25%	47%	53%	38%	47%	72%	45%	18%	39%	10%	
GDP % growth per annum	2.3	3.9	3.2	3.2	2.8	3.4	−0.8	−5.2	1.7	1.1	0.2

Extract B

Average banana price available to producers compared to Fairtrade Minimum Price in 2012 US\$ per kg



Key



Fairtrade Premium (\$0.05 per kg)



Conventional sales (exc Fairtrade)



Fairtrade Minimum Price

(Sources: adapted from http://www.fairtrade.org.uk/what_is_fairtrade/faqs.aspx;
<http://www.ons.gov.uk/ons/rel/elmr/explaining-economic-statistics/long-term-profile-of-gdp-in-the-uk/sty-long-term-profile-of-gdp.html>;
http://www.fairtrade.org.uk/includes/documents/cm_docs/2014/B/Banana%20Policy%20Report%20LoRes.pdf)

Extract C

Hello, we're innocent

Launched 14 years ago, Innocent is the UK and Europe's number one smoothie brand. The company has grown from three to 250 people who work across Europe (with products available in 15 different countries).

We sure aren't perfect but we're trying to do the right thing

5

We strive to do business in a more enlightened way, where we take responsibility for the impact of our business on society and the environment, aiming to move these impacts from negative to neutral or (better still) positive. As of 2006, we are proud to say that all our bananas come from Rainforest Alliance accredited farms. We donate 10% of profits to charity, mainly to the innocent foundation, which funds NGOs in the countries where fruit is sourced.

10

Fruit is at the heart of our business. Without great fruit, we're nothing. So we take it pretty seriously. Our fruit comes from all over the world, from thousands of different farms of all types and sizes – large plantations, co-operative groups, tiny family farms and even from the Amazon rainforest. Not only do we want our fruit to taste great, we also want to make sure we buy it from suppliers who look after both their workers and the environment. Of course, we can't promise our suppliers are perfect. We're certainly not perfect, so we can't expect them to be either. But we do ask that they abide by fair, minimum standards, and work to improve their social and environmental performance year-on-year.

15

(Source: <http://www.innocentdrinks.co.uk/us/being-sustainable>)

Extract D

Innocent unveils advert as part of £3.5m 'Chain of Good' campaign

The marketing campaign celebrates the 'Chain of Good' that begins with an Innocent drink and aims to highlight the charitable donations it makes and how that money helps people around the world. A 60-second advertisement tells the story of Joseph, a boy whose family was helped directly by Innocent's partnership with international development charity Send a Cow. The marketing push comes on the back of a year which saw Innocent's business grow 7.4%.

5

(Source: <http://www.thedrum.com/news/2014/01/06/innocent-launches-35m-chain-good-campaign>)

Extract E**UK average monthly wholesale prices of home-grown seasonal produce
(pence per kilo)**

2013	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FRUIT (p/kg)									
Blackberries			960.00	594.83	502.73	391.70	481.00	741.33	
Blackcurrants				444.38	405.97	399.87	360.00		
Cherries				289.53	262.95	274.83			
Apples	104.93	110.86	126.63	126.44	138.27	83.66	67.01	64.37	67.04
Raspberries			842.01	644.38	543.07	668.57	685.80	761.22	640.59
Strawberries	407.53	300.52	235.93	214.36	202.00	252.07	180.06	212.92	

(Source: © Crown copyright 2014)

Sources for use with SECTION B

Read the following extracts (F–H) before answering Question 2.

