GCE A LEVEL

1520U40-1

S23-1520U40-1

TUESDAY, 13 JUNE 2023 – 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.

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SECTION A

Answer **one** question from this section.

Either,

0 1 **a)** Using examples, explain the role of barriers to entry in determining market structure. [10]

b) With reference to game theory and your own examples, evaluate the likely costs of oligopolistic market structures. [20]

Or,

0 2 **a)** Explain, using a relevant diagram(s), the differences between the objectives of profit maximisation and revenue maximisation. [10]

b) Evaluate the economic impact of firms choosing to grow. [20]

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SECTION B

Answer **one** question from this section.

Either,

0 3 **a)** Explain how the position of an economy's long-run Phillips curve could shift. Use a diagram in your answer. [10]

b) Assess the likely impact of UK economic growth on the Welsh economy. [20]

Or,

0 4 **a)** Explain the problems that might arise when measuring the rate of unemployment in an economy. [10]

b) Discuss the possible causes of unemployment in Wales. [20]

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SECTION C

Answer **one** question from this section.

Either,

0 5

a) Explain the difference between GDP and GNP, and the significance of purchasing power parity adjustments for measuring living standards. [10]

b) Evaluate the extent to which changes in the Human Development Index (HDI) are a good indicator of changes in the level of development in an economy. [20]

Or,

0 6

a) Explain why a currency devaluation may not improve an economy's trade balance. [10]

b) Discuss the view that free international trade is more beneficial for MEDCs than LEDCs. [20]

END OF PAPER

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