

FOR OFFICIAL USE

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**0820/29/01**

NATIONAL  
QUALIFICATIONS  
2013

FRIDAY, 26 APRIL  
10.20 AM – 11.35 AM

**ECONOMICS**  
**STANDARD GRADE**  
General Level

**Fill in these boxes and read what is printed below.**

Full name of centre

Town

Forename(s)

Surname

Date of birth

Day      Month      Year

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Scottish candidate number

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Number of seat

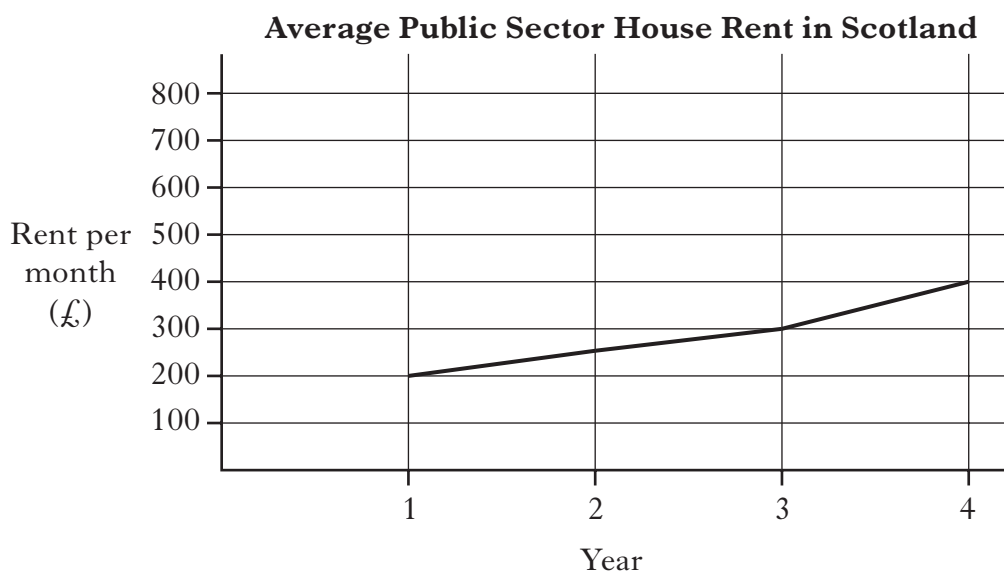
- 1 Read each question carefully.
- 2 Attempt **all** the questions.
- 3 All answers are to be written in this answer book.
- 4 Do **not** write in the margins.
- 5 Before leaving the examination room you must give this book to the Invigilator. If you do not, you may lose all the marks for this paper.



Marks

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1. Study the graph below and answer the questions which follow.



(a) Describe fully the trend in public sector rent in Scotland between Years 1 and 4.

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(b) Calculate the percentage change in average public sector house rent in Scotland between Years 2 and 4.

Answer \_\_\_\_\_

Show your working here.

2

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**1. (continued)**

(c) Describe and explain how the rent changes shown might affect:

(i) the demand for houses in the private sector;

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2

(ii) the price of houses in the private sector.

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2

(d) The government is concerned that the changes in public sector house rent shown on the graph may have a severe impact on low income groups.

(i) Suggest **3** measures the government might take to attempt to solve this problem apart from lowering the rent.

1 \_\_\_\_\_

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2 \_\_\_\_\_

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(ii) Choose **one** of these measures and explain how it would be expected to work.

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1

2. Study the passage below and answer the questions which follow.

Marks

Economics is the study of how scarce resources can be allocated to attempt to satisfy unlimited needs and wants. Although economic and free goods exist, scarcity means that choices have to be made and so opportunity cost occurs. The most common type of economic system is a mixed economy.

(a) Explain, using examples, the difference between needs and wants.

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2

(b) Explain, using an example, what is meant by the term “free goods”.

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2

(c) (i) Define the term “mixed economy”.

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1

(ii) Explain how resources are allocated in a mixed economy.

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3

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(a)		
(b)		
(c) (i)		
(c) (ii)		

**2. (continued)**

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(d) Name **2** other types of economic systems.

1 \_\_\_\_\_

2 \_\_\_\_\_

2

(e) All governments face the problem of scarcity. Suggest and explain **one** measure a government might take to increase the supply of economic resources.

