

# Mark Scheme November 2008

IGCSE

## IGCSE Economics (4350/1F)

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4350/1F

Question Number	Answer	Mark
1(a)(i)	1 mark for D1. 1 mark for S1.	

Question Number	Answer	Mark
1(a)(ii)	1 mark for shift to right of demand curve, D2.	

Question Number	Answer	Mark
1(a)(iii)	1 mark for new equilibrium price, P2. 1 mark for new quantity, Q2.	(2)

Question Number	Answer	Mark
1(a)(iv)	Valid reason, 1 mark. Eg increase in population.	

Question Number		Indicative content
1(a)(v)		
Level	Mark	Descriptor
Level 1	1-2	Each reason in favour of wages being lower (1).
Level 2	3-5	Reference to why reasons given lead to higher wages eg higher skills (1) and training (1) leads to lower supply of office workers (1). Office workers have given up time to be trained but almost anyone can be an agricultural worker (1).  Credit candidates who consider demand and supply analysis. Must mention both sets of workers for 5 marks.

Question Number	Answer	Mark
1(b)(i)	Accurate definition = 2 marks. Responsiveness of demand to a change in income. Accept formula for 2 marks. 1 mark for incomplete or partial definition.	(2)

Question Number	Answer	Mark
1(b)(ii)	B	

Question Number	Answer	Mark
1(b)(iii)	As income increases, demand falls (1). Use of data (1).	(2)

Question Number	Answer	Mark
1(b)(iv)	Normal. Also accept luxury goods.	

Question Number	Answer	Mark
1(c)(i)	The next best alternative foregone (2). "Alternative foregone" (1).	(2)

Question Number	Answer	Mark
1(c)(ii)	The lorry	

Question Number	Answer	Mark
2(a)(i)	Nokia	

Question Number	Answer	Mark
2(a)(ii)	Siemens	

Question Number	Answer	Mark
2(a)(iii)	Motorola	

Question Number	Answer	Mark
2(a)(iv)	5%	(1)

Question Number	Answer	Mark
2(b)(i)	Costs	

Question Number	Answer	Mark
2(b)(ii)	Quantity	

Question Number	Answer	Mark
2(b)(iii)	LRAC	

Question Number	Indicative content	Mark
2(b)(iv)	Reason identified (1). Development (1), eg economies of scale (1) bulk buying (1). Also accept type of economy of scale (1) and development (1).	(2)

Question Number	Indicative content	Mark
2(b)(v)	Reason identified (1). Development (1), eg diseconomies of scale (1) bureaucracy (1). Also accept type of diseconomy of scale (1) and development (1).	(2)

Question Number		Indicative content
2(b)(vi)		
Level	Mark	Descriptor
Level 1	1-2	Each advantage/disadvantage identified, no development. Only 1 mark if give price rise/price fall with no development.
Level 2	3-4	Must have advantages and disadvantages with development.
Level 3	5	Reasoned judgement. Eg mergers might bring about reduced prices (1) as the merged firm can take advantage of economies of scale (1). However, prices may rise (1) as there has been a reduction in competition. If there are other firms in the industry consumers will benefit, as there will still be competition. (1). Reference to data (1).

Question Number	Indicative content	Mark
2(c)	Each method identified (1) eg encourage small firms, privatisation. Development (1), eg the government can give financial help (1) like low interest loans to firms starting up (1). The government can give practical advice (1) to people to help them start up a business (1).	(4)

Question Number	Answer	Mark
3(a)(i)	Real	(1)

Question Number	Answer	Mark
3(a)(ii)	Domestic	(1)

Question Number	Indicative content	Mark
3(a)(iii)	1 mark for negative economic growth or -2%. Each relevant point (1), eg unemployment, recession, falling demand.	(3)

Question Number	Answer	Mark
3(a)(iv)	Gambia	(1)

Question Number	Indicative content	Mark
3(a)(v)	Each factor identified (1). Explanation (1), eg discovery of new resources - oil. Increase in productivity - more technology.	(4)

Question Number		Indicative content
3(a)(vi)		
Level	Mark	Descriptor
Level 1	1-2	Each advantage/ disadvantage identified (1).
Level 2	3-4	Must have advantages and disadvantages + development.
Level 3	5	Must have reasoned conclusion . Eg economic growth can lead to increased more goods and services available to consumers (1) as more is produced in the country (1). However, it can also lead to pollution (1) which may lead to health problems (1). If governments control problems of economic growth then it will probably lead to an increase in the standard of living.

Question Number	Answer	Mark
3(b)(i)	Rising	(1)

Question Number	Indicative content	Mark
3(b)(ii)	1 mark for identifying problem, 1 mark for development. Firms: workers demand higher wages (1) and this increases costs (1). Consumers: real incomes fall (1) so can't buy as much (1).	(4)

Question Number	Answer	Mark
4(a)(i)	130 yuan	(1)

Question Number	Answer	Mark
4(a)(ii)	110 yuan	(1)

Question Number	Indicative content	Mark
4(a)(iii)	Relevant reason 1 mark, explanation 1 mark. Eg increase in imports (1) will lead to more rands on the market (1).	(2)

Question Number	Answer	Mark
4(a)(iv)	1 mark for D shift to right, D1. Exchange rate rise XR, 1 mark.	(2)

Question Number	Indicative content	Mark
4(a)(v)	Method identified, eg devaluation, subsidies (1). Explanation (1), eg subsidies will make exports cheaper.	(2)

Question Number	Answer	Mark
4(b)(i)	Imports	(1)

Question Number	Answer	Mark
4(b)(ii)	Trade	(1)

Question Number	Answer	Mark
4(b)(iii)	Services (1). Example (1), eg tourism	(2)

Question Number	Answer	Mark
4(b)(iv)	Worsened (1) by 21.38bn Rands (1)	(2)

Question Number		Indicative content
4(c)		
Level	Mark	Descriptor
Level 1	1-2	Each advantage/disadvantage identified (1).
Level 2	3-4	Must have advantages and disadvantages of international debt (borrowing) and some development.
Level 3	5-6	Must have advantages and disadvantages of international debt (borrowing) and some development and a reasoned conclusion. Eg developing countries need funds to improve the infrastructure (1) and standard of living (1) in their countries and so they borrow. However, borrowing leads to debt and debts have to be repaid with interest (1). This can mean that developing countries may need to borrow more just to repay old debts (1). If the money borrowed is used wisely and increases economic growth then borrowing can easily be repaid and is not a problem (1).



