GCE A LEVEL

1520U40-1

S24-1520U40-1

FRIDAY, 7 JUNE 2024 – MORNING

ECONOMICS – A2 unit 4
Evaluating Economic Models and Policies

2 hours 30 minutes

ADDITIONAL MATERIALS

A WJEC pink 16-page answer booklet.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.
You may use a pencil for graphs and diagrams only.
Answer **one** question from Section A.
Answer **one** question from Section B.
Answer **one** question from Section C.
Write your answers in the separate answer booklet provided, following the instructions on the front of the answer booklet.
Use both sides of the paper. Write only within the white areas of the booklet.
Write the question number in the two boxes in the left-hand margin at the start of each answer,
for example | 0 | 1 |.

Leave at least two line spaces between each answer.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.
You are reminded of the necessity for good English and orderly, clear presentation in your answers.
You are reminded that this paper is synoptic and so will test understanding of the connections between the different elements of the subject.

SECTION A

Answer **one** question from this section.

Either,

0 1

a) Using examples, explain how a firm may experience:

i) internal growth and

ii) external growth. [10]

b) Discuss the likely impact on firms of greater flexibility in both product markets and factor markets. [20]

Or,

0 2

a) Using examples, explain why a firm may choose objectives other than profit maximisation. [10]

b) The disadvantages of a firm choosing to profit maximise are greater than the advantages. Discuss the extent to which this statement is true. [20]

SECTION B

Answer **one** question from this section.

Either,

0 3

a) Explain how economic growth can reduce inequality in an economy. [10]

b) Discuss the likely impact on an economy of rising labour costs. Use relevant diagrams in your answer. [20]

Or,

0 4

a) Explain the possible supply-side causes of unemployment. [10]

b) Assess the policies that could be used to tackle deflation. Use relevant diagrams in your answer. [20]

SECTION C

Answer **one** question from this section.

Either,

0 5

a) Explain the possible causes of a structural deficit on the current account of the balance of payments. [10]

b) Evaluate the impact of a rising terms of trade index for economies at different stages of development. [20]

Or,

0 6

a) Explain the ways in which living standards can be measured in economies at different stages of development. [10]

b) Assess the view that free international trade is always beneficial for developing economies. [20]

END OF PAPER

