Question 14 (Answer: **B**)

- Unemployment can keep rising after recovery begins because firms wait before hiring.
- Some workers have lost skills or become discouraged, so they take longer to be re-employed.
- What is *not* correct is any explanation implying recovery itself destroys jobs.

Question 24 (Answer: **D**)

- A customs union removes tariffs and quotas between members.
- It also applies a *common* external tariff to non-members.
- What it does *not* require is free movement of labour and capital – that is a common market.

Question 30 (Answer: **A**)

- The usual criticisms of FDI are profit repatriation, environmental cost, low-wage employment and the loss of domestic firms.
- Encouraging competition and reducing prices is a *benefit* to consumers, not a criticism.
- Efficient firms replacing inefficient ones is what raises productivity, so that criticism is the weakest.

1	• A small number of relevant knowledge points are included and the response is limited by significant errors or omissions. • The response has little relevance to the question. • Analysis where provided is largely descriptive. Use of analytical tools such as diagrams and formulae, where necessary, may contain significant errors or be omitted completely. • Responses show limited organisation of economic ideas.
0	• No creditable response.

1	• Provides a vague or general conclusion or judgement in relation to the question. • Makes simple evaluative comment(s) with no development and little supporting evidence.
0	• No creditable response.

1(a)	**The article refers to the Gini coefficient. With the help of a diagram explain the link between a Gini co-efficient and a Lorenz curve.** Accurately labelled Lorenz curve **(2)** Formula to show calculation of Gini coefficient **(1)** The Gini coefficient measures the extent to which the distribution of income, (or wealth), within a country is unequal. **(1)** Gini value of 0 = perfect equality **(1)** Gini value of 1 = perfectly unequal **(1)** **Maximum 5 marks** Explanation of meaning of Gini coefficient–value of 0 = perfectly equal distribution **(1).** The Gini coefficient measures the extent to which the distribution of income, (or wealth), within a country is different. **(1)**
1(b)(i)	**Distinguish between equity and equality** Equality generally refers to equal opportunity. **(1)** Equity refers to the need to achieve greater fair outcomes. **(1)**
1(b)(ii)	**'But, according to a newspaper, a lot of what is said about inequality is wrong.'** **Analyse whether there is a conflict between what the newspaper wrote about changes in equality and Table 1.1.** Some limited supporting evidence, **(1)** However, the text is a general overall average while the table is for a particular country. **(1)** Text suggests a fall in inequality, Gini going down **(1)** Table suggests a rise in inequality, Gini going up**. (1)** There is no conflict, regarding changes in the national income, both text and table say they have risen. **(1)**

1(c)	**With reference to the article, explain the idea of globalisation and assess whether there is enough evidence to conclude that globalisation has a net benefit for everyone.** Globalisation means the growing interdependence of the world's economies, cultures, and populations, brought about by cross-border trade in goods and services, technology, and flows of investment, people, and information. **(2)** Benefits mentioned include increases in incomes, life expectancy (10 years in sub-Saharan Africa) and literacy rates. A fall in absolute poverty. A fall in inequality **(2)** Drawbacks mentioned environmental issues, exploitation of workers, domestic unemployment, increasing dependence on other countries**. (2)** The benefits have occurred while the population has increased so are probably substantial. However, there is no statistical information to compare the benefits with the drawbacks. Also it depends on what 'net benefit' means– does it mean an increase in quantity of goods, higher profits, or does it mean wider choice, better quality. It is difficult to make an overall assessment. **(2)**