

**Paper Reference 4EC1/01**  
**Pearson Edexcel**  
**International GCSE**

# **Economics**

**Level 1/2**

**Paper 1: Microeconomics and Business Economics**

**Monday 13 January 2020 – Morning**

## **Data Book**

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

<b>Surname</b>					
<b>Other names</b>					
<b>Centre Number</b>					
<b>Candidate Number</b>					

## INSTRUCTIONS

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

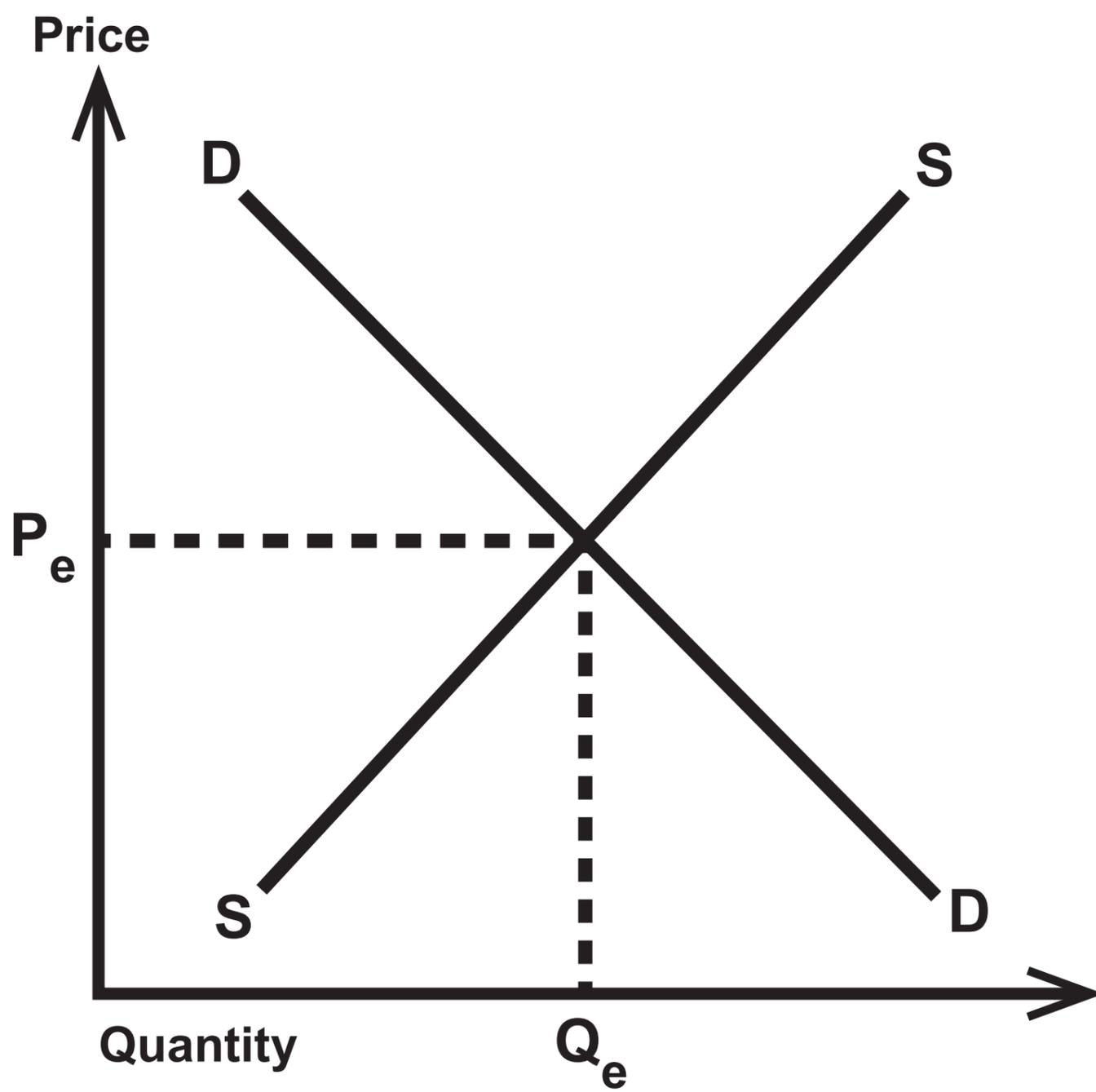
**THIS DATA BOOK MUST BE RETURNED WITH THE QUESTION PAPER AT THE END OF THE EXAMINATION.**

