

Paper Reference 9EC0/01
Pearson Edexcel
Level 3 GCE

Economics A
Advanced
PAPER 1: Markets and business behaviour

Wednesday 15 May 2024 – Morning

Data Booklet

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

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

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

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

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Spare copies

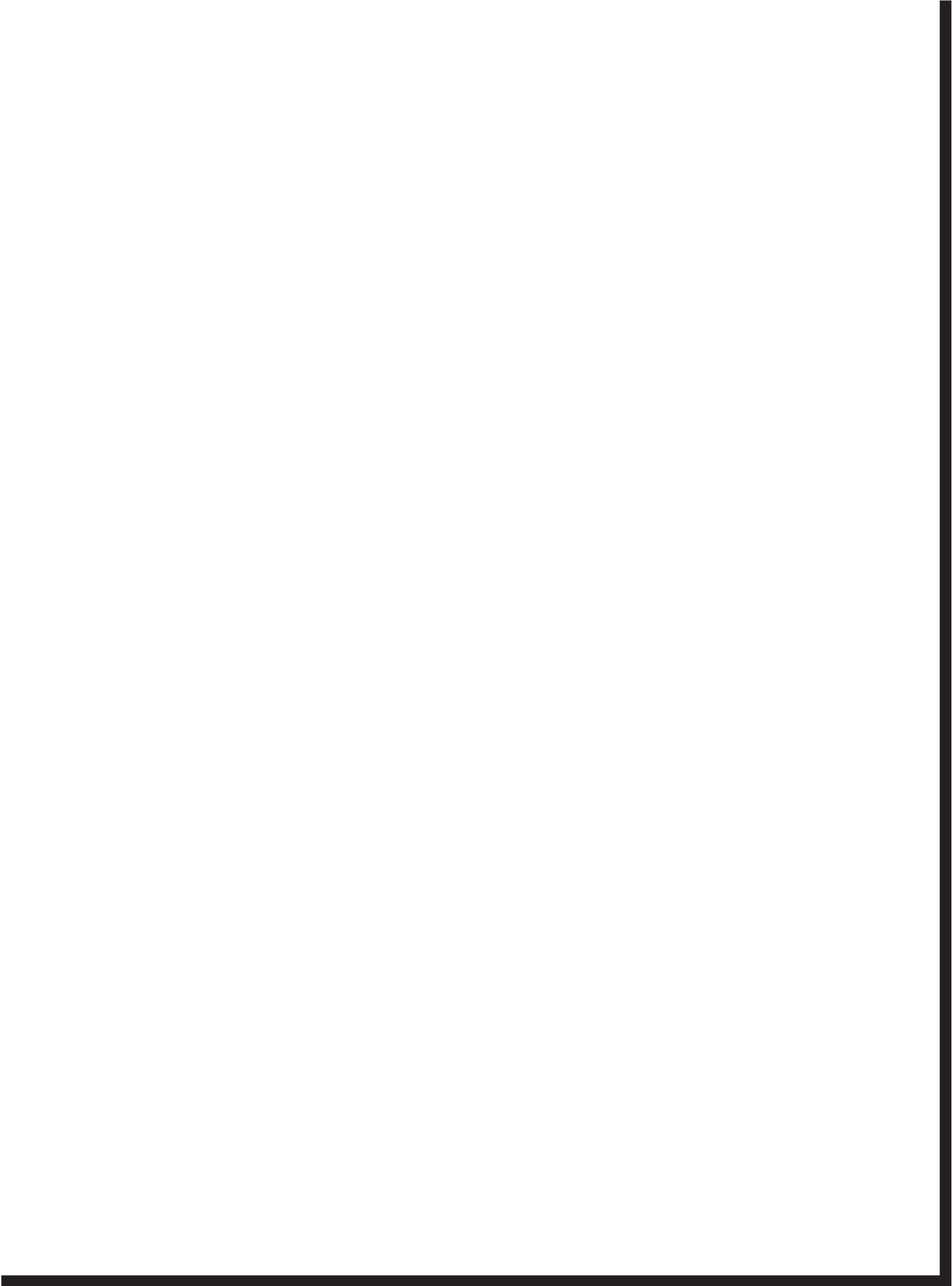
- 12 Question 3(a)**
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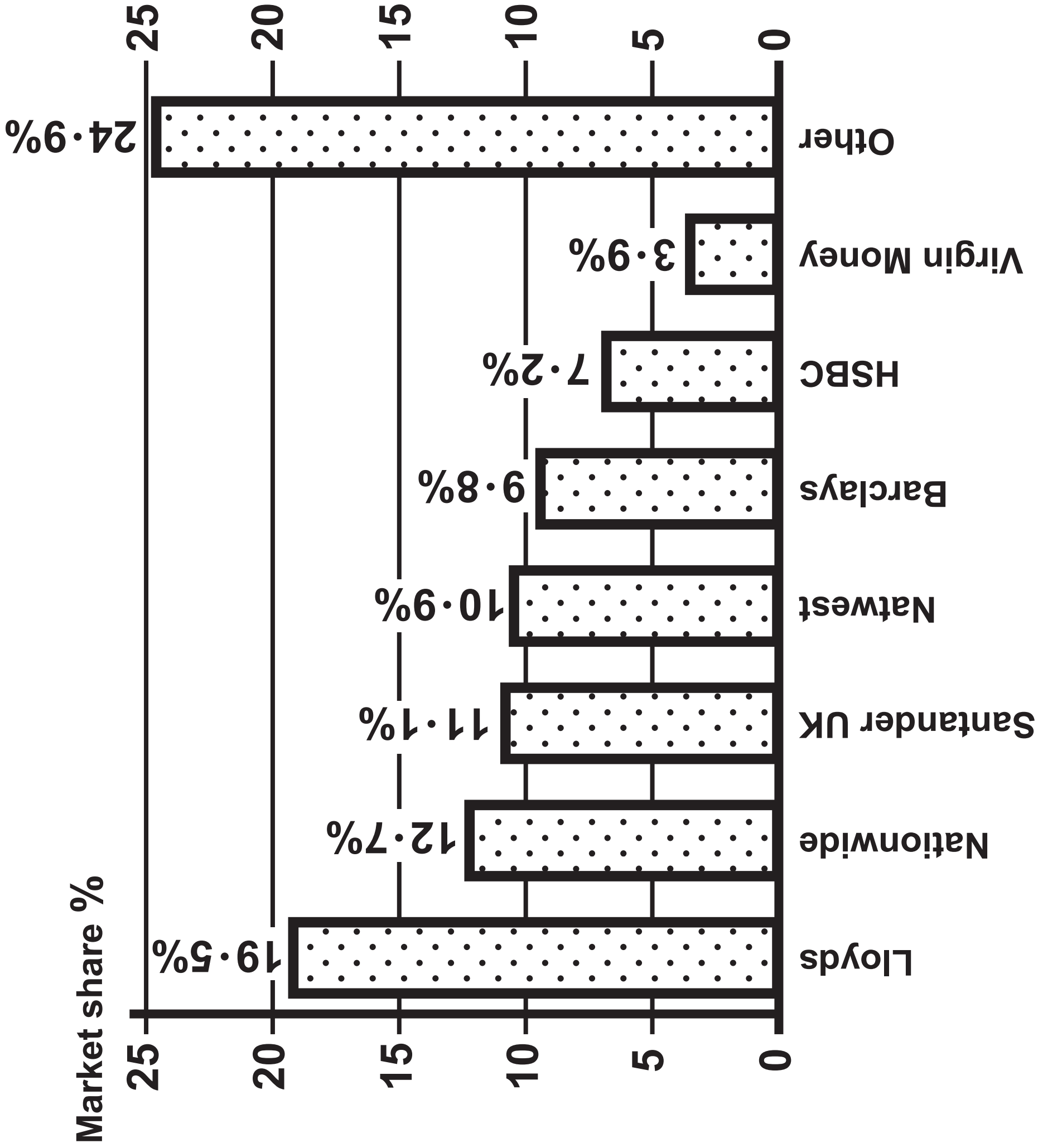
Question 1

