



GCE AS/A level

1131/01

ECONOMICS – EC1

A.M. MONDAY, 13 May 2013

1 hour plus your additional time allowance

**DO NOT OPEN THIS BOOKLET UNTIL
YOU ARE TOLD TO DO SO.**

Surname _____

Other Names _____

Centre Number _____

Candidate Number 2 _____

For Examiner's use only		
Question	Maximum Mark	Mark Awarded
1	3	
2	10	
3	4	
4	4	
5	3	
6	10	
7	8	
8	8	
Total	50	

ADDITIONAL MATERIALS

In addition to this paper you may require a calculator and a ruler.

INSTRUCTIONS TO CANDIDATES

Use black ink, black ball-point pen or your usual method.

Write your name, centre number and candidate number in the spaces provided on the front cover.

Answer ALL the questions in the spaces provided. You may use continuation paper on pages 22-23 if necessary, taking care to number the continuation correctly.

INFORMATION FOR CANDIDATES

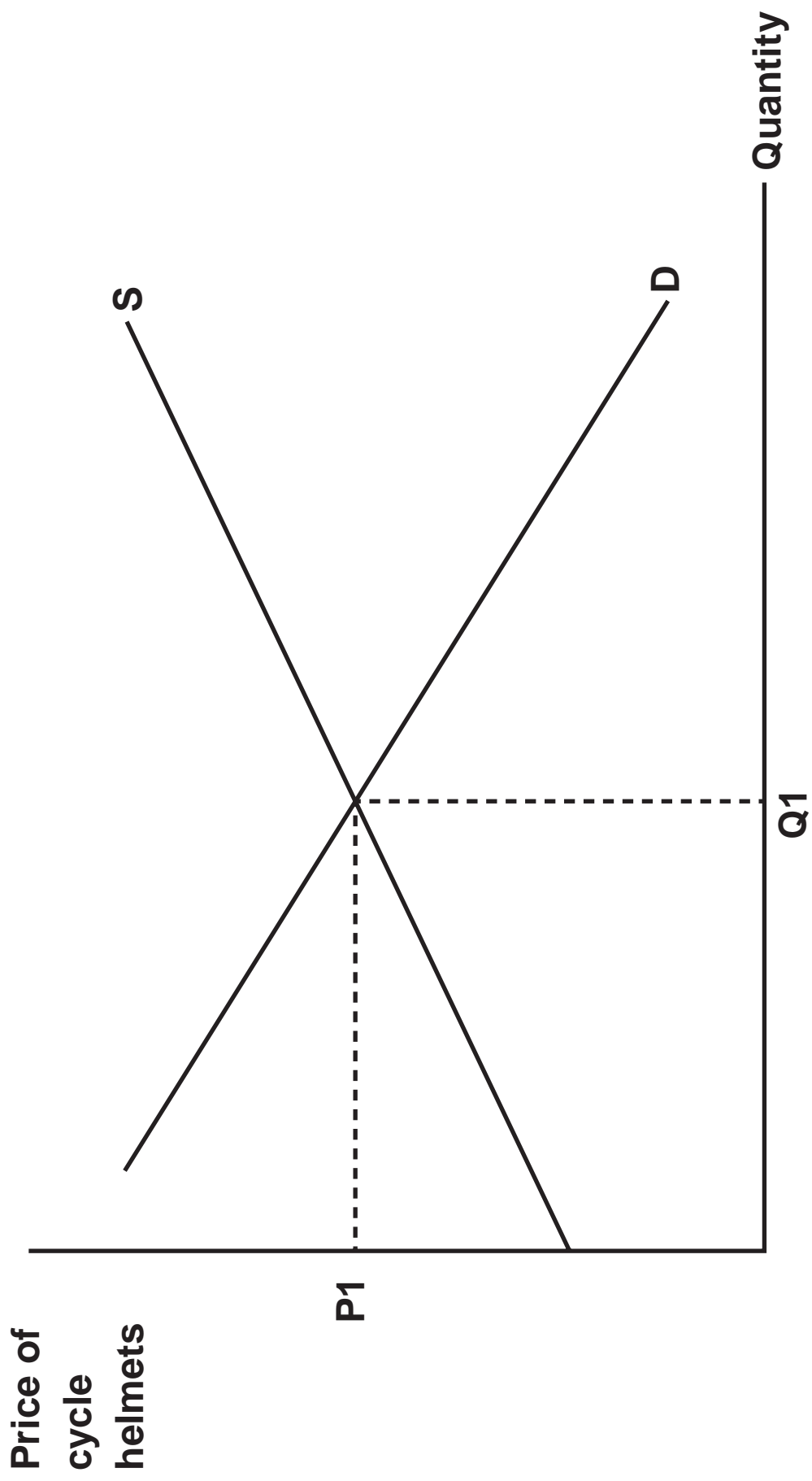
Mark allocations are shown in brackets. This paper has a total of 50 marks.

