(a) Define the term 'marginal propensity to consume!  (b) Explain one likely factor that could increase the level of consumption of UK households.  (2)  (2)  (a) Define the term 'marginal propensity to consume!  (b) Explain one likely factor that could increase the level of consumption of UK households.  (2)  (2)  (3) Psile view from 5 of 48  (4) Psile view from 5 of 48  (c) Psile view from 5 of the following represents the value of the multiplier?  (1)  A 0.2  B 0.8	In 2019 t	he m	arginal prope	ensity to consu	ıme in the Ul	( was estimated t	to be 0.8.	
households.  (2)  Notesale.co.uk  (a) Psiling the above data, which one of the following represents the value of the multiplier?  (b) A 0.2  (c) B 0.8	(a) Defir	ne the	e term 'margir	nal propensity	to consume'.			(1)
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multiplier?  (1) <b>A</b> 0.2 <b>B</b> 0.8				r that could in	crease the le	vel of consumpti	on of UK	(2)
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multiplier?  (1) <b>A</b> 0.2 <b>B</b> 0.8							- 1V	
multiplier?  (1)  ■ A 0.2  ■ B 0.8					Note	sale.co		
<ul><li>✓ A 0.2</li><li>✓ B 0.8</li></ul>	(c) Osilig	e the iplier	iew above data, v	Richard of t	5 Of he following	represents the va	alue of the	
<b>■ B</b> 0.8								(1)
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**4** Business investment fell by 0.5% between Quarter 3 2019 and Quarter 4 2019.

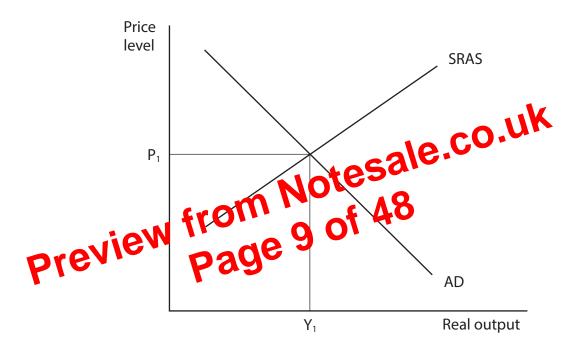
(Source: adapted from https://www.ons.gov.uk)

(a) Define the term 'investment'.

(1)

(b) Annotate the aggregate demand (AD) and short-run aggregate supply (SRAS) diagram below to show the likely impact of a fall in business investment on the equilibrium level of real output and the price level.

(2)



(c) Which **one** of the following factors might have caused business investment in the UK to fall?

(1)

- A A decrease in business expectations
- **B** A decrease in government regulations
- C An increase in the demand for exports
- **D** An increase in the rate of economic growth

(Total for Question 4 = 4 marks)

(Extract A, line 21) is likely	to increase iiiiation.	(5)
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<ul> <li>undervalue real output (1)</li> <li>In some countries, wealth is concentrated in the hands of a few high income households (1)</li> </ul>	(3)	
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