Age	Price elasticity of demand
18+ Student	-0.7
Adult	-0.4

Question 2

US State	Price elasticity of supply
New York	+0.5
Texas	+1.8





Extract A

Rising prices of electronics devices

Computer chips act as the “brain” in all electronic devices. Makers of electronic devices face significant increases in the price of computer chips as they try to source enough components, including games consoles, computers and smartphones. The price of some computer chips has jumped from \$0.20 each to more than \$1. The prices of electronic devices have risen for a range of reasons, including higher material costs and the growing popularity of home entertainment.

Extract B

Labour shortages in the electronics industry

- Every year, highly skilled and experienced employees in the electronics industry retire. The current tight labour market has made an already difficult problem of hiring
- 5 suitable engineering and computing graduates worse, especially since the nature of the industry is becoming increasingly technical. As production becomes more automated, electronics jobs are more likely to require problem solving and analysis than just assembling skills.
- 10 However, artificial intelligence and other new technologies can help fill some of the skills gap. In addition, by giving hazardous, repetitive, grimy work to robots, human beings can focus on more creative, analytic tasks.

Extract C

Serious concerns over merger

The Competition and Markets Authority (CMA) has said the takeover of the Cambridge-based computer chip designer Arm by its US rival Nvidia raises serious competition concerns. It has launched an in-depth investigation into the £29.5 billion deal. The CMA said the merger could reduce choice for firms reliant on computer chips, pushing up prices of products including cars, games consoles and mobile phones. In addition, severe global shortages of computer chips has disrupted the manufacture of a range of electronic goods pushing up costs for firms.

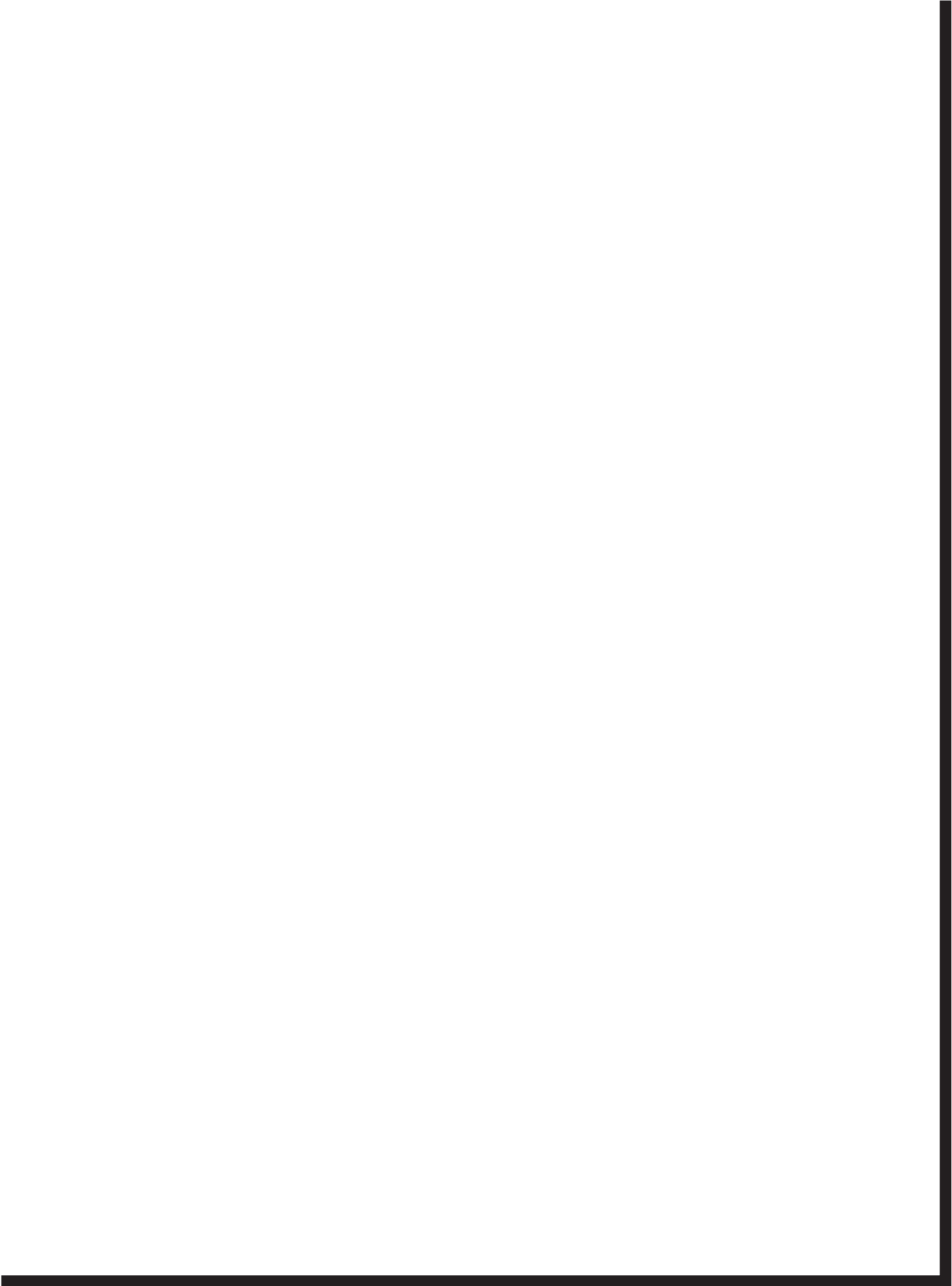
Despite this, large electronics firms benefit from economies of scale and are able to finance high-risk innovation and global advertising.

