

Paper Reference 8EB0/02
Pearson Edexcel
Level 3 GCE

Total Marks

Economics B
Advanced Subsidiary
Paper 2: The wider economic environment

Thursday 17 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.

Surname					
Other names					
Centre Number					
Candidate Number					

X51714A

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.

Answer ALL questions.

SECTION A

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

Write your answers in the spaces provided.

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

(continued on the next page)

1. continued.

In December 2016, Nim's Fruit Crisps produced **84,250** packets of fruit crisps.

The production line can produce **125,500** packets per month.

(b) Calculate, to **2** decimal places, the capacity utilisation in December 2016. You are advised to show your working.

(4 marks)

Answer lines continue on the next page.

1. (b) continued.

(continued on the next page)

1. continued.

(c) Explain ONE way Nim's Fruit Crisps could improve its capacity utilisation.

(4 marks)

Answer lines continue on the next page.

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1. (c) continued.

(continued on the next page)

1. continued.

(d) Discuss whether using lean production will help Nim's Fruit Crisps achieve a competitive advantage.

(8 marks)

Answer lines continue on the next two pages.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

1. (d) continued.

[illegible]

Turn over

1. (d) continued.

[illegible]

(continued on the next page)

Turn over

1. continued.

(e) Using the data in Extract B, assess the extent to which the depreciation of the pound sterling (£) will have an impact on UK manufacturers such as Nim's Fruit Crisps. (12 marks)

Answer lines continue on the next four pages.

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1. (e) continued.

[illegible]

1. (e) continued.

[illegible]

1. (e) continued.

[illegible]

1. (e) continued.

(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

**Read 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 'Consumer Price Index'?

(2 marks)

(continued on the next page)

2. continued.

(b) Using Extract C, calculate the change in average real earnings for November 2016

You are advised to show your working.

(4 marks)

Answer lines continue on the next page.

[illegible]

2. (b) continued.

(continued on the next page)

2. continued.

(c) Using Extract C, explain ONE impact of rising inflation on individuals with savings.

(4 marks)

Answer lines continue on the next page.

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2. (c) continued.

(continued on the next page)

2. continued.

(d) Discuss how price elasticity of demand might affect train operators' revenues following an increase in the price of rail tickets.

(8 marks)

Answer lines continue on the next two pages.

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2. (d) continued.

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2. (d) continued.

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(continued on the next page)

Turn over

2. continued.

(e) Assess the economic benefits of increased investment in the UK rail network.

(12 marks)

Answer lines continue on the next four pages.

[illegible]

Turn over

2. (e) continued.

[illegible]

Turn over

2. (e) continued.

[illegible]

Turn over

2. (e) continued.

[illegible]

Turn over

2. (e) continued.

(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

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

Write your answer in the space provided.

- 3. Using Extract E, evaluate the likely impact of unemployment on the Spanish economy.**

(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.

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS

TOTAL FOR PAPER = 80 MARKS

END OF PAPER

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