



ADVANCED SUBSIDIARY GCE
ECONOMICS
 The Market System

2881/AB

Candidates answer in this designated Answer Booklet

OCR Supplied Materials:

- Question Paper 2881

Other Materials Required:

None

Friday 16 January 2009
Morning

Duration: 1 hour



Candidate Forename		Candidate Surname	
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Centre Number						Candidate Number				
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INSTRUCTIONS TO CANDIDATES

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Write your answer to each question in the space provided, however additional paper may be used if necessary.
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **45**.
- The quality of your written communication will be taken into account in marking your answers to the question labelled with an asterisk (*).
- This document consists of **8** pages. Any blank pages are indicated.

FOR EXAMINER'S USE

TOTAL MARK

(a) (i) Define the term 'demand'.

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.....[2]

(ii) Using the information provided, explain **two** reasons for the increasing demand for uranium.

1.

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2.

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- (iii) Using a demand and supply diagram, show how an increase in demand has affected the market price of uranium.

[4]

- (b) (i) Using the information provided, explain why the price elasticity of supply for uranium is inelastic.

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- [6]

(d) (i) Describe what is meant by the term 'barriers to entry'.

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.....[2]

(ii) State and explain **two** barriers to entry which might apply to firms considering starting to mine uranium.

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2.

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.....[6]

(e) (i) State **two** characteristics of a monopoly.

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2.

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.....[2]

- [illegible]

[12]

[illegible]