



**GCE A LEVEL**

**1520U40-1**

**TUESDAY, 13 JUNE 2023 – MORNING**

**ECONOMICS – A2 unit 4**

**Evaluating Economic Models and Policies**

**2 hours 30 minutes plus your additional time allowance**

**ADDITIONAL MATERIALS**

**A WJEC pink 16-page answer booklet.**

**INSTRUCTIONS TO CANDIDATES**

**Use black ink, black ball-point pen or your usual method.**

**You may use a pencil for graphs and diagrams only.**

**Answer ONE question from Section A.**

**Answer ONE question from Section B.**

**Answer ONE question from Section C.**

**Write your answers in the separate answer booklet provided following the instructions on the front of the answer booklet.**

**Use both sides of the paper. Write only within the white areas of the booklet.**

**Write the question number in the two boxes in the left-hand margin at the start of each answer, for example 01.**

**Leave at least two line spaces between each answer.**

**(Turn over)**

**INFORMATION FOR CANDIDATES**

**The number of marks is given in brackets at the end of each question or part-question.**

**You are reminded of the necessity for good English and orderly, clear presentation in your answers.**

**You are reminded that this paper is synoptic and so will test understanding of the connections between the different elements of the subject.**

**SECTION A**

**Answer ONE question from this section.**

**EITHER,**

**01 (a) Using examples, explain the role of barriers to entry in determining market structure. [10 marks]**

**(b) With reference to game theory and your own examples, evaluate the likely costs of oligopolistic market structures. [20 marks]**

**OR,**

**02 (a) Explain, using a relevant diagram(s), the differences between the objectives of profit maximisation and revenue maximisation. [10 marks]**

**(b) Evaluate the economic impact of firms choosing to grow. [20 marks]**

**(Turn over)**

**SECTION B**

**Answer ONE question from this section.**

**EITHER,**

**03 (a) Explain how the position of an economy's long-run Phillips curve could shift. Use a diagram in your answer. [10 marks]**

**(b) Assess the likely impact of UK economic growth on the Welsh economy. [20 marks]**

**OR,**

**04 (a) Explain the problems that might arise when measuring the rate of unemployment in an economy. [10 marks]**

**(b) Discuss the possible causes of unemployment in Wales. [20 marks]**

**(Turn over)**

**SECTION C**

**Answer ONE question from this section.**

**EITHER,**

**05 (a) Explain the difference between GDP and GNP, and the significance of purchasing power parity adjustments for measuring living standards.**

**[10 marks]**

**(b) Evaluate the extent to which changes in the Human Development Index (HDI) are a good indicator of changes in the level of development in an economy. [20 marks]**

**OR,**

**06 (a) Explain why a currency devaluation may not improve an economy's trade balance. [10 marks]**

**(b) Discuss the view that free international trade is more beneficial for MEDCs than LEDCs.**

**[20 marks]**

**END OF PAPER**