

**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.**

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

**Y70883A**



**Pearson**

**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.**

**Turn over**

## **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.**

**Turn over**

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 two pages.

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1. (a) continued.

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1. (a) continued.

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**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.**

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1. (b) continued.

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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 two pages.

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**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 four pages.**

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**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 five pages.**

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

(10 marks)

Answer lines continue on the next five pages.

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(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 six pages.

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**(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 six pages.**

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(Total for Question 1 = 60 marks)

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**TOTAL FOR SECTION A = 60 MARKS**

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**Turn over**

**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.**

**Turn over**

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

**(20 marks)**

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

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**(Total for Question 2 = 20 marks)**

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**TOTAL FOR SECTION B = 20 MARKS**

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**Turn over**

## **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.**

**Turn over**

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

**(20 marks)**

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

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**(Total for Question 3 = 20 marks)**

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**TOTAL FOR SECTION C = 20 MARKS**

**TOTAL FOR PAPER = 100 MARKS**

**END OF PAPER**

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