

FOR OFFICIAL USE

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**F**

KU ES

Total

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**0820/27/01**

NATIONAL  
QUALIFICATIONS  
2012

WEDNESDAY, 25 APRIL  
9.00 AM - 10.00 AM

**ECONOMICS**  
**STANDARD GRADE**  
Foundation Level

**Fill in these boxes and read what is printed below.**

Full name of centre

Town

Forename(s)

Surname

Date of birth

Day    Month    Year

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Scottish candidate number

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Number of seat

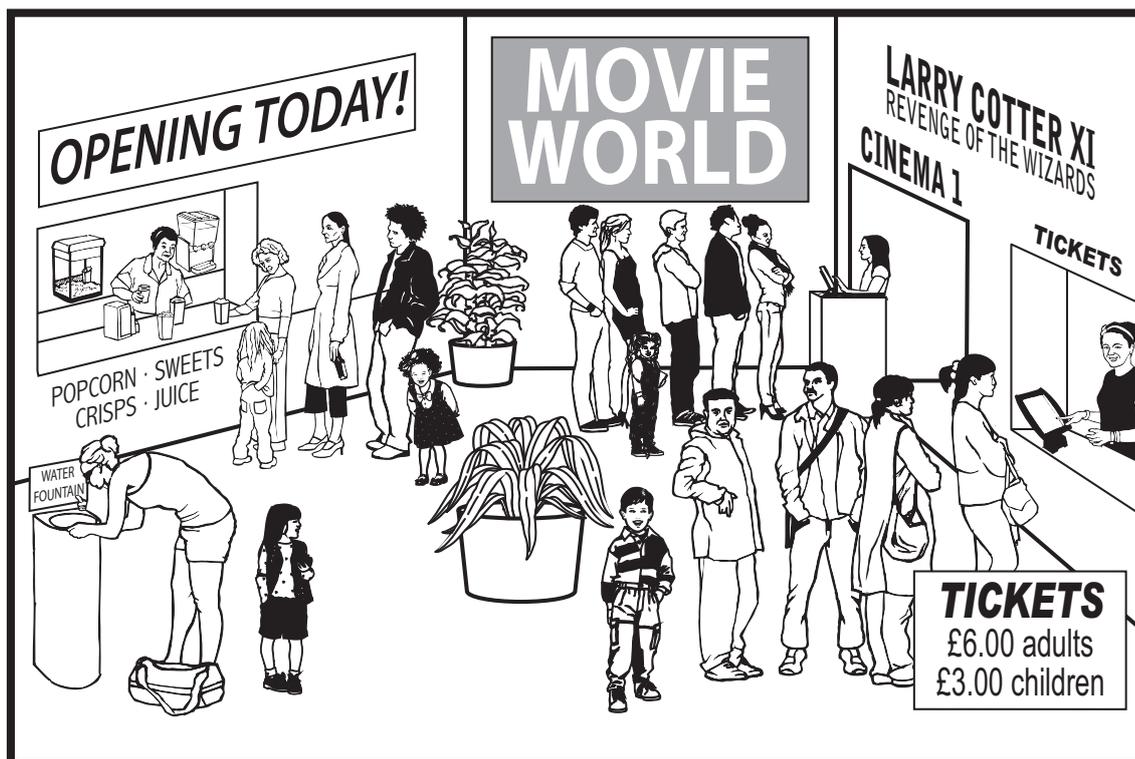
- 1 Read each question carefully.
- 2 Attempt **all** the questions.
- 3 All answers are to be written in this answer book.
- 4 Do **not** write in the margins.
- 5 Before leaving the examination room you must give this book to the Invigilator. If you do not, you may lose all the marks for this paper.



Marks

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1. Study the picture below and answer the questions which follow.



(a) Identify **one** example of each of the following:

(i) a natural resource;

\_\_\_\_\_

(ii) a human resource;

\_\_\_\_\_

(iii) a man-made resource.

\_\_\_\_\_

3

(b) In the UK, private firms provide some services and the Government provides other services. What is the name given to this type of economy?

**Tick the correct box.**

Planned/Command economy	<input type="checkbox"/>
Free market economy	<input type="checkbox"/>
Mixed economy	<input type="checkbox"/>

1

Marks

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**1. (continued)**

(c) Suggest **2** economic benefits to the local community of the new cinema.

