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Pearson Edexcel
Level 3 GCE

Economics B
Advanced
PAPER 1: Markets and how they work

Thursday 18 May 2023 – Morning

Data Booklet

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

Surname					
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INSTRUCTIONS

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

THIS DATA BOOKLET *MUST* BE RETURNED WITH THE QUESTION PAPER AT THE END OF THE EXAMINATION.

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Extract A

Competition watchdog to review UK music industry over power of big firms

The competition watchdog, the Competition and Markets Authority (CMA), is launching a review of the UK music industry. This will address concerns about the power of big music firms and ensure that the music industry is competitive, thriving and works in the interests of the consumer.

Andrea Coscelli, chief executive of the CMA, said: “Over the past decade, the music industry has evolved almost beyond recognition, with streaming now accounting for more than 80% of all music listened to in the UK. Whether you are into Bowie, Beethoven or Beyoncé, most of us now choose to stream our favourite music. A market study will help us to understand these radical changes and build a view as to whether competition in this industry is working well or whether further action needs to be taken.”

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Extract A continued.

Music firms have argued that competition remains fierce in the UK music industry, which has produced global artists
20 such as Adele, Ed Sheeran and Coldplay, while many lesser known British artists are thriving in the streaming age.

The rise of streaming platforms, such as **Spotify** and **Apple Music**, has triggered an international debate over
25 who benefits from the money generated by the boom in digital music.

Extract B

Selected financial information for Spotify for the year end 30 December 2020 and 2021

	2021 (€m)	2020 (€m)
Revenue	9 668	7 880
Gross profit	2 591	2 015
Operating profit/(loss)	94	(293)
Research and development (R&D)	912	837

Extract C

Spotify's pricing structure

Spotify is a music streaming platform that gives users access to a large catalogue of music. It offers two types of access: a basic free service, known as 'freemium' with
5 advertisements and an unlimited premium service without advertisements for a subscription fee.

The premium version of **Spotify** offers uninterrupted access to music across all devices, including smartphones, tablets and televisions. The premium
10 version enables downloading of songs to devices for offline listening and high-quality audio.

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Extract C continued.

The premium version is available at varying monthly subscription fees as follows:

- **Students £5·99**

15 • Individuals £9·99

- **Couples £13·99**

- **Family £16·99**

Extract D

This Is Music 2021 Report

This Is Music is the annual economic study by **UK Music** and its members. In **2021** it found:

		2019	2020
5	Number employed in the music industry	197,000	128,000
	Music industry's economic contribution	£5·8bn	£3·1bn
	Music exports	£2·9bn	£2·3bn

10 Glastonbury was among hundreds of festivals and live music events cancelled after restrictions were imposed in March **2020**. The impact was felt right across the industry as studios and venues were forced to close, and musicians and crew were unable to work.

15 In an industry where three-quarters are self-employed, many were not covered by government support schemes. This resulted in thousands of music creators, crew and others leaving the industry.

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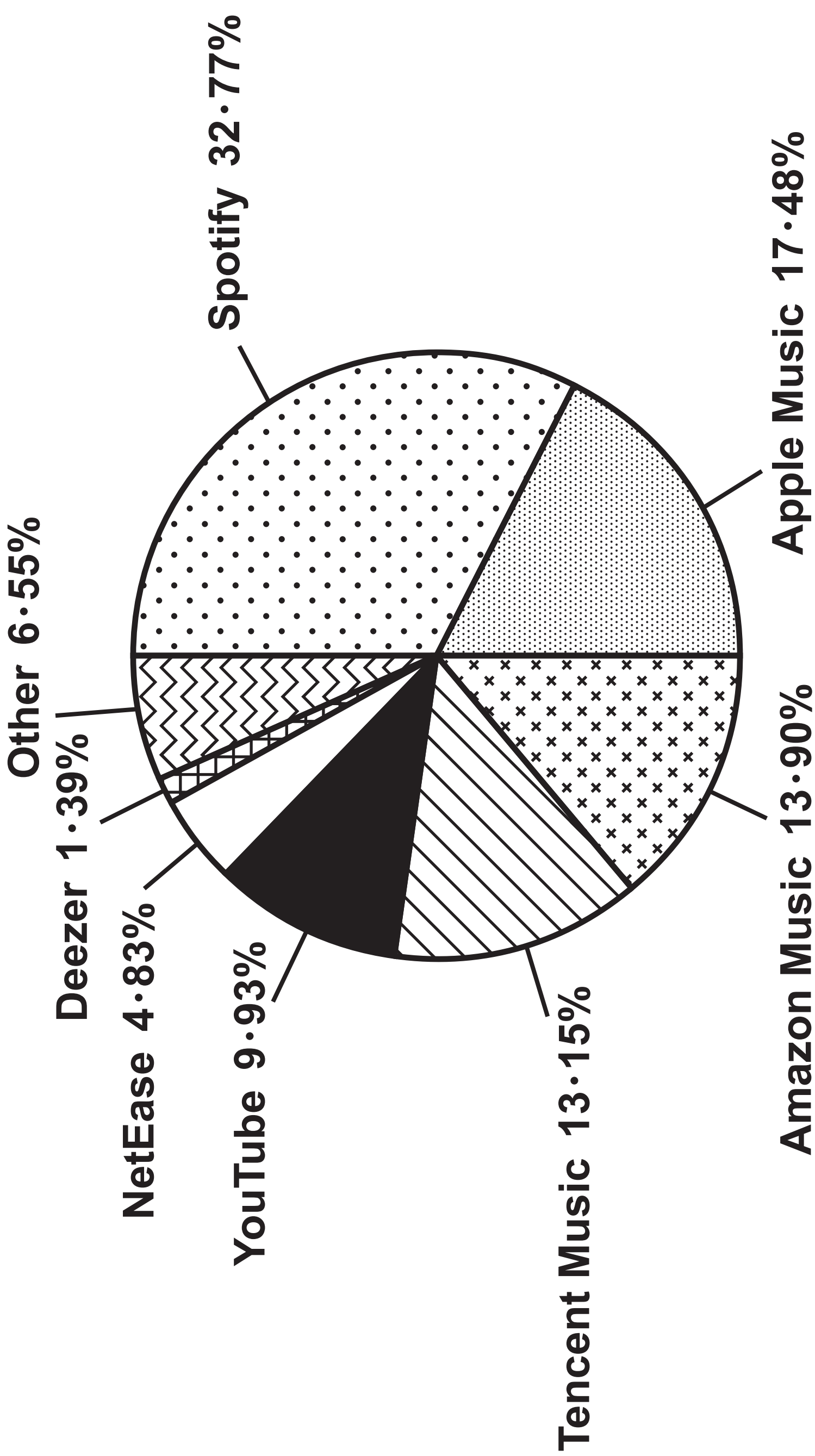
Turn over

