

The City School

Unified Mid-Year Examinations
2018 - 2019
Class 10



SCHOOL NAME

INDEX NUMBER

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DATE

ECONOMICS

Paper 2 Structured Questions

2281/22

2 hours 15 minutes

You must answer on the question paper.

You will need: Answer Sheets.

INSTRUCTIONS

- Answer **four** questions in total.
Section A: answer **Question 1**
Section B: answer **three** questions.
- Use a black or dark blue pen.
- Write your School name, Index number and Date in the spaces provided.
- Do **not** use correction fluid.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 90.
- The number of marks for each question or part question is shown in brackets [].

Invigilated By: _____

Checked By: _____

Marks Talled By: _____

This document consists of **3** printed pages and **1** blank page.

Section A

Read source carefully before answering Question 1

Source material: Coal mining

Coal is used directly to heat homes throughout the world and produces more than 40% of the world's electricity. There are, however, a number of challenges facing the coal industry. These include increasing concerns about the environmental effects of using coal and the increased competition from other fuels.

Mining and using coal to produce electricity causes air pollution. Coal-fired power stations emit carbon dioxide, which has a harmful effect on people's health. Wildlife habitats are damaged when new mines are opened and when coal waste is dumped on landfill sites.

However, demand for coal has declined recently. This resulted in the price of a tonne of coal falling from US\$300 in 2010 to US\$150 in 2015. Even China, the world's largest consumer of coal, purchased less in 2015. Some high-cost deep mines were closed in the USA. In the same year, Europe's largest producer, Poland, sold coal at a loss of US\$37 a tonne.

The fall in demand for coal arises partly from competition from renewable energy. For instance, advances in technology are reducing the costs of producing energy from wind power.

Some countries protect their energy industries from foreign competition, in some cases to reduce a current account deficit. The governments of a number of coal-producing countries also regulate their coal industries. The extent of government intervention is influenced by the type of economic system operated.

Answer all parts of Question 1. Refer to the source material in your answers.

- 1 (a) Identify, using information from the extract, two external costs that arise from using coal to produce electricity. [2]
- (b) Explain what is meant by:
- (i) a private cost,
 - (ii) a private benefit,
 - (iii) an external cost and
 - (iv) an external benefit. [4]
- (c) Explain two reasons for conserving resources. [4]
- (d) Analyse how subsidies given to farmers could raise living standard. [4]
- (e) Discuss whether social costs of operating power stations are likely to be greater than their social benefits. [6]
- (f) Explain reasons for market failure. [5]
- (g) Discuss whether governments should regulate the coal industries of their countries. [5]

Section B

Answer any **three** questions from this section.

- 2** A government decides to increase the number of schools it operates, leading to an increase in the demand for teachers. At the same time, the government decides to increase the qualifications that a person needs to have to become a teacher.
- (a) Describe why the earnings of teachers can change over a period of time. [2]
 - (b) Consider whether teachers working in the private sector and in the public sector are likely to receive different earnings. [4]
 - (c) Using a demand and supply diagram, analyse the effect of these two decisions on the equilibrium wage rate and the equilibrium quantity of teachers. [6]
 - (d) Discuss whether or not highly-paid teachers are likely to spend more and borrow more than less well-paid teachers. [8]
- 3** A person is choosing between different occupations and realises that there are both wage and non-wage factors that need to be taken into account.
- (a) Define mobility. [2]
 - (b) Describe the non-wage factors that can influence a person's choice of occupation. [4]
 - (c) Explain the different forms of payment that a worker can receive. [6]
 - (d) Discuss whether or not a worker in the services sector is always likely to receive a higher wage than one in the manufacturing sector. [8]
- 4** After studying for your Economics qualification you have to decide whether to leave school and find a job or enrol at a college for more specialised training.
- (a) Identify two influences on the amount households spend. [2]
 - (b) Explain two reasons why borrowing may decrease. [4]
 - (c) Analyse why different income groups have different spending patterns. [6]
 - (d) Discuss whether or not it is always an advantage for an individual to have a specialised job? [8]
- 5** Different workers can be paid vastly different amounts of money. Sometimes this can be due to the level of skill that different workers have, and sometimes it can be influenced by whether a worker is in a trade union or not.
- (a) Define 'a trade union'. [2]
 - (b) Explain two influences on the strength of a trade union. [4]
 - (c) Analyse three reasons why trade union membership may decrease in a country. [6]
 - (d) Discuss whether or not membership of a trade union will always be beneficial for a worker. [8]