

WRITTEN ✓

# Economics — 2019

## SECTION B-ANSWER BOOKLET

Fill in the codes for the province and school and your 3-digit candidate number.

Year		Province		School			Candidate Number		
1	9								

Write your name and school in the spaces provided.


Candidate Name: ANSWER GUIDE

School Name: \_\_\_\_\_

Answers written on the QUESTION paper or any other paper will NOT be marked. Write answers in the spaces as provided on this answer booklet.

### FOR MARKERS USE ONLY

	Score	Markers Initials	
		M1	M2
<b>Section B:</b>			
Question 31			
Question 32			
Question 33			
Question 34			
Question 35			
Question 36			
Question 37			
Question 38			
Question 39			
Question 40			
<b>FINAL TOTAL</b>			

  
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Jeffrey Tange

SECTION B - ANSWERS

Write your answer in the space provided below. Your answers must be clear and precise.

**QUESTION 31**

a) Refer to justification sheet	(1)
b) Labour force / Labour Supply	(1)
c) is Irrecoverable loss of GDP, Increase in Unemployment, Stagnation, Depression	(1)
d) Demand-pull, cost-push, imported	(1)
e) Erosion of real income, unintended redistribution of income	(1)
f) Govt Expenditure - Decrease Govt Exp / or Increase Rates of Taxation	(2)
For Markers Use Only	<b>Q31 Total</b> 17

**QUESTION 32**

a) i) Increase or Improve BoP	(1)
ii) Appreciate (Increase is acceptable).	(1)
b) Help <sup>to develop</sup> achieve <del>the</del> Important Infrastructure / Help improve the Forex.	(1)
c) Freely floating / flexible market.	(1)
d) Refer to justification sheet.	(1)
e) i) Asia Pacific Economic Cooperation	(1)
ii) Investment (foreign) Multilateral / Bilateral TA. - BoP Improvement (short-term) - Forex Improvement (short-term).	(1)
For Markers Use Only	<b>Q32 Total</b> 17

QUESTION 33

a) i) <u>Capital &amp; Entrepreneurship.</u>	(1)
b) <u>Rent</u>	(1)
c) i) <u>Factory Building / Machinery / Trucks &amp; Equipment</u>	(1)
ii) <u>Labor / Meat, beef ect. utilities.</u>	(1)
d) <u>Variable cost</u> <span style="margin-left: 100px;"><i>repetitive</i></span>	(1)
e) <u>Break-down of tasks to individual tasks to be performed by a single worker.</u>	(2)
For Markers Use Only	<b>Q33 Total</b> /7

QUESTION 34

a) i) <u>The next best (second best) choice / alternative not taken when making a choice or decision.</u>	(1)
b) Point <u>A and F</u>	(1)
c) Point <u>G</u>	(1)
d) <u>Unattainable with given resources / Unaffordable.</u>	(2)
e) Show working out below.	
$\frac{-3 \text{ Sago}}{1 \text{ Kambon}} = \frac{3 \text{ Kgs of Sago}}{1 \text{ Kambon}}$	
Answer: _____	(2)
For Markers Use Only	<b>Q34 Total</b> /7

**QUESTION 35** *Indicators (change in) physical goods & services ✓*

a) i) <i>Because it is calculated using constant prices / does not take into account price increases. ✓</i>	(2)
ii) <i>That part of GDP that remains within an economy after factor payments <del>abroad</del>.</i>	(1)
b) i) <i>(X - M) X only because m is domestic demand for import</i>	(1)
ii) <i>C = Consumption Expenditure.</i>	(1)
c) <i>Govt activities directed towards Wholistic human Dev.</i>	(2)
<b>For Markers Use Only</b>	<b>Q35 Total</b> /7

**QUESTION 36**

a) <i>K18</i>	(1)
b) <i>K4/unit</i>	(1)
c) Show working out below.  <i>K4/unit × 600 units = K2,400</i>	(2)
	Answer <i>K2,400</i>
d) <i>K14-00</i>	(1)
e) Show working out below.  <i>K14/unit paid by consumer × 600 units = <del>2</del> K8,400</i>	(2)
	Answer <i>K8,400</i>
<b>For Markers Use Only</b>	<b>Q36 Total</b> /7

**QUESTION 37**

measure of value

a) medium of exchange / store of value / unit of account	(1)
b) Reduce rates of tax and/or increase Govt exp. (Deficit Budget).	(1)
c) Ag. Supp will decrease unemployment will increase	(2)
d) i) Show working out below.	
$\frac{\text{Index of Current Year} - \text{Index of Prev. Yr}}{\text{Index of Prev. Yr}} \times 100$	(2)
$= \frac{135 - 125}{125} \times 100 = 8\%$	(1)
ii) Cost-push inflation	
For Markers Use Only	Q37 Total 17

**QUESTION 38**

a) Show working out below.	
$P_1 = 4, Q_1 = 20$ $P_2 = 6, Q_2 = 30$	
$Ped = \frac{(Q_2 - Q_1)}{Q_1} \div \frac{(P_2 - P_1)}{P_1}$ $= \frac{(30 - 20)}{20} \div \frac{(6 - 4)}{4}$ $= \left(\frac{10}{20}\right) \div \frac{2}{4}$	(2)
Answer $Ped = 1$	
b) Inelastic Demand.	(1)
c) Any supply factors other than price.	(1)
d) Supply curve decrease & price of good will increase	(2)
e) Normal or Superior goods.	(1)
For Markers Use Only	Q38 Total 17

**QUESTION 39**

<p>a) i) Show working out below.</p> <p>X revenue = 100  M payments = 150</p> <p>Bal of trade = <math>100 - 150 = -50</math></p> <p style="text-align: right;">Answer <u>-50</u></p>	(2)
<p>ii) Show working out below.</p> <p>Total Receipts = <math>100 + 50 + 30 = 180</math></p> <p>Total Payments = <math>150 + 20 + 40 = 210</math></p> <p style="text-align: right;">Answer <u>-30</u></p> <p>Bal of Payments = Receipts - Payments  <math>= 180 - 210 = -30</math></p>	(2)
<p>iii) <del>Bal of P. Deficit of 30 mill</del></p> <p>b) <del>Any appropriate example of PNB investment <del>left</del> abroad.</del></p> <p>c) <del>Any appropriate example of invisible import eg. PNB imports paying for foreign owned freight services.</del>  <del>- PNB tourists overseas.</del></p>	(1) (1) (1)
<p>For Markers Use Only</p> <p style="text-align: right;"><b>Q39 Total</b></p>	17

**QUESTION 40**

<p>a) Trade with restrictions (</p>	(1)
<p>b) Infant Industry argument</p>	(1)
<p>c) Anti-dumping, protecting local jobs, other appropriate</p>	(1)
<p>d) Tariffs</p>	(1)
<p>e) Reduces variety &amp; quality, <del>price</del> Higher prices, <sup>loss of</sup> competitive advantage</p>	(1)
<p>f) To support economic independence, minimise economic dependency. Other appropriate explanations.</p>	(2)
<p>For Markers Use Only</p> <p style="text-align: right;"><b>Q40 Total</b></p>	17