## Contents

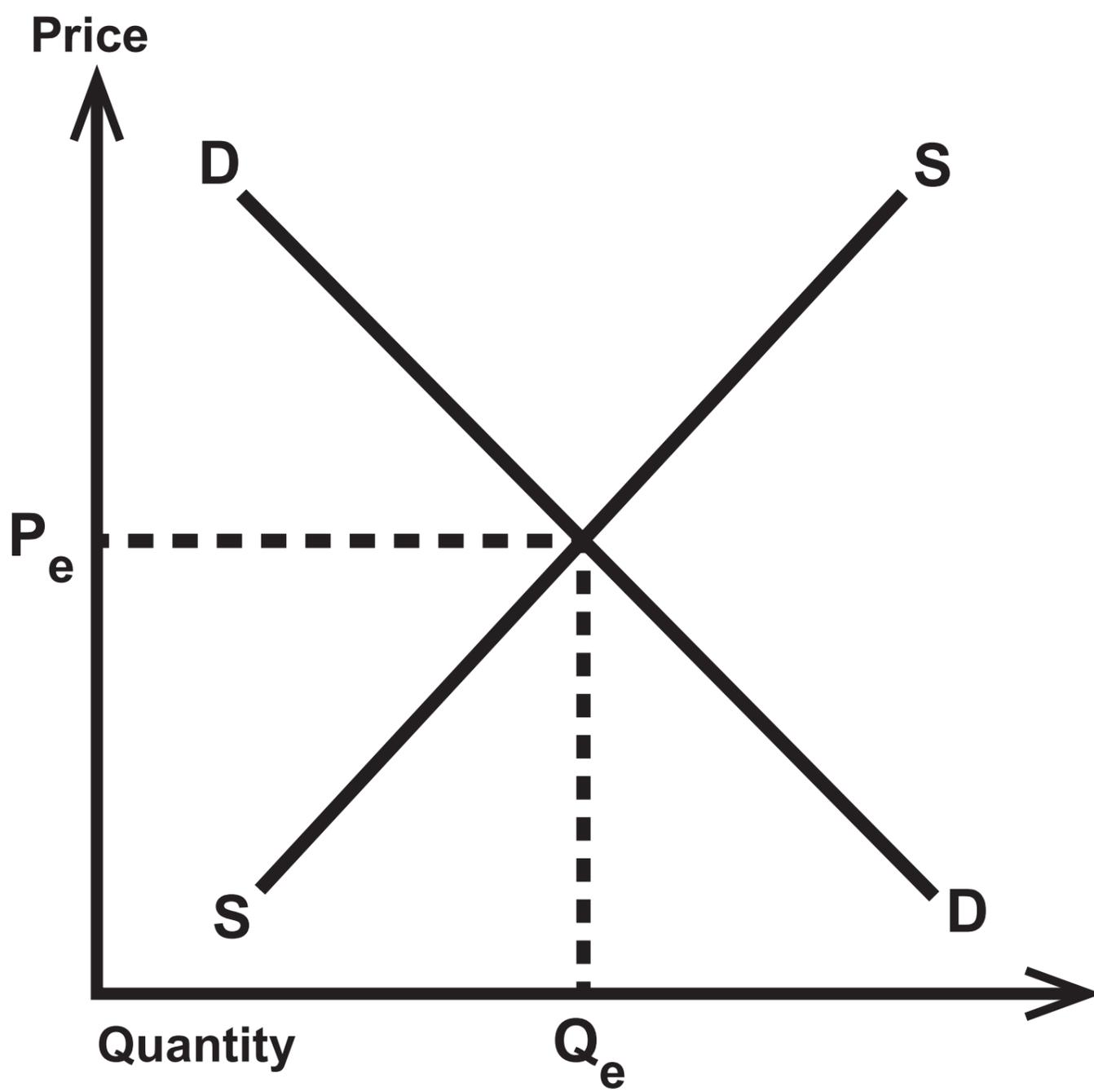
### Page

4	Question 1(g)
5	Question 1(g) (Spare copy)
6	Question 1(i)
7	Question 2(a)
8	Question 2(f)
9	Question 2(h)
10	Question 3(c)
11	Question 3(c) (Spare copy)
12	Question 3(d)
13	Question 3(e)
14	Question 4(b)
15	Question 4(c)