Answer ALL the questions in the spaces provided.

- 1 The data opposite shows the trends in output and employment of UK manufacturing since 1980.**

With reference to the data, explain one factor that could explain the change in manufacturing productivity over the period shown. [3]

3



2 The diagram opposite shows the market for cycle helmets.

Suppose, as a result of an increasing number of serious accidents involving cyclists, firstly the government made the wearing of cycle helmets compulsory and secondly, at the same time, reduced the rate of VAT on cycle helmets.

(a) Adapt the diagram opposite to discuss whether the policy changes are likely to increase or reduce the price of cycle helmets. [6]

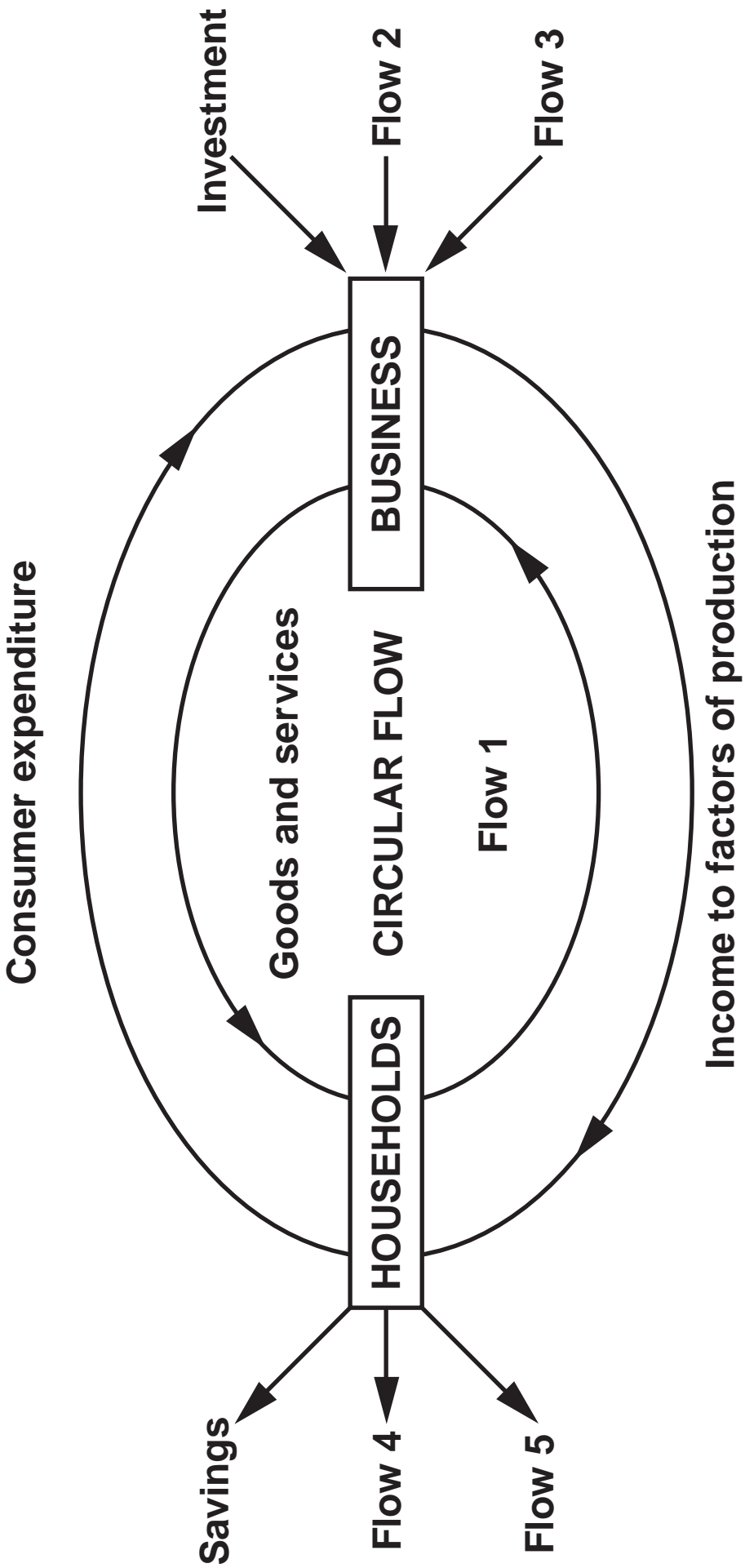
10

10

4

12

4



5 Complete the circular flow diagram opposite by identifying flows 1 to 5. [3]

Flow 1 _____

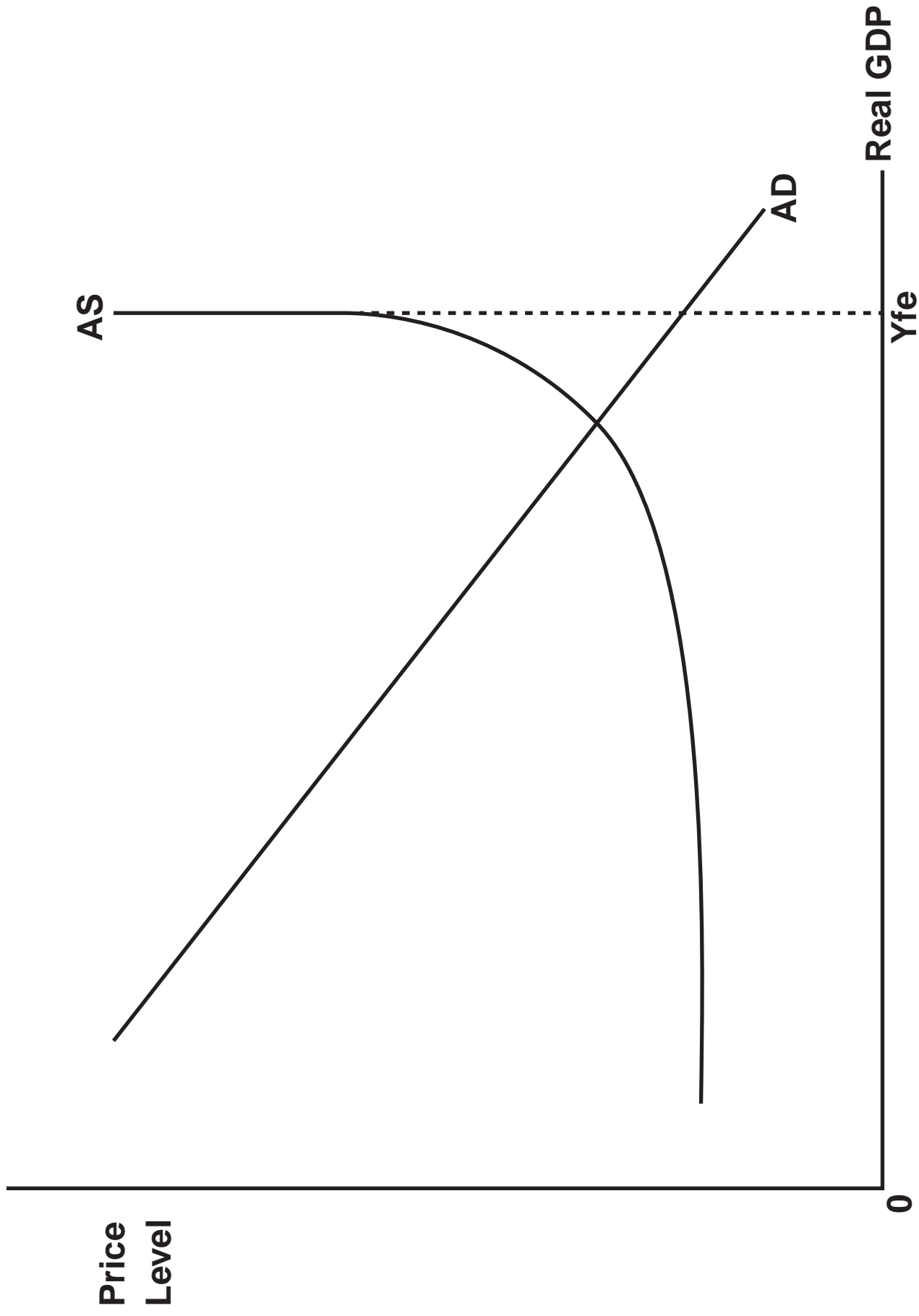
