

Paper Reference 9EB0/01  
Pearson Edexcel  
Level 3 GCE

Total Marks
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Economics B  
Advanced  
PAPER 1: Markets and how they work

Thursday 18 May 2023 – Morning

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.**

**Turn over**

**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.**

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**Answer ALL questions.**

**SECTION A**

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

**Write your answers in the spaces provided.**

1. (a) Explain ONE method the Competition and Markets Authority (CMA) could use to research the music streaming industry.

**(4 marks)**

**Answer lines continue on the next page.**

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1. (a) continued.

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(continued on the next page)

**1. continued.**

**(b) Using a supply and demand diagram, illustrate the impact on the market for traditional music formats following the increase in music streaming.**

**There is space on pages 12 and 20 in the Data Booklet if you wish to use it.**

**(4 marks)**

**(continued on the next page)**

**1. continued.**

**(c) Using the data from Extract B in the Data Booklet calculate, to two decimal places, the percentage of revenue spent on research and development (R&D) by Spotify in 2021.**

**You are advised to show your working.**

**(4 marks)**

**Answer lines continue on the next page.**

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**1. (c) continued.**

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1. continued.

(d) Analyse TWO possible reasons why **Spotify** might have increased its spending on R&D.

(6 marks)

Answer lines continue on the next two pages.

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**1. (d) continued.**

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1. (d) continued.

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**1. continued.**

**(e) Discuss the benefits for Spotify of using price discrimination.**

**(8 marks)**

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

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**1. (e) continued.**

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1. (e) continued.

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**1. continued.**

- (f) Using a supply and demand diagram, assess the likely impact on the market for live music if the UK Government reduced VAT on tickets for live music events.**

**There is space on pages 13 and 21 in the Data Booklet if you wish to use it.**

**(10 marks)**

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

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**1. (f) continued.**

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**1. (f) continued.**

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**Turn over**

1. continued.

(g) Assess the implications of a fall in unemployment for firms within the music industry.

(12 marks)

Answer lines continue on the next four pages.

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**1. (g) continued.**

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[illegible]

**Turn over**

**1. (g) continued.**

[illegible]

**Turn over**

1. (g) continued.

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**1. continued.**

**(h) Assess the benefits for consumers of the music streaming industry being an oligopoly.**

**(12 marks)**

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

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**1. (h) continued.**

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**Turn over**

**1. (h) continued.**

[illegible]

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1. (h) continued.

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(Total for Question 1 = 60 marks)

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**TOTAL FOR SECTION A = 60 MARKS**

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## **SECTION B**

**Read Extract F in the Data Booklet before answering Question 2.**

**Write your answer in the space provided.**

- 2. Evaluate the effectiveness of the UK Government providing information to reduce the number of smokers in the UK.**

**(20 marks)**

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

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**2. continued.**

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**2. continued.**

[illegible]

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**2. continued.**

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

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**TOTAL FOR SECTION B = 20 MARKS**

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## **SECTION C**

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

**Write your answer in the space provided.**

3. Using an AD/AS diagram, evaluate the impact of improving the skills and quality of the labour force for the UK economy.

There is space on pages 19 and 22 in the Data Booklet if you wish to use it.

(20 marks)

Answer lines continue on the next six pages.

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### 3. continued.

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3. continued.

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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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