

0820/403

NATIONAL
QUALIFICATIONS
2010

MONDAY, 10 MAY
1.00 PM – 2.45 PM

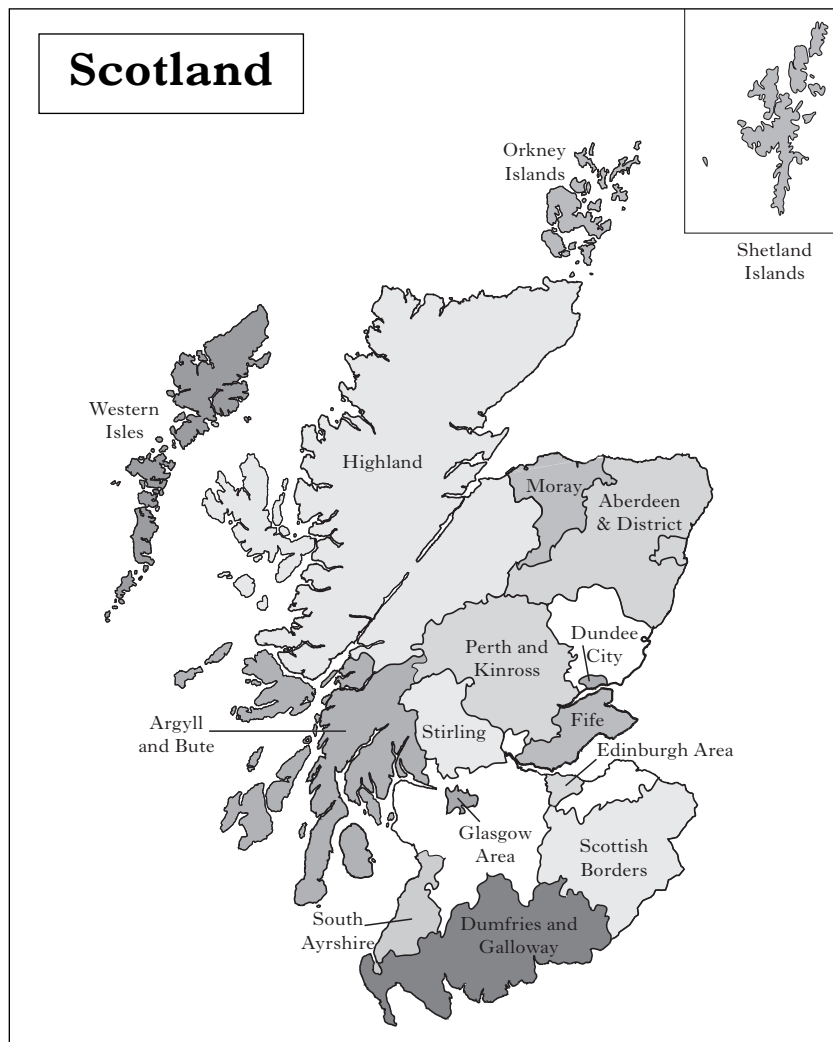
ECONOMICS
STANDARD GRADE
Credit Level

- 1 Read each question carefully.
- 2 Attempt **all** the questions.
- 3 All answers are to be written in the answer book provided.



2. Study the information below and then answer the questions which follow.

Estimated Population Changes 1999–2009 by Region



Glasgow Area	-19%	Edinburgh Area	+32%	Western Isles	-7%
Highland	+5%	South Ayrshire	-3%	Orkney & Shetland Islands	-6%
Aberdeen & District	+3%	Perth & Kinross	+8%	Fife	+5%
Scottish Borders	+6%	Stirling	+7%	Dumfries & Galloway	-3%
Argyll & Bute	-5%	Dundee City	-7%	Moray	-5%

(a) Suggest possible economic reasons why the population has risen in some areas of Scotland but fallen in other areas.

(b) Emily was an estate agent in Stirling but decided to move to Orkney to run a small hotel.

An economist has stated that this demonstrates mobility of labour. What is meant by mobility of labour?

(c) More people have decided to migrate to Scotland from the EU. Discuss the effects this might have on the Scottish economy.

Marks

KU ES

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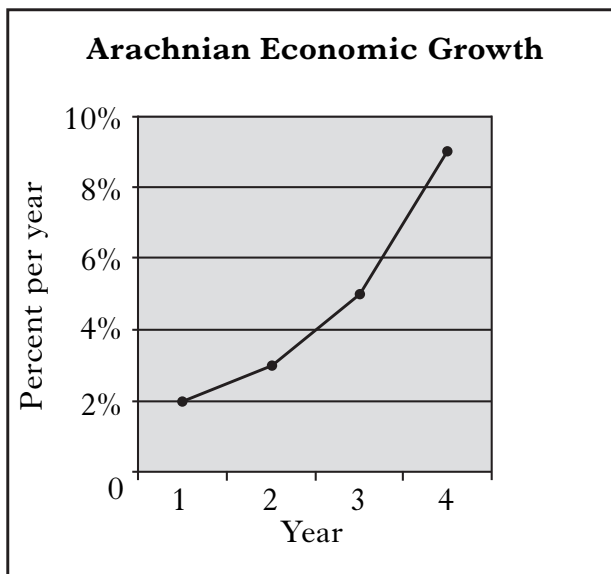
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5. Study the diagram below and then answer the questions which follow.

Arachnian economy set to leap ahead!

The Prime Minister of Arachnia, on a recent visit to Scotopia, was optimistic about the prospects for the Arachnian economy. “As a producer of natural energy and railway equipment, our economy is experiencing rapid **economic growth**”, she said. “Our exchange rate is currently one Arachnian pound to one Scotopian dollar. Our Balance of Payments is in surplus and I cannot see any reason for that to change. Things could not be better!”



- (a) (i) Explain the term “economic growth”.
(ii) Describe fully the trends in Arachnian economic growth.
- (b) Explain what is meant by a Balance of Payments surplus.
- (c) Describe the possible effects on the Arachnian Balance of Payments of:
- (i) a weaker Arachnian pound;
(ii) a stronger Arachnian pound.

Marks

KU ES

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6. Study the picture below and then answer the questions which follow.



(a) “Tayneath is not suffering from the recession,” the local MP stated today.

Do you agree that “Tayneath is not suffering from the recession”? Justify your answer.

(b) (i) Identify the type of unemployment highlighted in the Tayneath Tribune.

(ii) Explain your answer to (b)(i).

(iii) Name **2 other** types of unemployment.

(c) In what way would the action described in the Tayneath Mail “. . . save jobs”?

(d) A Giffen good is a type of consumer good. Explain the term “Giffen good”.

[END OF QUESTION PAPER]

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