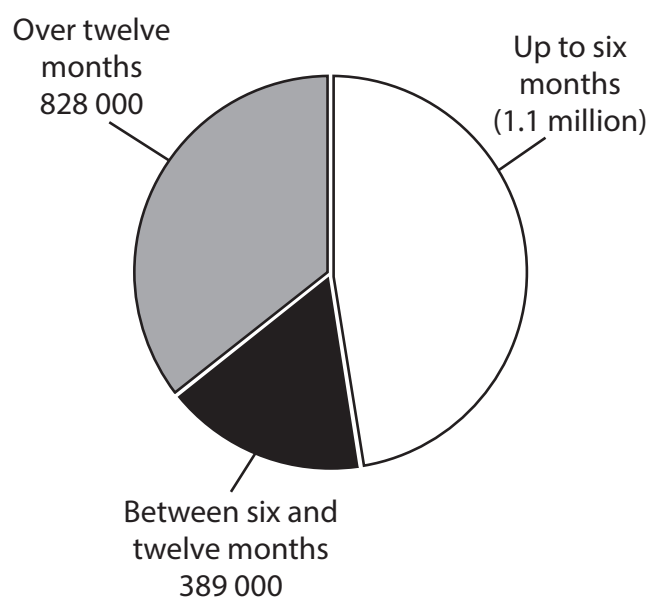
Extract F

Employment figures, 2014

Indicators	March 2014	Percentage rate
Numbers employed (aged 16+)	30 191 000	72.3%
Numbers unemployed (aged 16+)	2 326 000	7.2%
Youth unemployment (aged 16 to 24)	912 000	19.8%
Claimant count level	1 175 000	3.5%
Job vacancies	588 000	

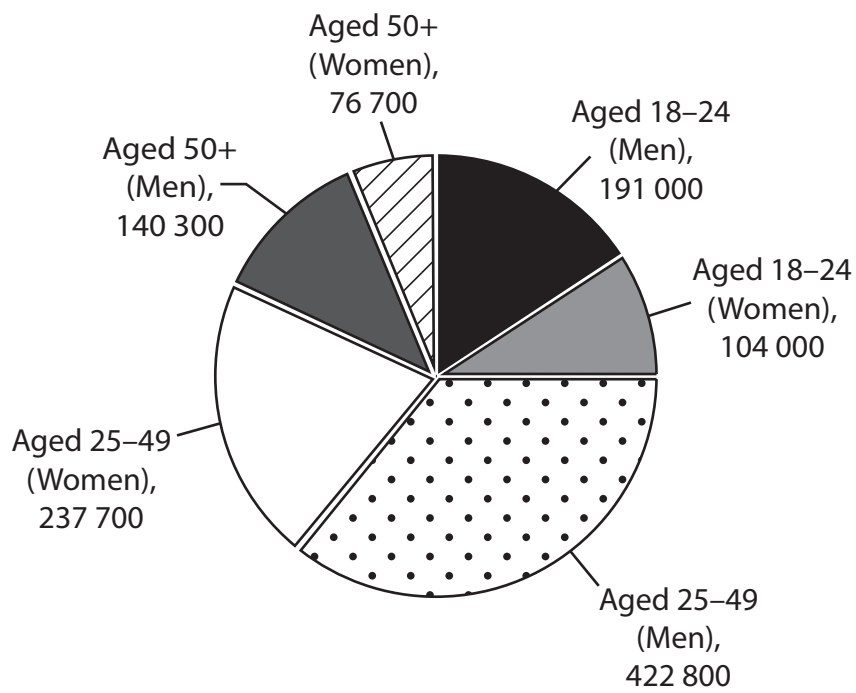
Extract G

Unemployment by duration for March 2014



Extract H

Job Seekers Allowance by age and sex for February 2014



(Source: © Crown copyright 2014)

Sources for use with SECTION C

Read the following extracts (I–J) before answering Question 3.

