



**2009 Economics**

**Intermediate 1**

**Finalised Marking Instructions**

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## **ECONOMICS INTERMEDIATE 1**

### **2009 Marking Scheme**

#### **ITEM A**

	<b>Marks</b>
<b>(a)</b> Where/when the buyers of mince pies (1) meet with the sellers (1).	<b>2</b>
<b>(b)</b> <b>(i)</b> 40	<b>1</b>
<b>(ii)</b> 60	<b>1</b>
<b>(c)</b> <b>(i)</b> 30p (1) and 50 (1) per day.	<b>2</b>
<b>(ii)</b> The price (1) where demand and supply meet/are equal (1).	<b>2</b>
<b>(d)</b> One mark for the original demand and supply curves; 1 mark for the rightward shift of the supply curve; 1 mark for the fall in the EP.	<b>3</b>
<b>(e)</b> Increase	<b>1</b>
<b>(f)</b> Secondary	<b>1</b>
<b>(g)</b> <b>(i)</b> Costs that vary/change (1) when output changes (1)	<b>2</b>
<b>(ii)</b> Mince; wages of the pie makers etc. If neither is linked to mince pies, maximum of 1.	<b>2</b>
<b>(h)</b> <b>(i)</b> The sacrifice (1) of the next best choice (1).	<b>2</b>
<b>(ii)</b> Accept any similarly priced alternative.	<b>1</b>
	<b>(20)</b>

**ITEM B**

	<b>Marks</b>
(a) Social security, education, health, defence etc.	<b>2</b>
(b) (i) When government spending is > taxation (revenue).	<b>1</b>
(ii) When government spending < taxation (revenue).	<b>1</b>
If candidate gets them the wrong way round – 1 mark.	
(c) (i) Decrease	<b>1</b>
(ii) Decrease	<b>1</b>
(d) When the rich pay more than the poor (1), proportionately (1).	<b>2</b>
(e) (i) Look for simple definition in terms of output, income or expenditure eg the total value of the output (1) of goods and services (1); the total amount of income (1) received for producing goods and services (1); the total amount spent (1) on goods and services (1).	<b>2</b>
(ii) An injection	<b>1</b>
(f) (i) The reasons include: differences in climate; resources; skills etc (credit references to comparative advantage); to develop international ties, to cover domestic shortages etc. Accept answers based on benefits of trade, if they can also be regarded as reasons.	<b>2</b>
(ii) Tariffs, quotas, embargoes etc	<b>2</b>
(iii) The UK	<b>1</b>
(g) (i) Reasons include: lack of resources, little capital, illiteracy; disease etc.	<b>2</b>
(ii) Look for a straightforward description of any form of aid or trade or debt relief. Mark according to the overall quality of the description.	<b>2</b>
	<b>(20)</b>

[END OF MARKING INSTRUCTIONS]