

ECONOMICS

Paper 2281/11
Multiple Choice 11

<i>Question Number</i>	<i>Key</i>	<i>Question Number</i>	<i>Key</i>
1	B	21	D
2	A	22	B
3	A	23	A
4	C	24	D
5	C	25	D
6	D	26	D
7	C	27	A
8	C	28	C
9	B	29	C
10	C	30	A
11	B	31	B
12	D	32	B
13	C	33	D
14	D	34	C
15	A	35	B
16	D	36	B
17	A	37	A
18	B	38	B
19	A	39	C
20	D	40	C

244 candidates sat this paper and the mean mark was 23.9.

The questions for which most candidates selected the correct answer were 1, 4, 5, 14, 15, 24, 27 and 29. These questions were answered correctly by 80% or more of the candidates. They covered different parts of the syllabus and were set to test different skills.

The questions for which the fewest candidates selected the correct answer were 6, 34, 38 and 39.

Question 6 asked candidates to represent on a demand and supply diagram a change in the market situation caused by a decrease in production costs. The supply curve should have been shifted downwards (or to the right). Some candidates chose Option C, but this involves an increase in demand and this change in demand was not mentioned in the question.

Question 34 asked about the effectiveness of using GDP per capita as an indicator of the comparative level of development in different countries. Sometimes GDP is used as a comparative indicator but one of the difficulties of using GDP is that it does not take account of either the different size of the population in different countries or changes in the size of the population. A better indicator is one that takes account of the size of, or change in, the population. This indicator is GDP per capita. Candidates were asked to decide

what does **not** lead to difficulties when using this indicator. Population changes do not lead to difficulties in using an indicator that takes account of them.

For **Question 38**, some candidates chose option A, illustrating a misunderstanding of the direction of the change in the exchange value. Exports from the US to South Africa would become more expensive in South Africa. The demand for them would not increase as stated in option A.

Question 39 was directed to the section of the syllabus which asks about the benefits of specialisation and the merits of free trade and protection. Textbooks state that if protection of international trade is decreased countries can concentrate on specialising in the production of the goods and services in which they are most efficient. Subsidising job creation or protecting businesses would not encourage specialisation. Neither would diversification into areas of production which does not necessarily make the most efficient use of resources. The question asks which of the options would best encourage greater specialisation. There may be alternative policies which would be possible but the best one of those stated is the policy to promote free trade.

ECONOMICS

Paper 2281/12
Multiple Choice 12

<i>Question Number</i>	<i>Key</i>	<i>Question Number</i>	<i>Key</i>
1	A	21	D
2	B	22	A
3	C	23	D
4	C	24	A
5	A	25	D
6	D	26	D
7	D	27	B
8	C	28	A
9	C	29	C
10	B	30	C
11	C	31	A
12	B	32	B
13	D	33	B
14	C	34	D
15	D	35	C
16	A	36	C
17	B	37	C
18	A	38	B
19	B	39	A
20	D	40	B

5039 candidates sat this paper and the mean mark was 27.8.

The questions for which most candidates selected the correct answer were 2, 3, 4, 5, 14, 15, 16, 19, 25, 27, 28, 30, 38 and 39. These questions were answered correctly by 80% or more of the candidates. They covered different parts of the syllabus and were set to test different skills.

The questions for which the fewest candidates selected the correct answer were 35 and 36.

Question 35 asked about the effectiveness of using GDP per capita as an indicator of the comparative level of development in different countries. Sometimes GDP is used as a comparative indicator but one of the difficulties of using GDP is that it does not take account of either the different size of the population in different countries or changes in the size of the population. A better indicator is one that takes account of the size of, or change in, the population. This indicator is GDP per capita. Candidates were asked to decide what does **not** lead to difficulties when using this indicator. Population changes do not lead to difficulties in using an indicator that takes account of them.

Question 36 was directed to the section of the syllabus which asks about the benefits of specialisation and the merits of free trade and protection. Textbooks state that if protection of international trade is decreased

countries can concentrate on specialising in the production of the goods and services in which they are most efficient. Subsidising job creation or protecting businesses would not encourage specialisation. Neither would diversification into areas of production which does not necessarily make the most efficient use of resources. The question asks which of the options would best encourage greater specialisation. There may be alternative policies which would be possible but the best one of those stated is the policy to promote free trade.

