YEAR 11 | ECONOMICS

STUDENT PAPER — original practice assessment

Name: _____ Date: _____

Suggested time: 60–75 minutes. Show reasoning, cite evidence where appropriate, and answer in complete sentences.

Section A — Core concepts (24 marks)

1. Define opportunity cost and illustrate it with a student choosing between study and paid work. (4)

2. Explain why a rise in demand, with supply unchanged, tends to increase equilibrium price and quantity. (6)

3. Distinguish inflation from a one-off rise in the price of a single product. (6)

4. Explain two possible unintended effects of a binding price ceiling on rental housing. (8)

Section B — Data response and evaluation (16 marks)

1. A café sells 100 drinks daily at £3.00. After raising price to £3.30, sales fall to 90. Calculate percentage change in price and quantity demanded and the approximate price elasticity of demand. (8)

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2. Evaluate whether a government should subsidise public transport to reduce traffic congestion. (8)

ANSWER KEY & TUTOR GUIDANCE

Economics

The following pages contain suggested answers, marking points and tutor guidance. For open-ended tasks, answers are indicative rather than the only acceptable responses.

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YEAR 11 | ECONOMICS

TUTOR GUIDE — indicative responses and marking points

Section A — Core concepts (24 marks)

1. Value of next-best alternative forgone; e.g. wages forgone by choosing study.

2. Demand curve shifts right; shortage at old price; price rises, quantity supplied expands.

3. Inflation is sustained increase in general price level; individual relative price change need not imply inflation.

4. Shortages, queues, reduced maintenance, informal payments, reduced investment; explain mechanism.

Section B — Data response and evaluation (16 marks)

1. Price +10%; quantity –10%; PED ≈ –1 (unit elastic, using initial-value method).

2. Benefits lower fares, modal shift, reduced externalities; limitations cost, capacity, convenience, uncertain response. Judgement conditional on alternatives.

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