Question 1(g)



Question 1(g)



## Question 1(i)

**McAfee is a US–based global computer software security company. In 2017, its revenue was over \$2.5 billion. The company operates a ‘fundraising match programme’. This means when one of its 7,600 employees participates in a fundraising activity, such as a walk, run or cycle event, the company will contribute an equal amount. For every \$1 raised for charity by an employee, the company will also contribute \$1 to the charity, up to a maximum of \$1 000 per person.**

**(Source adapted from: <https://doublethedonation.com/tips/companies-that-donate-to-nonprofits/#match>)**

Question 2(a)

Diagram A

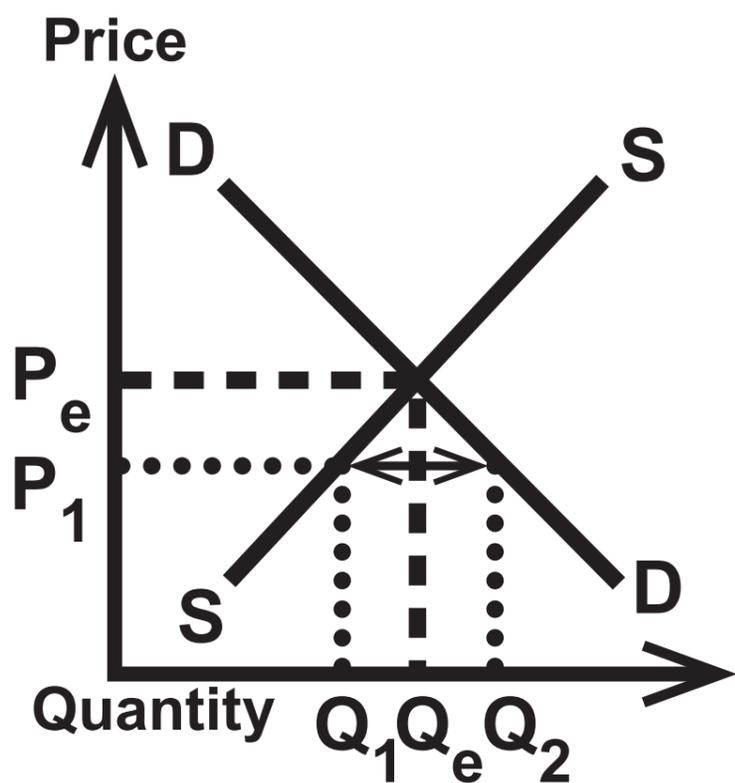


Diagram B

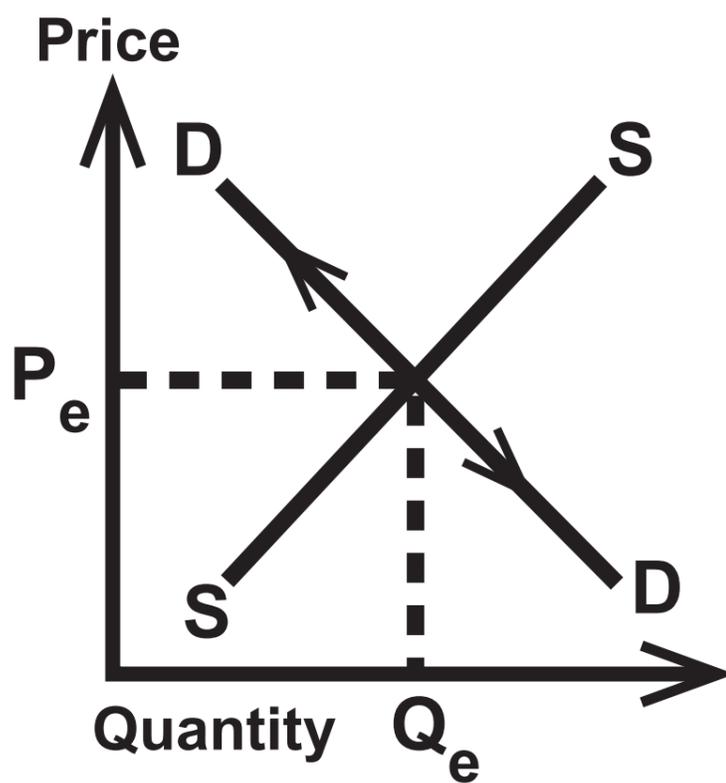


Diagram C

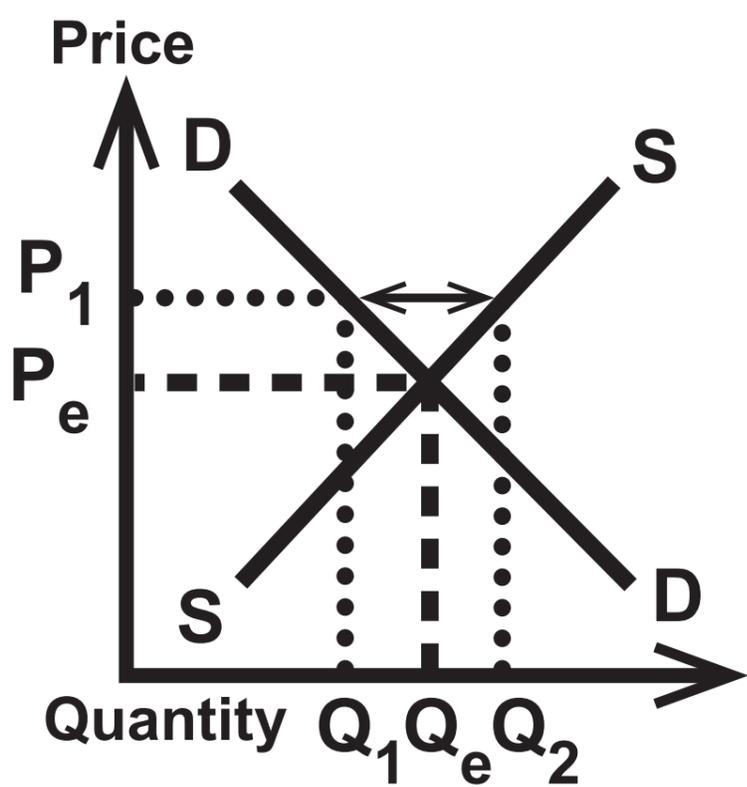
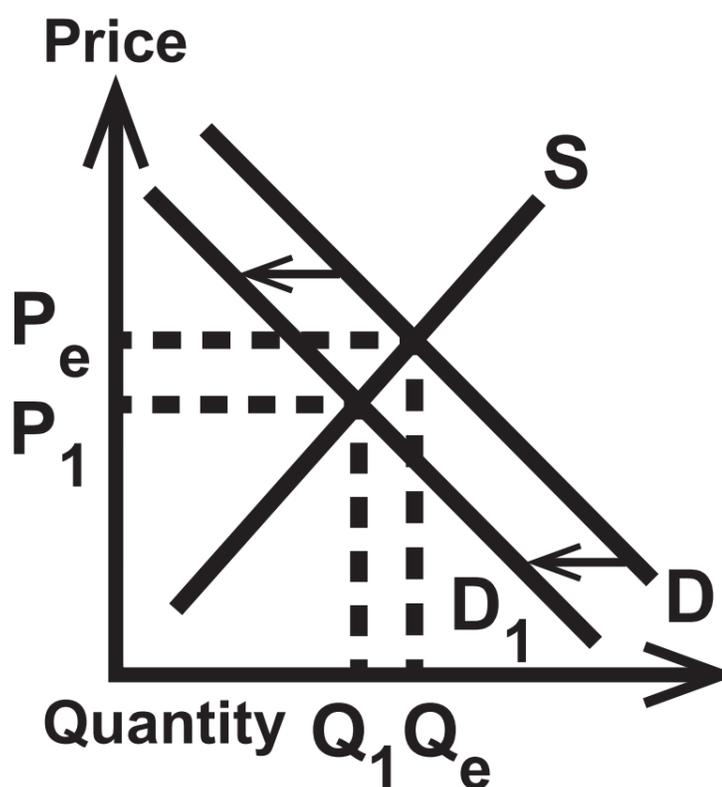


