

**Paper Reference 8EB0/01**  
**Pearson Edexcel**  
**Level 3 GCE**

<b>Total Marks</b>
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**Economics B**  
**Advanced Subsidiary**  
**Paper 1: Markets, consumers and firms**

**Monday 14 May 2018 – Morning**

**Time: 1 hour 30 minutes plus your additional time allowance.**

**In the boxes below, write your name, centre number and candidate number.**

<b>Surname</b>					
<b>Other names</b>					
<b>Centre Number</b>					
<b>Candidate Number</b>					

**X51712A**

**You do not need any other materials.**

**YOU WILL BE GIVEN**

**Data Book**

**INSTRUCTIONS**

**Answer ALL questions in Sections A, B and C**

**Answer the questions in the spaces provided in this Question Paper or in the Data Book – there may be more space than you need.**

**INFORMATION**

**The total mark for this paper is 80**

**The marks for EACH question are shown in brackets – use this as a guide as to how much time to spend on each question.**

**Calculators may be used.**

**ADVICE**

**Read each question carefully before you start to answer it.**

**Try to answer every question.**

**Check your answers if you have time at the end.**

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**Answer ALL questions.**

**SECTION A**

**Read Extract A in the Data Book before  
answering Question 1**

**Write your answers in the spaces provided.**

1. (a) What is meant by the term 'entrepreneur'?  
(2 marks)

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(continued on the next page)

**1. continued.**

**(b) Calculate, to 2 decimal places, the gross profit margin for SSL in 2015**

**You are advised to show your working.**

**(4 marks)**

**Answer lines continue on the next page.**

[illegible]

1. (b) continued.

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(continued on the next page)

**1. continued.**

**(c) Explain the opportunity cost for Elliot and Adam of setting up SSL**

**(4 marks)**

**Answer lines continue on the next page.**

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1. (c) continued.

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(continued on the next page)

**1. continued.**

**(d) Discuss the benefits of limited liability to Elliot and Adam when operating SSL**

**(8 marks)**

**Answer lines continue on the next two pages.**

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**1. (d) continued.**

[illegible]

**Turn over**

**1. (d) continued.**

[illegible]

**(continued on the next page)**

**Turn over**

1. continued.

(e) Elliot and Adam were refused a bank loan when they started their business in 2005

With reference to Extract A, assess if the bank made the right decision.

(12 marks)

Answer lines continue on the next four pages.

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**1. (e) continued.**

[illegible]

**Turn over**

**1. (e) continued.**

[illegible]

**1. (e) continued.**

[illegible]

**Turn over**



1. (e) continued.

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(Total for Question 1 = 30 marks)

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**TOTAL FOR SECTION A = 30 MARKS**

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**SECTION B**

**Read Extract B, Extract C and Extract D in the Data Book before answering Question 2**

**Write your answers in the spaces provided.**

2. (a) What is meant by the term 'regulation'?  
(2 marks)

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(continued on the next page)

**2. continued.**

**(b) Tax breaks have been introduced to micro–entrepreneurs who offer accommodation.**

**Using a supply and demand diagram, illustrate the likely impact of this on the market for accommodation offered by micro–entrepreneurs.**

**(4 marks)**

**Answer space continues on the next page.**

2. (b) continued.

(continued on the next page)

**2. continued.**

(c) Calculate, to **2 decimal places**, the percentage change in the number of **Airbnb** listings in London between **July 2015** and **September 2016** (Extract C).

**You are advised to show your working.**

**(4 marks)**

**Answer lines continue on the next page.**

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2. (c) continued.

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(continued on the next page)

**2. continued.**

(d) Extract B gives examples of standard and unusual **Airbnb** accommodation.

**Discuss the extent to which the type of accommodation might determine the price set by Airbnb hosts.**

**(8 marks)**

**Answer lines continue on the next two pages.**

[illegible]



**2. (d) continued.**

[illegible]

2. (d) continued.

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(continued on the next page)

**2. continued.**

**(e) With reference to Extract D, assess Airhead's potential for growth.**

**(12 marks)**

**Answer lines continue on the next four pages.**

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**2. (e) continued.**

[illegible]

**Turn over**

**2. (e) continued.**

[illegible]

**Turn over**

**2. (e) continued.**

[illegible]

**Turn over**

2. (e) continued.

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(Total for Question 2 = 30 marks)

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**TOTAL FOR SECTION B = 30 MARKS**

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**SECTION C**

**Read Extract E in the Data Book before  
answering Question 3**

**Write your answer in the space provided.**



- 3. Evaluate the importance of market research to the success of a business such as Will's Wheelie Wash.**

**(20 marks)**

**Answer lines continue on the next six pages.**

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**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

**3. continued.**

[illegible]

**Turn over**

3. continued.

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(Total for Question 3 = 20 marks)

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**TOTAL FOR SECTION C = 20 MARKS**

**TOTAL FOR PAPER = 80 MARKS**

**END OF PAPER**

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