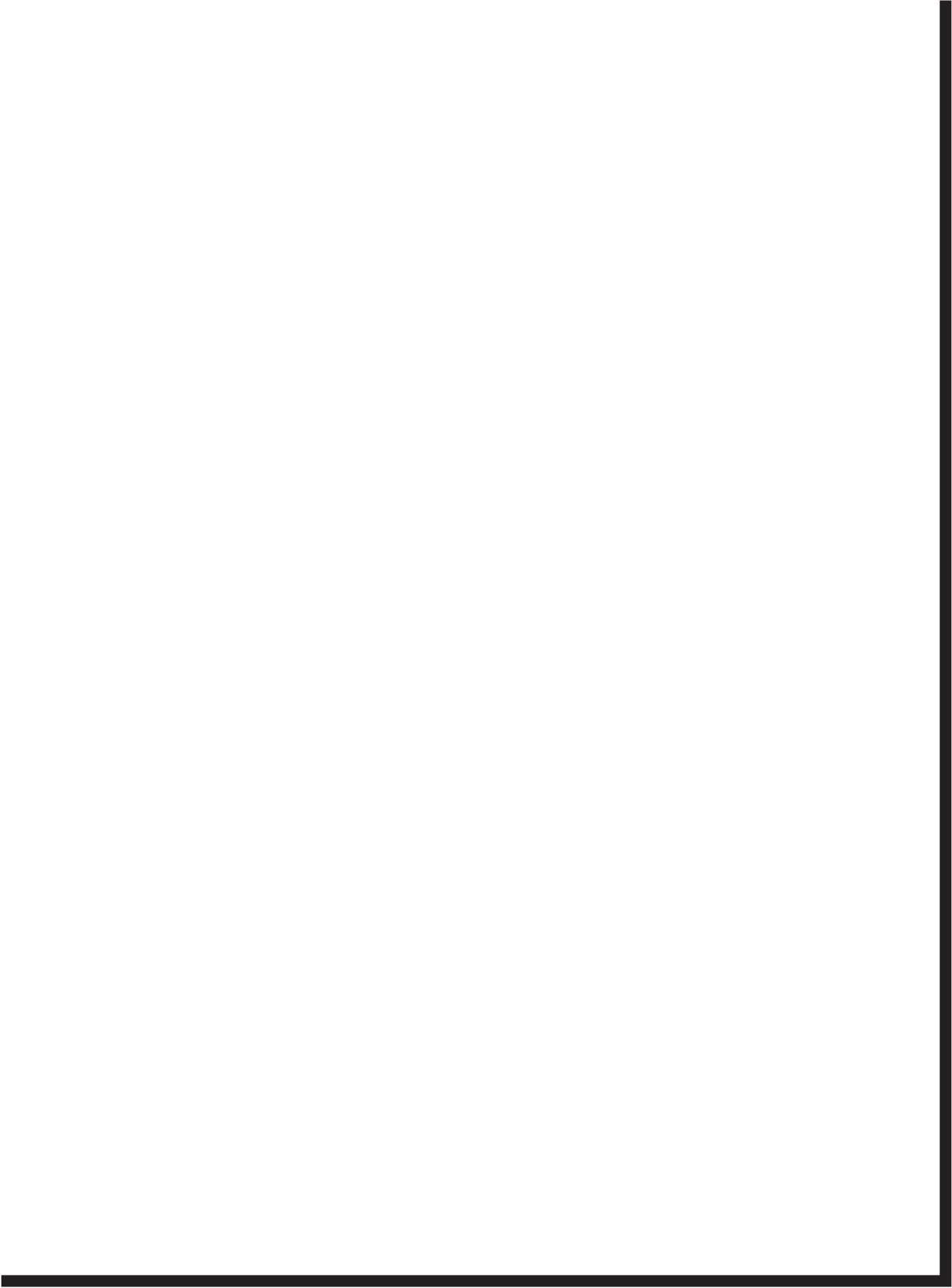
Extract D

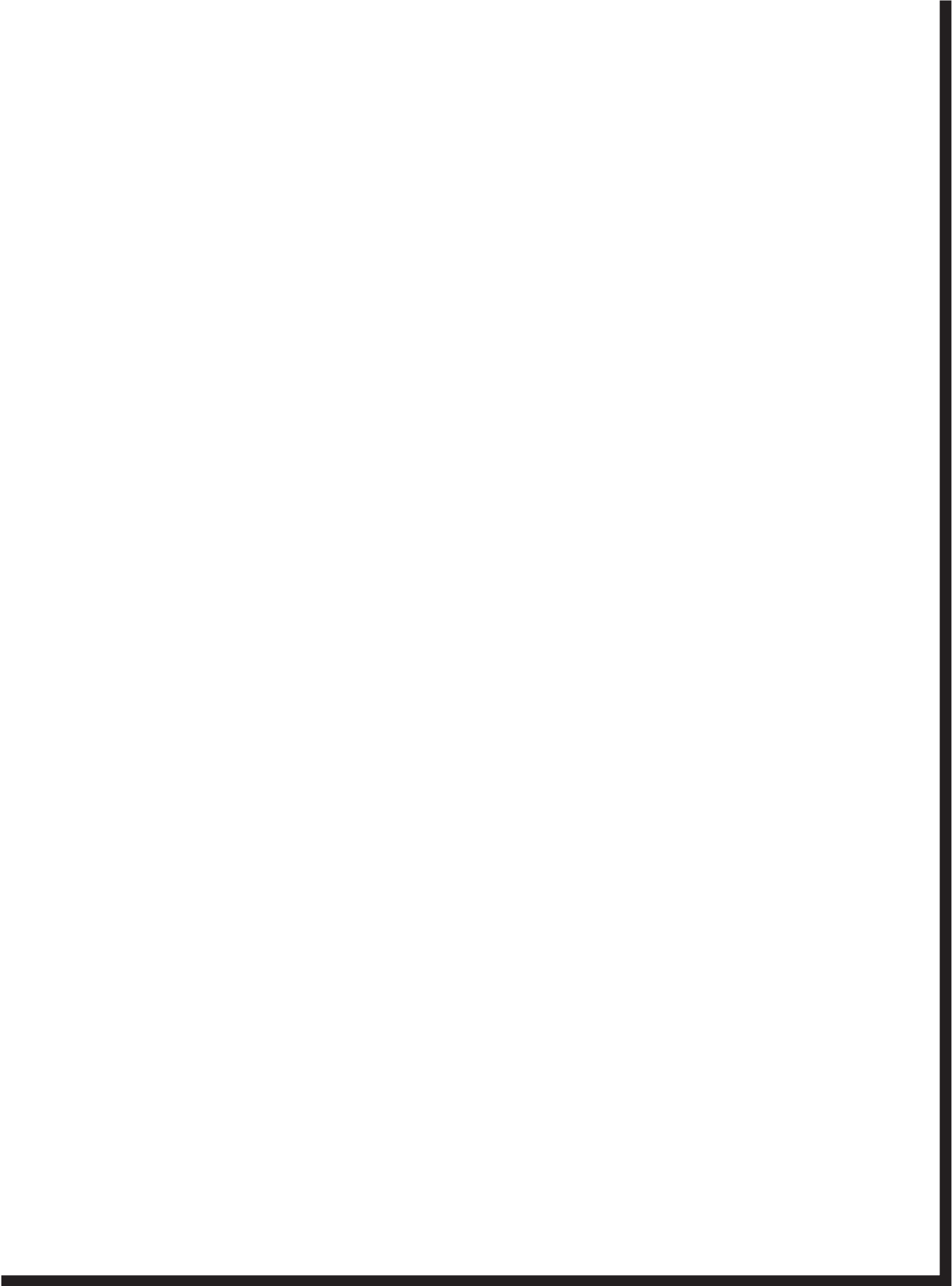
The growing problem of electronic waste

Electronic waste is the fastest growing element of the world's household waste problem. The problem in the UK is particularly bad. The country produces **24·9 kg** a person a year – nearly **10 kg** more than the EU average. In **2018**, **1·2** million tonnes of electrical devices were sold in the UK, and **500 000** tonnes made it to recycling centres. Some appliances are more likely to be recycled than others. The recycling rate for big appliances, such as fridges and cookers, is about **80%**. Of small appliances, barely one in five makes it to the recycling centre. As items such as toasters, hairdryers