Diagram D



**Question 2(f)**

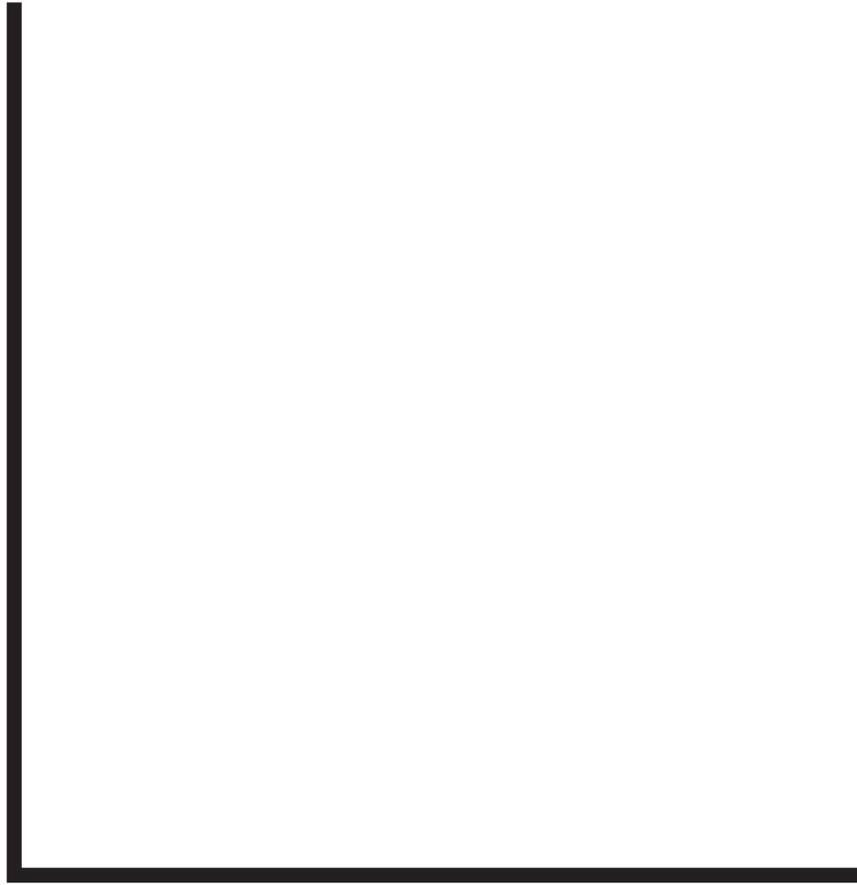
**The Irish Artisan Charcoal Company (IACC) is the only firm producing charcoal in Ireland. Damaged trees which would otherwise have been left to rot are used to produce top quality charcoal.**

**(Source adapted from: <https://www.limerickleader.ie/video/home/348948/watch-irish-artisan-charcoal-company-in-limerick-blazing-a-trail-with-unique-product.html>)**