Extract I

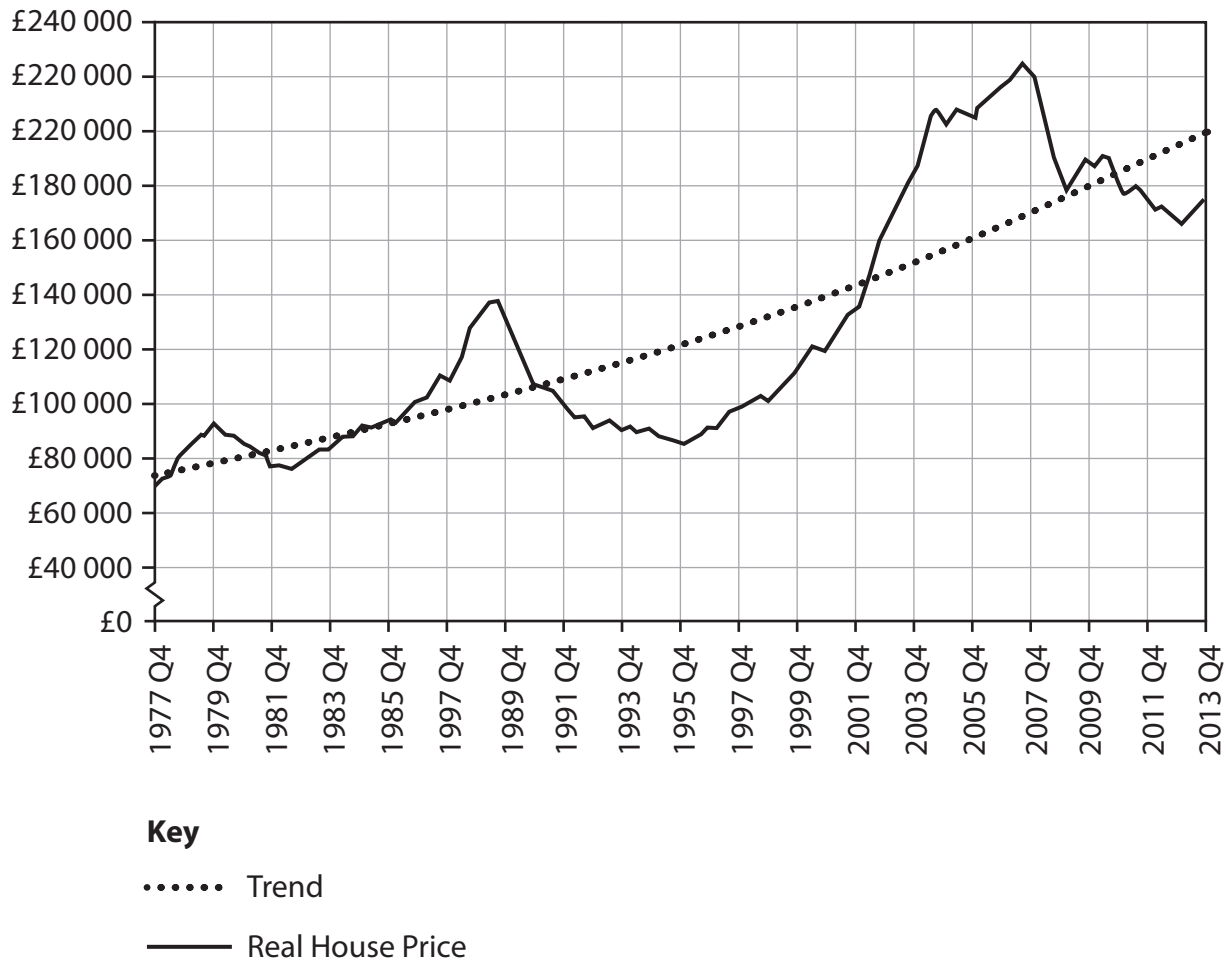
Nationwide House Price Index 1977–2013

Real House Prices

Base: 2013 Q4

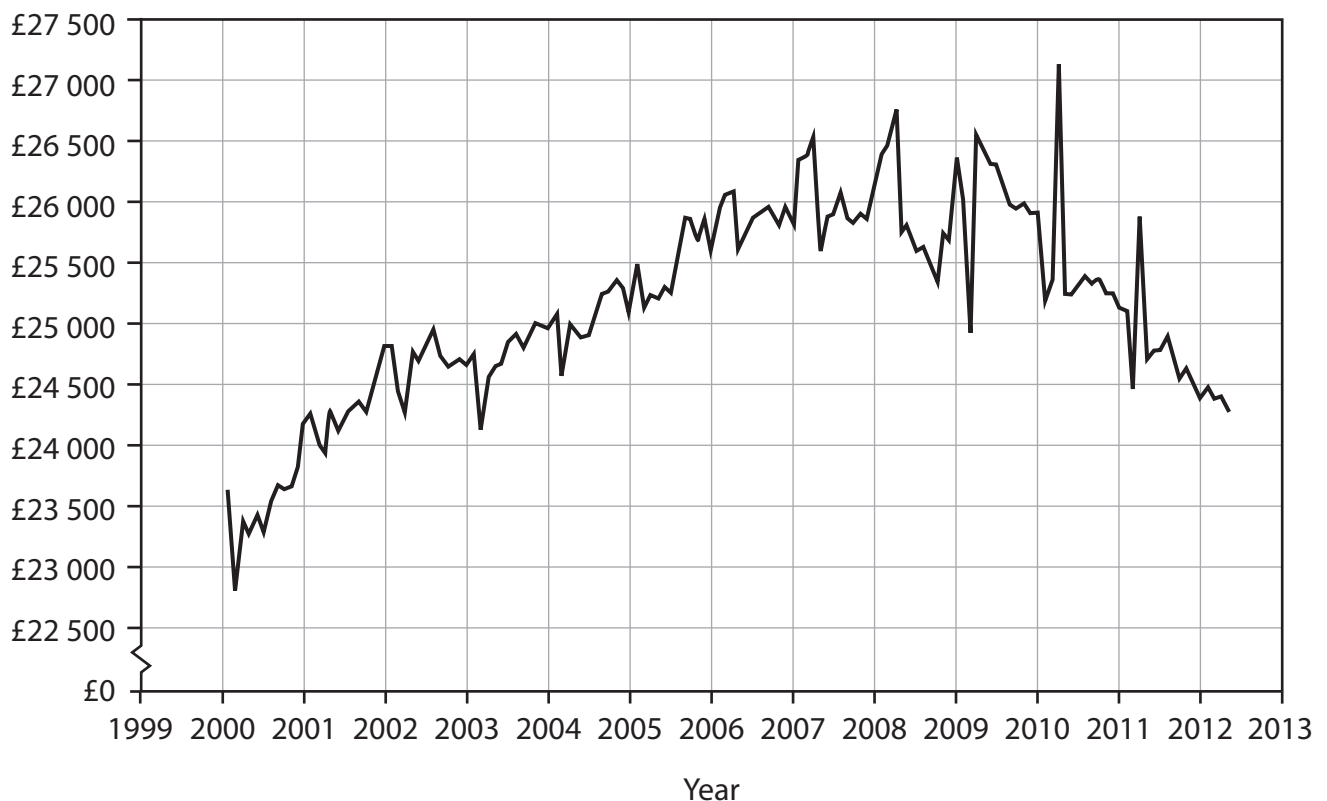
Trend from 1975 to present

Trend = c2.8% per annum



Real UK Average Annual Earnings (based on KAB9)

Real UK Average Earnings



(Sources: http://www.nationwide.co.uk/hpi/datadownload/data_download.htm; http://3.bp.blogspot.com/-zZySwFAB_qU/T-yuKXBFMYI/AAAAAAAAAzw/vxRtBATDqMc/s1600/120628-2.jpg)

UK house prices increased by 1.4% in December 2013 and were 8.4% higher than December 2012. House prices were still around 5% below the 2007 peak. The average price of a house in the UK was £175 826 in early 2014. Earnings adjusted for inflation have fallen since 2008.

Extract J

House prices 'risk becoming unsustainable'

Surveyors have warned that house prices risk becoming unsustainable in some areas because low home supply is failing to meet high demand in the market. In December 2013, The Royal Institution of Chartered Surveyors measured the strongest level of sales in six years. Its report predicts prices will rise by 5% on average in each of the next five years. The general view is that this will be largely driven by demand exceeding supply.

5

The Government's 'Help to Buy' scheme offering state-backed mortgages to people with 5% deposits was launched in October. Figures showed that the number of mortgages handed out to first-time buyers was at a six-year high in November and is expected to continue to grow in 2014. Some housing market experts have urged stronger action by the government.

10

(Source: <http://news.sky.com/story/1195932/house-prices-risk-becoming-unsustainable>)

BLANK PAGE

BLANK PAGE

BLANK PAGE