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\_\_\_\_\_

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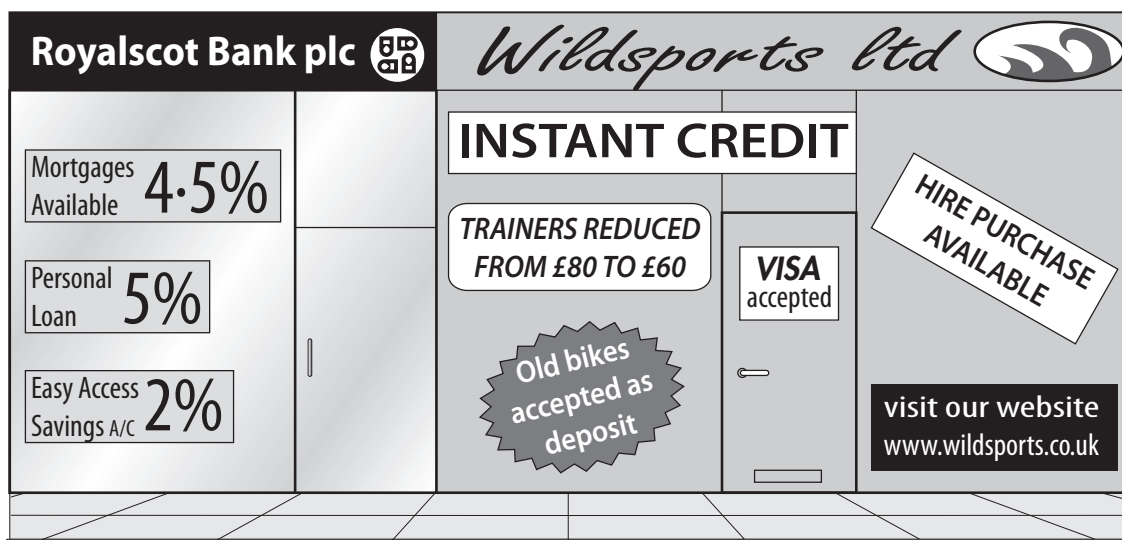
2

**[Turn over**

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3. Study the picture below and answer the questions which follow.



(a) (i) Identify from the picture **2** examples of money being used as a standard for deferred payment.

1 \_\_\_\_\_

2 \_\_\_\_\_

2

(ii) What **other** evidence is there that Wildsports Ltd is trying to attract more customers?

1 \_\_\_\_\_

2 \_\_\_\_\_

2

(b) Suggest and explain **one** example of backward vertical integration for Wildsports Ltd.

\_\_\_\_\_  
\_\_\_\_\_  
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(c) What evidence is there in the picture that Royalscot Bank is a profit maximising organisation?

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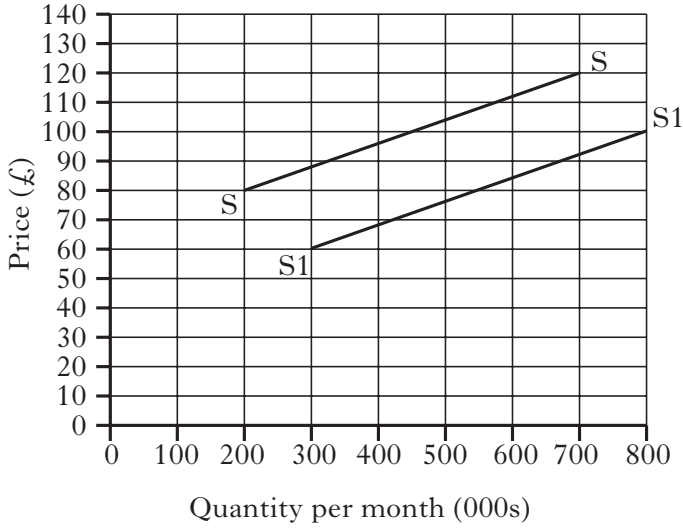
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**[Turn over for Question 4 on *Page eight***