and headphones fit into household bins, they are not often taken to a recycling centre. This causes many problems, such as hazardous substances contaminating soil, water pollution and other external costs.

Policy makers have a long list of options to combat this problem including stricter regulation, environmental education, taxation and financial incentives. In some countries, for example, household rubbish is weighed and recycling initiatives are subsidised.







Sources

Question 1:

(Source adapted from: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/669090/youth-travel-concessions-price-elasticity.pdf and <https://tfl.gov.uk/fares/find-fares/bus-and-tram-fares#on-this-page-4>)

Question 2:

(Source adapted from: <https://bankunderground.co.uk/2020/02/25/the-declining-elasticity-of-us-housing-supply/>)

Question 5:

(Source adapted from: <https://www.statista.com/statistics/727348/uk-banks-gross-lending-market-share/>)

Extract A:

(Source: adapted from <https://www.ft.com/content/8c718a74-cd95-4b2d-ac0e-de0682e4e3cd>)

Extract B:

(Source: adapted from <https://www.ericsson.com/en/blog/2021/12/manufacturing-problems-that-keep-ceos-awake-at-night>)

(continued on the next page)

Sources continued.

Extract C:

(Source adapted from: <https://www.theguardian.com/business/2021/aug/20/watchdog-expresses-concerns-over-nvidias-takeover-of-uk-chip-designer-arm>)

Extract D:

(Source adapted from: <https://www.ft.com/content/26e1aa74-2261-11ea-92da-f0c92e957a96>)