Flow 2 _____

Flow 3 _____

Flow 4 _____

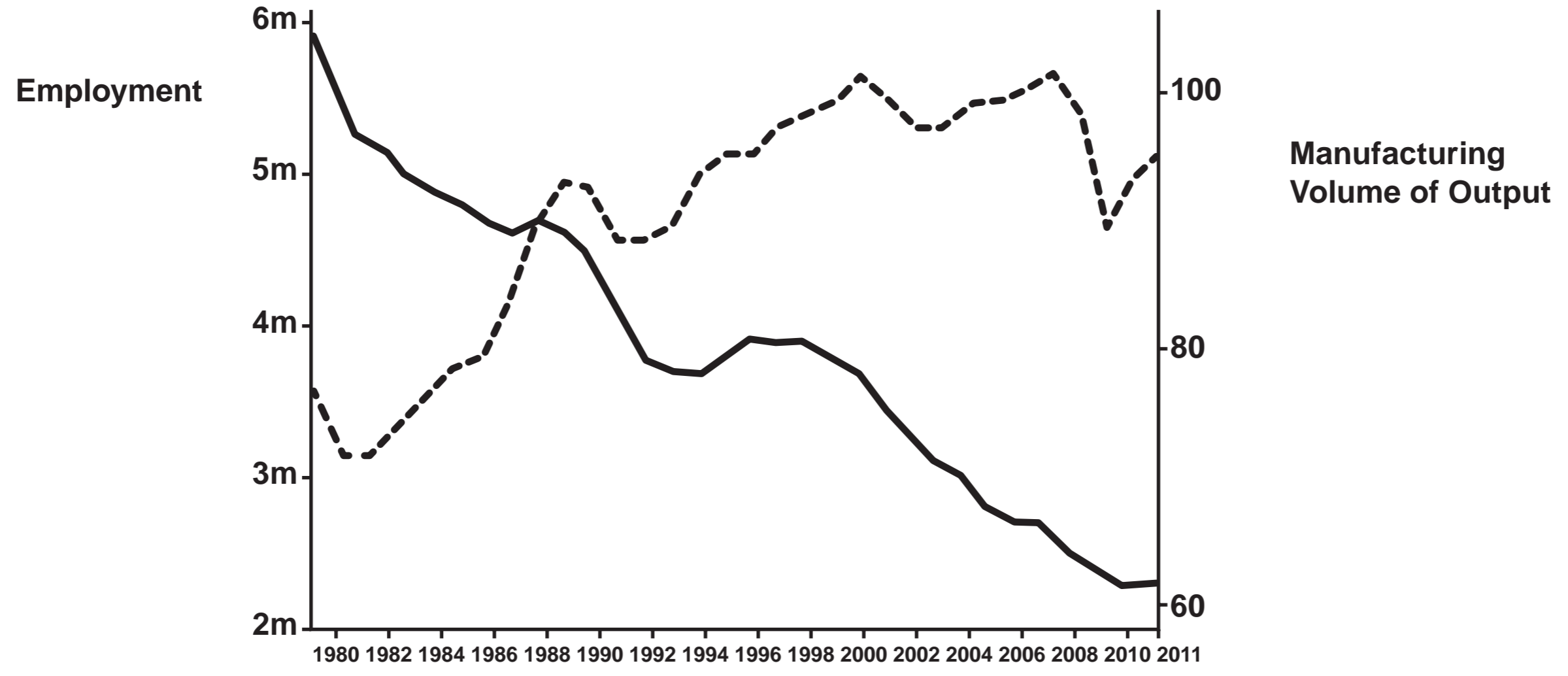
Flow 5 _____

3



10

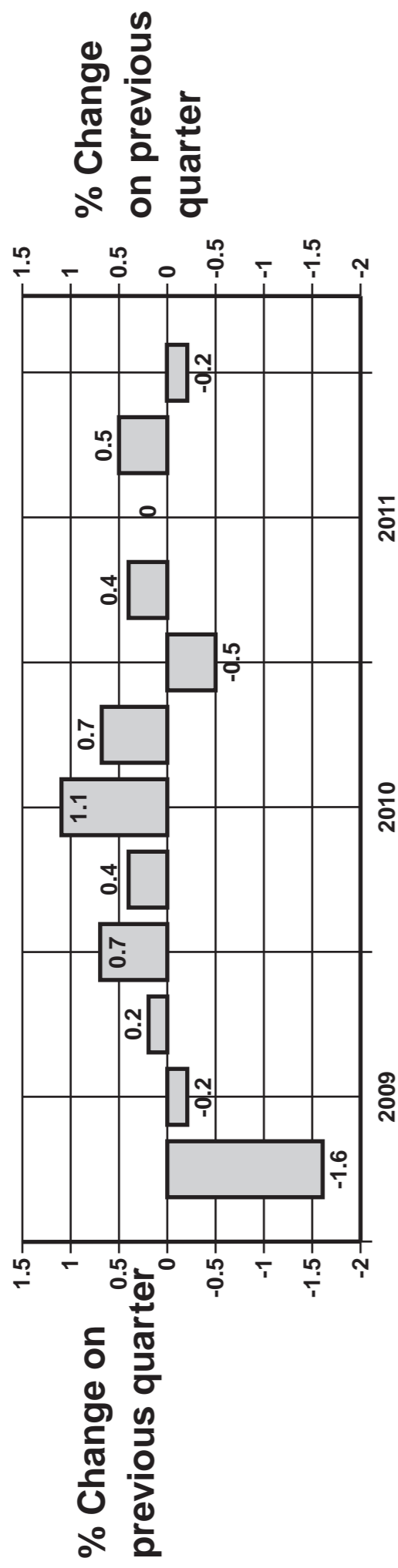
8



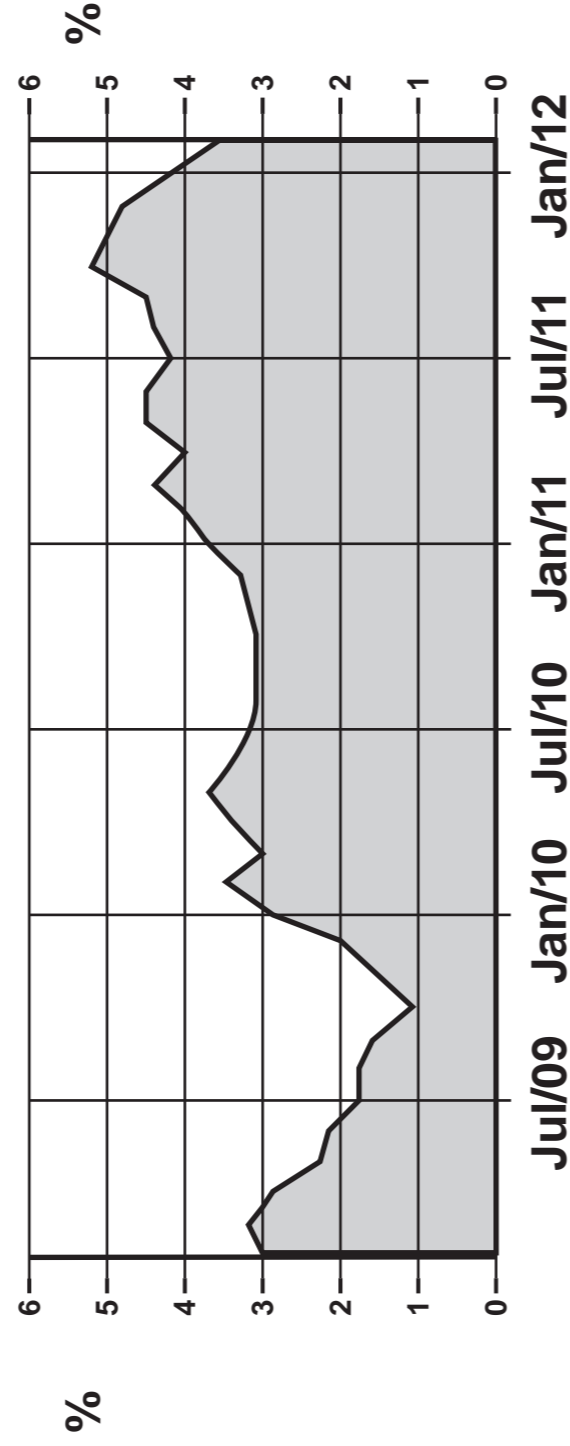
— Employment
 - - - Manufacturing output

Source: Daily Mail 11 December 2011