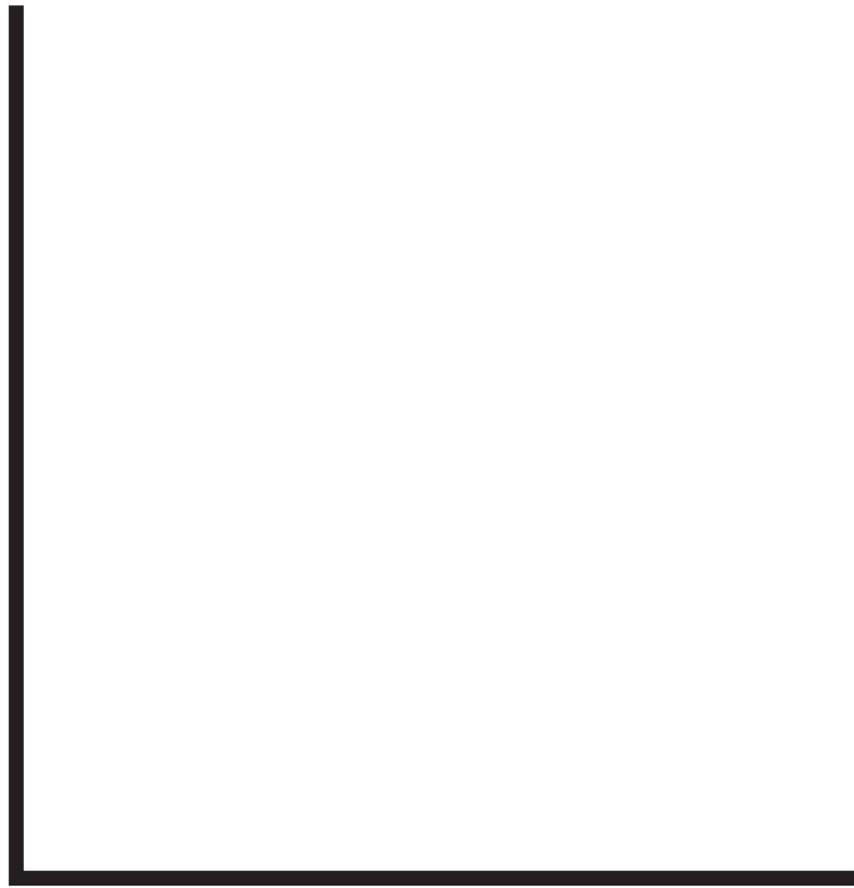
**Question 2(h)**

**Wonderful Wax is a small, UK-based firm that produces candles. The candles are environmentally friendly because they are handmade with soy wax and pure essential oils. This is instead of harmful paraffin wax which produces toxins when burned. Elissa Newham set up the business because she wanted to help the environment. She was surprised when a larger firm made contact, offering its facilities to increase production if Elissa was prepared to share the profits.**

Question 3(c)



Question 3(c)



**Question 3(d)**

**Technology has been used to perform some of the jobs previously done for many years by humans, for example, robots in factories and self-checkout machines. This substitution of capital for labour is likely to increase as technology advances. At most call centres, humans currently respond to customer queries but Google has developed an automated assistant. Many telecom firms have switched to using calls made by these automated assistants.**

**Question 3(e)**

**There are many reasons for firework displays. The ‘bang’, ‘pop’ and ‘whizz’ sounds, along with wide–ranging displays of colourful sparks are used to celebrate religious festivals and historical occasions, as well as private and public events. Some events charge an entry fee but people are still able to see and hear the fireworks without entering the venues. Former military personnel have complained this can bring back negative memories relating to war experiences. It can also disturb animals that are frightened by the loud noises.**

## Question 4(b)

**German broadband group urges the Vodafone–Liberty deal to be stopped**

**A business group representing German broadband providers asked regulators to stop the takeover by Vodafone of Liberty Global’s German operations, saying the new firm would be too dominant. In 2018, Vodafone agreed to pay \$21.8 billion for Liberty Global. Arguments against the takeover included that it would delay the work on building a nationwide fibre–optic network and damage competition in the cable TV market.**

**(Source adapted from: <https://uk.reuters.com/article/uk-liberty-global-m-a-vodafone/german-broadband-group-urges-eu-to-block-vodafone-liberty-deal-idUKKCN1NC0Z2>)**

**Question 4(c)**

**Value Added Tax (VAT) is an indirect tax that must be added to the price of most food and household goods. The rate of VAT in South Africa was increased from 14% to 15% on 1st April 2018. Both consumer spending and business confidence fell following this increase but a further rise in VAT is being discussed by the government. VAT is not currently added to the price of fruit, vegetables and bread.**