

Paper Reference 9EB0/01
Pearson Edexcel
Level 3 GCE

Total Marks

Economics B
Advanced
PAPER 1: Markets and how they work

Time: 2 hours

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

Surname					
Other names					
Centre Number					
Candidate Number					

YOU MUST HAVE

Nil

YOU WILL BE GIVEN

Data Booklet

INSTRUCTIONS

Answer ALL questions.

Answer the questions in the spaces provided in this Question Paper or on the separate data sheets – there may be more space than you need.

INFORMATION

The total mark for this paper is 100

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.

There may be spare copies of some data sheets in case you need them.

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 extracts A–E in the Data Booklet before answering Question 1.

Write your answers in the spaces provided in this Question Paper.

1. (a) Using Extract A in the Data Booklet, calculate to two decimal places the **5**–firm concentration ratio for the UK car manufacturing industry. You are advised to show your working.
(4 marks)

Answer lines continue on the next page.

1. (a) continued.

(continued on the next page)

Turn over

1. continued.

(b) Explain ONE reason why there is less likely to be price competition in the car industry.

(4 marks)

Answer lines continue on the next page.

[illegible]

Turn over

1. (b) continued.

(continued on the next page)

1. continued.

(c) Using Extract B in the Data Booklet, calculate to two decimal places the profit for the year margin for **Stellantis** in **2020**. You are advised to show your working.

(4 marks)

Answer lines continue on the next page.

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Turn over

1. (c) continued.

(continued on the next page)

1. continued.

- (d) Using a suitable diagram, analyse the likely impact on the market for new petrol and diesel cars if the government increases the subsidy on new electric cars.**

There is space on pages 10 and 11 in the Data Booklet if you wish to use it.

(6 marks)

Answer lines continue on the next three pages.

Turn over

1. (d) continued.

[illegible]

Turn over

1. (d) continued.

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1. (d) continued.

(continued on the next page)

1. continued.

Of all the vehicles made in the UK, 81% are exported, with over half going to the EU.

(e) Discuss the likely impact on UK car exports following a depreciation of the pound against the euro.

(8 marks)

Answer lines continue on the next three pages.

1. (e) continued.

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1. (e) continued.

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1. (e) continued.

(continued on the next page)

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1. continued.

(f) Assess the likely benefits for Stellantis of selling a range of different car brands.

(10 marks)

Answer lines continue on the next three pages.

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Turn over

1. (f) continued.

[illegible]

Turn over

1. (f) continued.

[illegible]

Turn over

1. (f) continued.

(continued on the next page)

1. continued.

(g) Assess the benefits to the UK economy
of subsidising the **Vauxhall** car plant in
Ellesmere Port.

(12 marks)

Answer lines continue on the next four pages.

1. (g) continued.

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1. (g) continued.

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1. (g) continued.

[illegible]

Turn over

1. (g) continued.

(continued on the next page)

Turn over

1. continued.

(h) Assess the likely impact on the UK economy of the Government banning the sale of new petrol and diesel cars from 2030.

(12 marks)

Answer lines continue on the next four pages.

1. (h) continued.

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1. (h) continued.

[illegible]

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1. (h) continued.

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1. (h) continued.

(Total for Question 1 = 60 marks)

TOTAL FOR SECTION A = 60 MARKS

SECTION B

**Read extracts F and G in the
Data Booklet before answering Question 2.**

**Write your answer in the space provided in
this Question Paper.**

2. Evaluate the effectiveness of using monetary policy to control inflation in the UK.

(20 marks)

Answer lines continue on the next six pages.

2. continued.

[illegible]

Turn over

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2. continued.

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2. continued.

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Turn over

2. continued.

[illegible]

Turn over

2. continued.

(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

**Read extracts H and I in the
Data Booklet before answering Question 3.**

**Write your answer in the space provided in
this Question Paper.**

3. Evaluate the case for a reduction in the regulations that protect UK employees.

(20 marks)

Answer lines continue on the next six pages.

3. continued.

[illegible]

Turn over

3. continued.

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3. continued.

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3. continued.

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS

TOTAL FOR PAPER = 100 MARKS

END OF PAPER
