

Revision Worksheet

A2 Economics

Essay Questions

Worksheet by: Apsara Sumanasiri

Student Name :

Date:

TheRevisionGuide® (www.TheRevisionGuide.com) is a free online resource for Economics and Business Studies.

Don't forget to visit our website as part of your revision.

JUNE 2005 Question 2

- (a) Examine the factors which affect the international competitiveness of the UK's goods and services. **[40]**
- (b) Evaluate the likely economic effects of a fall in the UK's competitiveness. **[60]**

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

2. (a) Examine the factors which affect the international competitiveness of the UK's goods and services.

LEVEL 5

28-40 marks

Factors include:

Price competitiveness influenced by:

- Value of pound against other currencies (trade weighted exchange rate)
- Relative productivity performance - impacting on unit costs
- Relative inflation rates
- Relative wage costs and non-wage costs e.g. Employers' National Insurance contributions
- **Non-price factors include: e.g.**
 - Quality
 - Design
 - Reliability
 - Availability
 - After sales service

Evaluation points might include:

- Relative significance of above factors
- Changing significance of factors over time.

For a L5 mark (28-31 marks): Discussion of 3 points and at least 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 with at least 2 pieces of evaluation and should consider both price and non-price factors.

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 focusing on one point.

(40 marks)

(b) Evaluate the likely economic effects of a fall in the UK's competitiveness.

LEVEL 5

42-60 marks

Implications include:

- Unemployment (fall in exports, increase in imports)
- Deterioration in the UK's Balance of Payments
- Subsequent fall in the value of the Pound
- Fall in the rate of economic growth
- Impact on the price level?
- Impact on investment

Evaluation points include:

- Consideration of relative significance of above points
- Difference between short run and long run effects
- Consideration of significance for economic policy
- Consideration on different parts of the current account

For a L5 mark (42-47 marks): 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 at least 3 pieces of evaluation.

Max 42 marks if no evaluation.

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

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

(60 marks)