



Sixth Form Entrance 2018

ECONOMICS

1 hour

Answer ALL of Section A and ONE question from Section B.

Each section is worth 25 marks.

Please use the writing paper provided.

Write your name and present school clearly on all sheets of paper used.

Section A

25 marks

You must answer all parts of this question. It should take no more than 30 minutes.

1. Explain how market forces will move a free market to equilibrium if the price is initially too high causing excess supply. In your answer, you should describe how the Price mechanism functions in this situation and also use a supply / demand diagram. **(8 marks)**
2. Explain how a factor which increases Demand will affect the equilibrium price and output levels. Use an example of your choice and a supply / demand diagram in your answer. **(8 marks)**
3. Describe an example of market failure (where negative consequences occur in a free market). **(9 marks)**

Section B

25 marks

Answer ONE essay question from this section.

You should spend 30 minutes on this section.

Use diagrams and real world examples to support your answer.

1. The benefits of Globalisation outweigh the costs. Discuss.
2. The UK referendum decision in favour of BREXIT (i.e. leaving the European Union) is bad for UK economic growth. Discuss.
3. What are the main types and causes of Unemployment? Discuss how the government could help to tackle unemployment.
4. Examine the impact on the Global economy of the recent rapid economic growth of either China, Russia, India or Brazil.
5. Assess the impact of a decrease in the price of oil on the UK economy.

[END OF EXAMINATION]