

## Revision Worksheet

# A2 Economics

# Essay Questions

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### **JUNE 2004 Question 3**

- (a) In 2002, the unemployment rate in Spain, France and Italy was significantly higher than in the UK. Examine the factors which might explain why the UK's unemployment rate was lower than in these countries. **[40]**
  
- (b) To what extent might the pursuit of full employment conflict with other economic objectives? **[60]**

*[Write your answer plan in this space before looking at the answer guide]*

- 3 (a) In 2002, the unemployment rate in Spain, France and Italy was significantly higher than in the UK. Examine the factors which might explain why the UK's unemployment rate was lower than in these countries.

**LEVEL 5**

**28-40 marks**

Factors include:

- Stronger economic growth in UK
- More successful in attracting FDI (until recently)
- More flexible labour market
- Lower labour and non-labour costs
- Greater application of supply side policies
- Euro countries need to conform to stability and growth pact.

*Evaluation points might include:*

- *Relative importance of factors*
- *Differences in unemployment benefits*
- *Consideration whether this is a short term or long term situation*
- *UK has a lower natural rate of unemployment*

**For a L5 mark (28-31):** Discussion of 3 points and one evaluation point.

**A Level 5\* mark (32-40)** should be awarded for answers which meet the Level 5 criteria convincingly e.g 3 points and 2 pieces of evaluation.

**Max 28 marks** if no evaluation.

**Award a L4 mark (24-27 marks)** if only 2 factors + evaluation

**Award a L2 mark (16-19 marks)** for identification of points only or for narrow response focussing on one point.

**(40 marks)**

- (b) **To what extent might the pursuit of full employment conflict with other economic objectives?**

**LEVEL 5**

**42-60 marks**

Consideration of possible conflicts with:

- Stable prices
- Analysis using Phillips curve may count as 2 points
- Balance of Payments equilibrium
- Economic growth
- Clean environment
- Income equality

Analysis including possible conflicts = 2 pts

Evaluation points might include:

- Comment on reasons for co-existence of low inflation and low unemployment in recent years e.g. new technology resulting in increased productivity
- Full employment might not conflict with B/P equilibrium if there is export led growth
- Full employment might conflict with economic growth if there is very low productivity
- Changing government priorities

**For a L5 mark (42-47):** Discussion of 4 points and two evaluation points.

**A Level 5\* mark (48-60)** should be awarded for answers which meet the Level 5 criteria convincingly e.g. 4 points and 3 pieces of evaluation.

**(60 marks)**

**Max 42 marks** if no evaluation

**Award a L4 mark (36-41 marks)** if only 3 points + evaluation

**Award a L2 mark (24-29 marks)** for identification of points only or for narrow response focussing on one or two points.