

(b) In Q4 of 2015 average household disposable income was £26 300.

Calculate the total amount of money saved by the average household in Q4 of 2015.

(2)

(c) Explain **one** likely reason for the change in total household savings from Q1 2020 to Q2 2020.

(2)

(Total for Question 1 = 5 marks)



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(b) With reference to the data, explain **one** likely effect of the fall in investment in 2020.

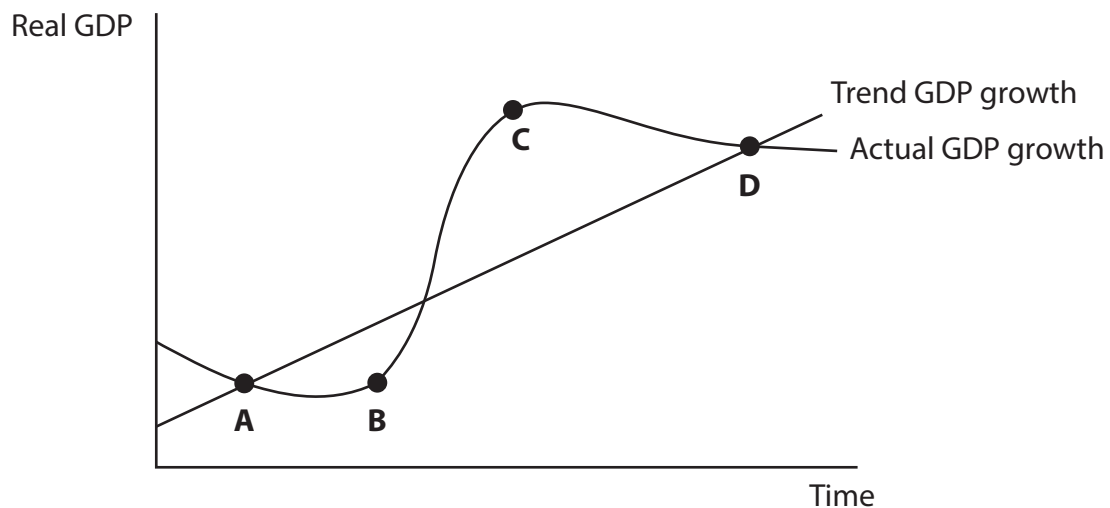
(4)

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Page 6 of 73

(Total for Question 2 = 5 marks)



4



(a) Which **one** point on the trade cycle diagram above illustrates a boom?

(1)

- ☐ A
- ☐ B
- ☐ C
- ☐ D

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Page 9 of 73

(b) Which **one** of the following is likely to give the US a comparative advantage in steel production?

An increase in:

(1)

- ☐ **A** corporation tax in the US
- ☐ **B** economic growth in the US
- ☐ **C** the productivity of US steel workers
- ☐ **D** the wages of US steel workers

(Total for Question 5 = 5 marks)

TOTAL FOR SECTION A = 25 MARKS

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Page 12 of 73

Figure 3: Interest rate on a 10-year UK government bond, July 2022 to March 2023



(Source: <https://www.ft.com/content/ece962c3-b7e5-48c6-a0b1-06f9823a4853#post-ad2ac225-0543-49e7-9ed5-af9907e83697>)

Figure 4: Income tax rates for 2023–24, compared to 2022–23

Tax band	2022–23		2023–24	
	Income threshold	Tax rate	Income threshold	Tax rate
Personal allowance	Up to £12 570	0%	Up to £12 570	0%
Basic rate	£12 571–£50 270	20%	£12 571–£50 270	20%
Higher rate	£50 271–£150 000	40%	£50 271–£125 140	40%
Additional rate	Over £150 000	45%	Over £125 140	45%

(Source: Gov.uk)

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Page 20 of 73



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Page 29 of 73



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Page 34 of 73





Mark Scheme (Results)

Summer 2024

Pearson Edexcel GCSE Level
In Economics A (9EC0)

Paper 02 The National and Global Economy

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Page 38 of 73

Question Number	Answer	Mark
3(b)	The only correct answer is C <i>A is not correct because this is not a role of financial markets</i> <i>B is not correct because this is not a role of financial markets</i> <i>D is not correct because this is not a role of financial markets</i>	(1)

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Page 47 of 73

Question Number	Indicative Content	Mark
6(d) continued	Evaluation 4 • Lack of consumer confidence may mean consumers do not react to QE by increasing consumption • Lack of business confidence may mean businesses do not react to QE by increasing investment • Commercial banks still be reluctant to lend due to uncertainty about future of the economy • Commercial banks still be reluctant to lend to firms and consumers as they lack confidence in their ability to pay back loans • Banks may retain the extra money from QE rather than use it to increase lending • Rise in asset prices is likely to increase inequality • Increased capital outflows to drive up asset prices abroad instead • Discussion of some of the benefits of deflation such as a reward for saving • Unintended consequences of QE e.g. inequality might outweigh the benefits of removing deflation • Miscalculation of projections might lead to inflation above target • Use of other contexts to assess effectiveness e.g. during GFC or other countries • Other policies could be used to prevent deflation, e.g. fiscal policy • QE as last resort as Base Rate close to 0% • Other countries are using QE	(4)

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 Page 61 of 73

Knowledge, application and analysis		
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	5–8	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response or superficial, two stage chains of reasoning only.
Level 3	9–12	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to apply economic concepts and relate them directly to the broad elements of the question with evidence integrated into the answer. Analysis is clear and coherent, although it may lack balance. Chains of reasoning are developed but the answer may lack balance.
Level 4	13–16	Demonstrates precise knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using appropriate examples. Analysis is relevant and focused with evidence carefully and reliably integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

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page 68 of 73