

376/01

ECONOMICS – EC6

P.M. TUESDAY, 19 June 2007

(2 hours)

ADDITIONAL MATERIALS

In addition to this examination paper, you will need a 12 page answer book.

INSTRUCTIONS TO CANDIDATES

Answer **any three** questions.

INFORMATION FOR CANDIDATES

Each question carries 20 marks.

You are reminded of the necessity for good written communication and orderly presentation in your answers.

Candidates are reminded that this paper is synoptic and will test candidates' understanding of the connections between the different elements of the subject.

*Answer any **three** questions.*

1. Discuss the view that the Government should provide public and merit goods free of charge to users. [20]
2. Does it really matter that many markets in the UK are oligopolistic? [20]
3. Many recent commentators on the UK economy have expressed concerns about the current high levels of consumer spending and the high levels of personal debt that it has caused. Discuss whether the Government should take action to reduce consumer spending. [20]
4. Discuss the view that the main cause of unemployment is that wage-levels are too high. [20]
5. ‘The threat to European jobs posed by low-priced imports from Asia means that the European Union should introduce protectionist measures.’ Discuss. [20]
6. To what extent are National Income statistics such as Gross Domestic Product and Gross National Product the best indicators to use when measuring the standards of living of poor developing countries? [20]