



GCE A LEVEL

A520U30-1



S24-A520U30-1



FRIDAY, 7 JUNE 2024 – MORNING

ECONOMICS – A level component 3
Evaluating Economic Models and Policies

2 hours 30 minutes

ADDITIONAL MATERIALS

A WJEC pink 16-page answer booklet.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.

You may use a pencil for graphs and diagrams only.

Answer **both** parts of **one** question from Section A.

Answer **both** parts of **one** question from Section B.

Answer **both** parts of **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

1	1
---	---

.

Leave at least two line spaces between each answer.

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.

SECTION A

Answer **both** parts of **one** question from this section.

Either,

National Living Wage to be two-thirds of average earnings by 2024

1	1
---	---

Explain what is meant by labour market flexibility and the factors which can reduce it. [10]

and

1	2
---	---

Discuss whether a cut to the UK's national minimum and living wages would be economically desirable. [20]

Or,

Competition and Markets Authority fines pharmaceutical firms £260m for breaking competition law

2	1
---	---

Outline what is meant by collusion and explain why it may occur in oligopolistic markets. [10]

and

2	2
---	---

Discuss whether oligopolies are desirable market structures. [20]

SECTION B

Answer **both** parts of **one** question from this section.

Either,

Keynesian and Neo-Classical theories clash

3	1
----------	----------

Using a diagram, explain what is meant by the circular flow of income. [10]

and

3	2
----------	----------

Evaluate the view that an economy will automatically adjust to reach equilibrium at full employment (the NAIRU). [20]

Or,

Deflation, more worrying than inflation

4	1
----------	----------

Outline what is meant by deflation and explain how governments might intervene to control it. [10]

and

4	2
----------	----------

Evaluate the extent to which deflation is a serious problem for an economy. [20]

SECTION C

Answer **both** parts of **one** question from this section.

Either,

Pandemic reveals weak links in global supply chain

5	1
---	---

With the aid of a diagram, explain how the imposition of a tariff can lead to a decline in economic welfare. [10]

and

5	2
---	---

Assess the extent to which an increasingly integrated world economy is beneficial to the UK. [20]

Or,

Adult literacy in Chad only 23%

6	1
---	---

Explain why rapid population growth can be an obstacle to economic development in low-income countries. [10]

and

6	2
---	---

In low-income countries, how effective is a rise in government spending on education likely to be in terms of increasing economic development? [20]

END OF PAPER