1 \_\_\_\_\_

2 \_\_\_\_\_

2

(d) What type of spending is the building of the new cinema complex?

**Tick the correct box.**

Current Spending	<input type="checkbox"/>
Capital Spending	<input type="checkbox"/>

1

(e) (i) From the picture, identify **2** costs to MovieWorld's owners.

1 \_\_\_\_\_

2 \_\_\_\_\_

2

(ii) Describe **2** ways MovieWorld's owners could increase their revenue.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

2

**[Turn over**



Marks

KU	ES

2. (b) (continued)

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

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1

(c) Identify whether each of the following might increase or decrease demand for Mell laptop computers.

**Tick the correct box. The first one has been done for you.**

<i>Events</i>	<i>Increase</i>	<i>Decrease</i>
Mell laptops win an award as best laptop in a computer review magazine.	✓	
Mell laptops are featured in a major new movie.		
The price of software decreases.		
Income tax increases and consumers have less income to spend.		
A rival laptop manufacturer reduces the price of their laptops.		

4

(d) Mell plc is facing a shortage of **suitable** labour. Apart from raising wages, suggest **one** action it could take to solve this problem.

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1

[Turn over



Marks

3. (continued)

(c) A Government study has found that students spend a lot of money on “junk food”.

(i) Suggest **one economic** action the Government might take to reduce the amount students spend on “junk food”.

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1

(ii) Explain how the action in (c)(i) would be expected to work.

---



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1

(d) (i) State **one** benefit to the economy of more people going to university.

---



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1

(ii) Suggest **one** action the Government might take to increase the number of people going to university.

---



---

1

(iii) Explain how the action suggested in (d)(ii) would be expected to work.

---



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1

[Turn over

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1		
1		
1		
1		



Marks

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4. (continued)

(b) Phone-on plc belongs to which sector of production?

Tick the correct box.

Primary	<input type="checkbox"/>
Secondary	<input type="checkbox"/>
Tertiary	<input type="checkbox"/>

1

(c) Phone-on plc decides that it will specialise in making only smartphones.

(i) Suggest **2** benefits of specialisation to the **company**.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

2

(ii) Suggest **one** disadvantage of specialisation to the **customers** of Phone-on plc.

\_\_\_\_\_

\_\_\_\_\_

1

[Turn over

Marks	KU	ES
1		
1		
2		

4. (continued)

(d) (i) Which type of unemployment is described in the article?

**Tick the correct box.**

Residual unemployment	
Technological unemployment	
Seasonal unemployment	

(ii) Using your answer to (d)(i) suggest **one** action the Government might take to overcome this type of unemployment.

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(iii) State **one** disadvantage of unemployment to:

1. the economy;

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2. an unemployed person.

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**[Turn over for Question 5 on *Page twelve***



Marks

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**5. (continued)**

(c) (i) Suggest **one** form of borrowing which Mr Wylie could use to buy a car.

\_\_\_\_\_

\_\_\_\_\_

**1**

(ii) Suggest **2** reasons why Mrs McCorkindale might want to save her money.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

**2**

(iii) State **2** places where Mrs McCorkindale might save her money.

1 \_\_\_\_\_

2 \_\_\_\_\_

**2**

**[Turn over**



Marks

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**6. (continued)**

(c) Spain buys haggis from Scotland.

(i) Would this be an example of an import or export for Scotland?

**Tick the correct box.**

Import		Export	
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1

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

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1

(d) Spain imports 8,000 kilos of haggis from a firm in Scotland. The Scottish firm charges Spain £6 per kilo of haggis. If the exchange rate is £1 = €1.50, what will be the total amount paid for the order in Euros?

Answer: € \_\_\_\_\_

Show your working here.

2

(e) The sale of haggis has increased in Japan. Which currency will Japanese consumers use to buy haggis?

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1

**[Turn over**



Marks

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**7. (continued)**

(d) The Farrland Government is worried that it does not have enough income in 2012.

Suggest **2** measures the Government might take to increase its income.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

2

(e) The Farrland Government decides to spend less on Defence.

Suggest **2** economic effects of this decision.

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

2

[END OF QUESTION PAPER]

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