4. Study the diagrams below and answer the questions which follow.

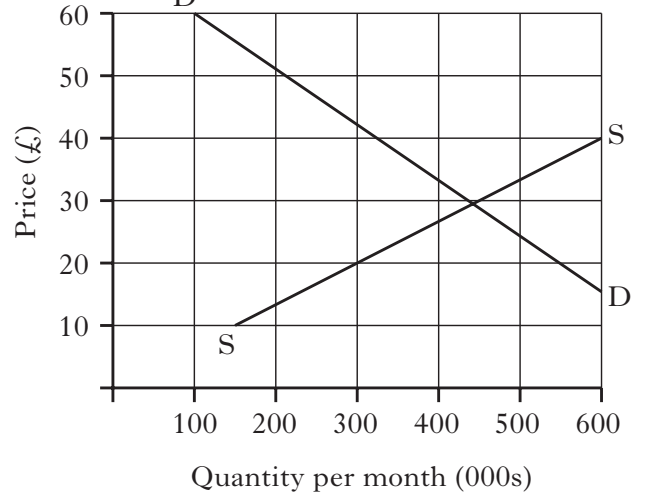
**Diagram 1**

**The Supply of Cougar Football Boots**



**Diagram 2**

**The Demand and Supply of Panther Football Socks**



(a) State the law of demand.

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(b) What is meant by the economic term “supply”?

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4. (continued)

Use Diagram 1 to answer this question.

- (c) The price of Cougar football boots changes from £80 to £90. Using supply curve SS calculate the change in quantity supplied.

Answer \_\_\_\_\_

Show your working here.

- (d) Describe 2 possible reasons why the supply curve has shifted from SS to S1S1.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

Use Diagram 2 to answer this question.

- (e) Identify the equilibrium price and quantity of Panther football socks as shown in Diagram 2.

\_\_\_\_\_

- (f) What effect might the shift in supply shown in Diagram 1 have on the market for Panther football socks?

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\_\_\_\_\_

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**5. (continued)**

(d) The selling price of a Krinkle is £110. What problem do 21<sup>st</sup> Centurion plc face at an output level of 100?

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1

(e) The manager of 21<sup>st</sup> Centurion is considering making production more capital intensive.

(i) What is meant by “capital intensive”?

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2

(ii) How might the proposed change in (e) (i) affect the average cost of 21<sup>st</sup> Centurion plc? Tick (✓) the correct box.

Increase	<input type="checkbox"/>
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Decrease	<input type="checkbox"/>
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1

(iii) Justify your answer to (e) (ii).

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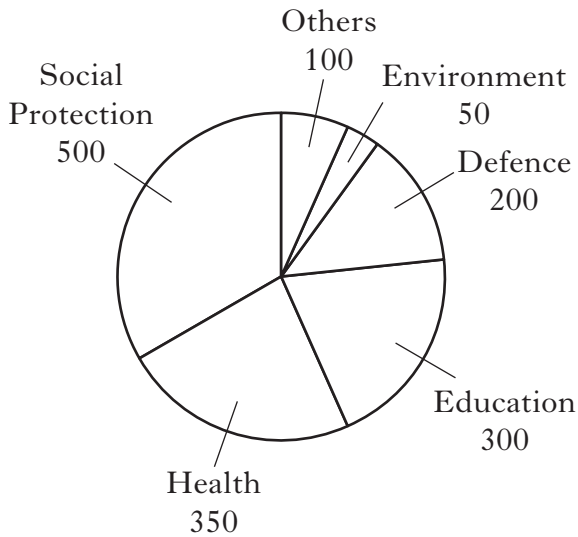
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**[Turn over**

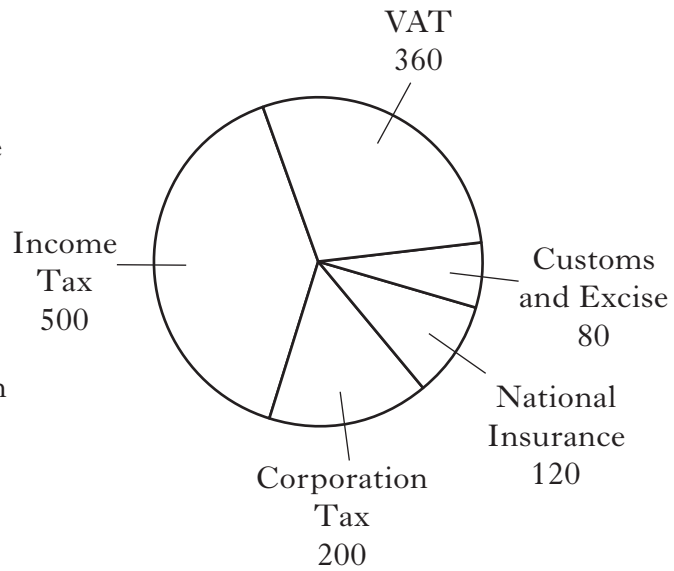
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6. Study the charts below and answer the questions which follow.

