

Candidate Name

Candidate Number

Centre Name

Centre Number

Paper 3: Economics

Exam Series: May/June 2024

(2 hours 15 mins)

It is necessary to respond to the questions set out in the paper. Responses must be provided in the lined sections under each question.

INSTRUCTIONS:

- You must write your name, candidate number, centre name and centre number in the section above.
- Attempt all the questions using a dark blue or black pen.
- It is important to follow the instructions provided in this document.
- Do not use correction fluid.
- Avoid writing on any bar codes.

INFORMATION:

The total number of marks for this paper is **50**. The number of marks assigned for every question or its parts is indicated within brackets [].

Case Study

TechTrend Inc., a technology startup, burst onto the scene five years ago with an innovative app that revolutionized the way people manage their daily schedules. The company experienced rapid growth, attracting millions of users worldwide and garnering significant investor interest. However, despite its initial success, TechTrend Inc. soon found itself facing a series of challenges that ultimately led to its downfall.

Founded by a group of young entrepreneurs fresh out of university, TechTrend Inc. quickly gained attention for its user-friendly interface and cutting-edge features. The app allowed users to organize their tasks, set reminders, and sync their schedules across multiple devices seamlessly. As the demand for productivity tools soared, so did TechTrend Inc.'s valuation, reaching unicorn status within just three years of its launch. TechTrend Inc.'s success seemed unstoppable as it secured partnerships with major tech companies and expanded its user base globally. Its revenue streams diversified through premium subscription services and targeted advertisements, fuelling further growth and innovation. The company's stock became a favourite among investors, with analysts projecting continued exponential growth in the years to come.

Despite its early success, TechTrend Inc. faced mounting challenges as it sought to maintain its position in the market. One significant hurdle was the rapid pace of technological advancement. While the company initially set the standard for productivity apps, competitors quickly caught up and even surpassed TechTrend Inc.'s offerings with enhanced features and better user experiences. This fierce competition eroded the company's market share and put pressure on its profitability. Moreover, TechTrend Inc. faced increasing scrutiny over data privacy concerns. As users became more aware of the importance of protecting their personal information, any hint of data breaches or mishandling could have disastrous consequences for the company's reputation. Unfortunately, TechTrend Inc. found itself embroiled in several controversies related to data security, further eroding trust among its user base and contributing to its eventual downfall.

However, cracks began to appear in TechTrend Inc.'s facade as competitors entered the market with similar, if not superior, products. Issues with data privacy and security also tarnished the company's reputation, leading to a decline in user trust and a subsequent drop in active users. As revenue dwindled and investor confidence waned, TechTrend Inc. struggled to stay afloat, eventually filing for bankruptcy just last year. Throughout its rise and fall, TechTrend Inc. encountered various forms of government interventions that shaped its trajectory. Initially, the regulatory environment was relatively lax, allowing the company to innovate and grow rapidly without significant barriers. However, as concerns over data privacy and competition intensified, governments began to step in with regulations aimed at protecting consumers and promoting fair competition in the tech industry. These interventions ranged from stricter data protection laws to antitrust investigations targeting dominant players like TechTrend Inc. The company struggled to adapt to these new regulatory challenges, further exacerbating its decline and highlighting the complex interplay between government policies and business success in the digital age.

[illegible]

(10 marks)

[illegible]

(12 marks)

[illegible]

(12 marks)

[illegible]

[illegible]

(16 marks)