

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.

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.

1. (a) continued.

Turn over

1. (a) continued.

(continued on the next page)

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.

Turn over

1. (b) continued.

(continued on the next page)

Turn over

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.

Turn over

1. (c) continued.

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 18 and 19 in the Data Booklet if you wish to use it.

(6 marks)

Answer lines continue on the next four pages.

Turn over

1. (d) continued.

Turn over

1. (d) continued.

1. (d) continued.

1. (d) continued.

(continued on the next page)

Turn over

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.**

Turn over

1. (e) continued.

Turn over

1. (e) continued.

Turn over

1. (e) continued.

Turn over

1. (e) continued.

Turn over

1. (e) continued.

(continued on the next page)

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 five pages.**

Turn over

1. (f) continued.

1. (f) continued.

1. (f) continued.

Turn over

1. (f) continued.

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 six pages.

1. (g) continued.

Turn over

1. (g) continued.

1. (g) continued.

1. (g) continued.

Turn over

1. (g) continued.

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 six pages.

Turn over

1. (h) continued.

Turn over

1. (h) continued.

1. (h) continued.

Turn over

1. (h) continued.

Turn over

1. (h) continued.

Turn over

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 nine pages.

2. continued.

Turn over

2. continued.

Turn over

2. continued.

Turn over

2. continued.

Turn over

2. continued.

Turn over

2. continued.

Turn over

2. continued.

Turn over

2. continued.

Turn over

2. continued.

(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

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.

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

(20 marks)

Answer lines continue on the next nine pages.

3. continued.

Turn over

3. continued.

Turn over

3. continued.

Turn over

3. continued.

Turn over

3. continued.

Turn over

3. continued.

Turn over

3. continued.

Turn over

3. continued.

Turn over

3. continued.

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS

TOTAL FOR PAPER = 100 MARKS

END OF PAPER