**Annual UK Public Spending by Category (£ billion)**



**Annual UK Tax Receipts by Category (£ billion)**



(a) Give **one** economic reason why the UK Government spends money on Social Protection.

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(b) (i) Give **one** example of public spending that could be included under the category of "Others".

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(ii) Calculate spending on Education as a percentage of total public spending.

Answer \_\_\_\_\_

Show your working here.

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6. (continued)

- (c) (i) Identify which of the following the UK Health Service provides. Tick (✓) the correct box.

A Public good	A Merit good
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1

- (ii) Justify your answer to (c) (i).

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2

- (d) Calculate the total UK Government Revenue from direct taxation.

Answer \_\_\_\_\_

Show your working here.

1

- (e) (i) Using both diagrams, what problem does the UK Government face?

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1

- (ii) Suggest and explain **one** measure the UK Government might take to solve this problem.

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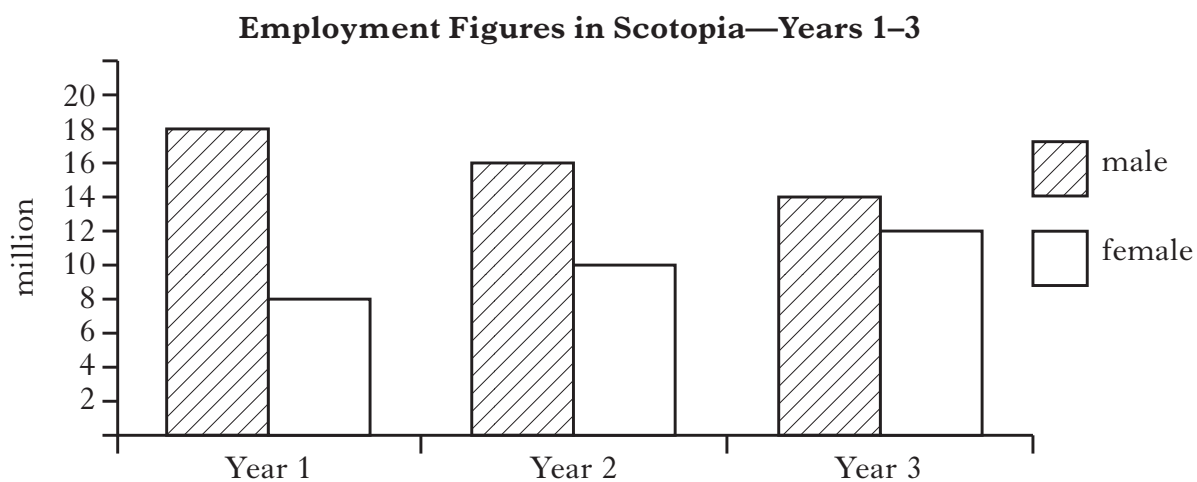
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7. Study the bar chart below and answer the questions which follow.



(a) (i) Describe fully the trends in male and female employment as shown in the chart.

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3

(ii) Suggest 2 economic reasons for the trends in male and female employment identified in (a) (i).

1 \_\_\_\_\_

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2 \_\_\_\_\_

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**7. (continued)**

(b) Suggest **2** possible actions people seeking employment might take to improve their prospects of employment.

1 \_\_\_\_\_  
\_\_\_\_\_

2 \_\_\_\_\_  
\_\_\_\_\_

2

(c) Describe how the UK Government measures unemployment.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2

(d) Describe **2** economic benefits to the UK of more women in employment.

1 \_\_\_\_\_  
\_\_\_\_\_

2 \_\_\_\_\_  
\_\_\_\_\_

2

[END OF QUESTION PAPER]

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