

Candidate Name

Candidate Number

Centre Name

Centre Number


**Paper 2: Economics**

For Examination June 2023

(2 Hours)

It is necessary to respond on the answer sheets provided alongside this question paper. Additionally, you must have a soft pencil (preferably of type B or HB), a clean eraser and a dark blue or black pen.

**INSTRUCTIONS:**

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

**INFORMATION:**

The number of marks assigned for every question or its parts is indicated within brackets [ ]

## Economics Paper 2 - Structured Questions:

### Scenario:

Mike and Juliana are economists. They have been asked to advise Obria Economic Development Forum (OEDF) about production, productivity and worker specialisation. OEDF is an organisation where businesses, trade unions and politicians meet to try to improve the economy of the county of Obria in the UK. The following is a summary of Mike and Juliana's presentation to the OEDF:

1. OEDF should aim to increase both productivity and production.
2. Increased production could lead to a rise in demand for labor.
3. Higher productivity would benefit workers, employers and the local economy.
4. At present, labor mobility is very low in Obria.
5. Obria would benefit from improving the opportunities for workers to change jobs.
6. Unemployment levels are quite high in Obria and a recent survey about the level of job satisfaction showed workers to be generally unhappy in their jobs.
7. Greater specialisation by workers would increase the attractiveness of the Obria economy to businesses from other parts of the UK.

### Answer all the following questions after referring to the scenario in detail:

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|--|------------|
| A) Explain productivity and its effects                            | [10 Marks] |
| B) Explain the impact of increased production on demand of labour. | [10 Marks] |
| C) Elaborate the benefits of increased production for Obria.       | [12 Marks] |
| D) Compare UK's productivity with other European countries.        | [12 Marks] |

### Answer any 2 questions from the following:

- |  |            |
|--|------------|
| 1- Explain major economic objectives of the UK government.                 | [12 Marks] |
| 2- Explain three benefits of international trade for UK consumers.         | [12 Marks] |
| 3- Explain two benefits to the UK government of a lower unemployment rate. | [12 Marks] |