Extract D continued.

20 UK Music is calling on the UK Government to implement tax incentives for the music industry to stimulate growth and jobs. This includes a reduction in value added tax (VAT) on tickets for live music events.

Extract E

Global market share for music streaming platforms 2022



Question 1(b)

Question 1(f)

Extract F

Children whose parents smoke are four times as likely to take up smoking themselves

A new film from the UK Government's Better Health Smoke Free campaign was released in December **2021** to discuss
5 how adult smokers can influence younger people.

Top medical experts in the film warn that teenagers whose parents or carers smoke are more than twice as likely to have tried cigarettes and are four times as likely to become a regular smoker.

10 The film aims to give smokers a strong motivation to quit in January and is part of a wider package of free NHS resources such as expert help from local Stop Smoking Services.

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Extract F continued.

Deputy Chief Medical Officer Dr Jeanelle de Gruchy said,

15 “Smoking is terrible for your health but it also has a

negative impact on people around you. We should not

overlook the impact that parents have as role models. By

stopping smoking now, parents can help break the pattern

of smoking in their family across the generations, protect

20 their children and improve their own health.”

The campaign comes as the most recent data from the

Office for National Statistics (ONS) shows that one in

eight adults in England still smokes and most smokers

start when they are in their teenage years.

Extract G

UK job vacancies in 2022

The number of job vacancies in the second quarter (Q2) of **2022** was **1,294,000**; this was a small increase of **6,900** from the previous quarter and an increase of **498,400** since the first quarter (Q1) of **2020**.

Occupational areas	Percentage growth in job vacancies Q1 2020 to Q2 2022
Accommodation and food services	107·1%
Financial and insurance	87·7%
Digital information and communication	85·2%
Electricity, gas and air conditioning supply	75·8%
Construction	68·6%
Transport and storage	50·7%
Education	44·2%
Wholesale and retail trade	24·2%

Extract H

Package to transform education and opportunities for most disadvantaged

Education will be at the heart of major new reforms set to give every child and adult the skills they need to fulfil their potential, no matter where they live. The government has identified **55** areas of the country where school outcomes are the weakest. These include Rochdale, the Isle of Wight, Walsall, parts of Yorkshire and Sunderland.

In these new ‘Education Investment Areas’, the Department for Education will offer retention payments to help schools keep the best teachers in the highest priority subjects. New specialist sixth–form schools will be built to ensure talented children from disadvantaged backgrounds have access to the highest standard of education.

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Extract H continued.

15 Alongside these reforms thousands more adults will
soon be able to access free, flexible training and get the
skills needed to secure careers in sectors including green
technology, digital and construction. This is part of an
additional **£550** million boost to expand the existing
20 Skills Bootcamps across the country.

Skills Bootcamps are aimed at people **19** years or over
who are employed, self-employed, unemployed or are
returning to work after a break. The target is for **200,000**
more people in England to complete these training courses
25 each year by **2030**.

Question 3

Question 1(b)

Question 1(f)

Question 3

Sources

Extract A

(Source: adapted from <https://www.ft.com/content/1399b213-df27-46a5-902b-41842a1cab8b/>)

Extract B

(Source: adapted from <https://investors.spotify.com/financials/default.aspx>)

Extract C

(Source: adapted from <https://insights.daffodilsw.com/blog/how-spotify-works-business-model-and-revenue-streams>)

Extract D

(Source: adapted from <https://www.ukmusic.org/research-reports/this-is-music-2021/>)

Extract E

(Source: adapted from <https://seekingalpha.com/article/4527977-spotify-rapid-growth-high-retention-and-undervalued>)

Extract F

(Source: adapted from <https://www.gov.uk/government/news/children-whose-parents-smoke-are-four-times-as-likely-to-take-up-smoking-themselves>)

Extract G

(Source adapted from: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/july2022>)

Extract H

(Source: adapted from <https://www.gov.uk/government/news/package-to-transform-education-and-opportunities-for-most-disadvantaged>)