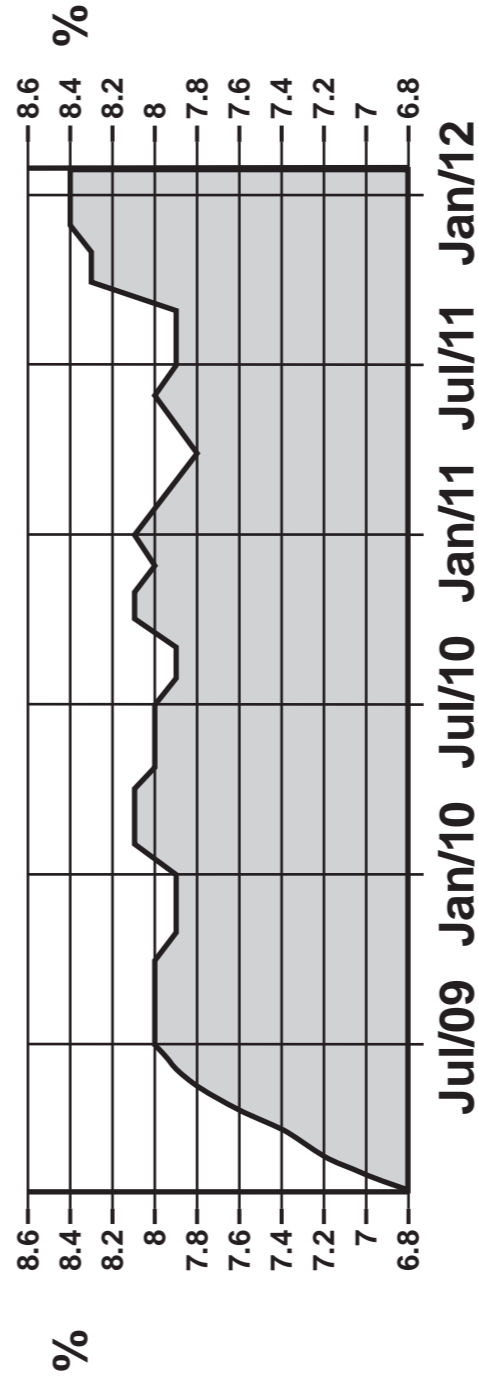
UNITED KINGDOM GDP GROWTH RATE Percentage Change in Gross Domestic Product



UNITED KINGDOM INFLATION RATE Annual Change in Consumer Price Index



UNITED KINGDOM UNEMPLOYMENT RATE Percentage of Labour Force



UNITED KINGDOM CURRENT ACCOUNT Current Account (Billion)

