

FOR OFFICIAL USE

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	KU	ES
Total		

0820/402

NATIONAL
QUALIFICATIONS
2010

MONDAY, 10 MAY
10.20 AM – 11.35 AM

ECONOMICS
STANDARD GRADE
General 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



- Marks*

Marks

Marks

Marks

- Marks*

Marks

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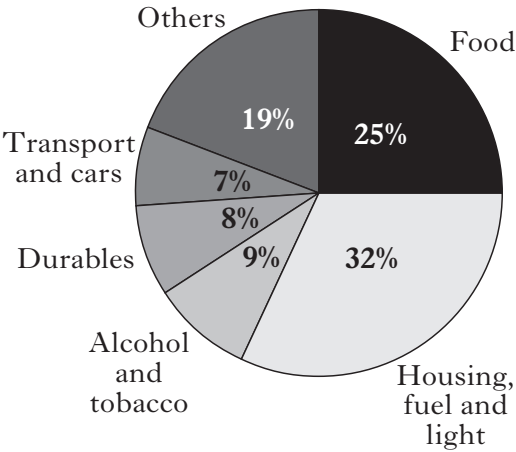
Marks

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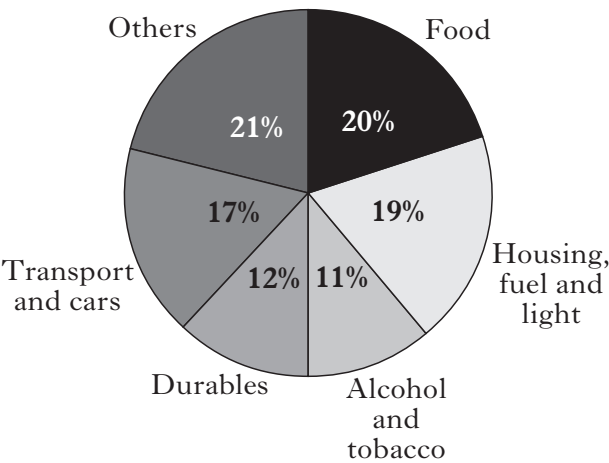
2. Study the charts below and answer the questions which follow.

Percentage of Weekly Income spent by Category

Low Income Family
£300 per week



High Income Family
£800 per week



(a) Calculate how much the low income family spends on transport and cars in a week.

Answer: £ _____

Show your working here.

2

(b) Suggest **2** possible reasons why the high income family spends a higher percentage of its income on transport and cars than the low income family.

1 _____

2 _____

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No	
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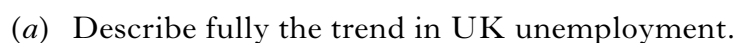
- 4

1 _____

2 _____

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- [illegible]



-

- Answer: _____

2

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[Turn over

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4. The table below shows possible output levels and production costs of MP3 players of YTEC plc for the month of August. Study the table and answer the questions which follow.

Output levels and production costs of MP3 players for the month of August				
Output (units)	Fixed Cost (£)	Variable Cost (£)	Total Costs (£)	Average cost (£)
0	A	B	40,000	0
200	40,000	20,000	60,000	300
400	40,000	30,000	70,000	D
600	40,000	38,000	78,000	130
800	40,000	44,000	C	105
1000	40,000	48,000	88,000	88

- (a) Calculate the missing figures.

A	B	C	D
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Show your working here.

4

- (b) Suggest **one** variable cost to YTEC plc of producing MP3 players.

1

- (c) Why do the variable costs of YTEC plc increase with output?

1

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- Show your working here.

- What is meant by productivity?

-

- (iii) Choose **one** of the measures stated in (e)(ii) and explain how it would be expected to work.

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- Marks*



- [illegible]

[illegible]

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- [illegible]

[illegible][illegible]

- [illegible]

[illegible][illegible][illegible]

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Tick (✓) the correct box.

1

2

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[illegible]

PC Universe plc is a firm manufacturing laptop computers.

The graph illustrates the effect of a shift in supply from S to S1. The vertical axis represents Price (£) and the horizontal axis represents Quantity per week (000s). The demand curve D is downward sloping. The initial supply curve S is upward sloping, and the new supply curve S1 is also upward sloping but shifted to the left of S. The equilibrium moves from (400, 400) to (250, 550).

Quantity (000s)	Price (£) on D	Price (£) on S	Price (£) on S1
0	800	0	0
100	700	100	350
200	600	200	500
250	550	250	550
300	500	300	600
400	400	400	700
500	300	500	-
600	200	600	-
700	100	700	-

- Price: _____ Quantity: _____

1

-

1

- 1 _____
- _____
- 2 _____
- _____

2

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(d) PC Universe plc is planning a takeover of Drive Hard Ltd, a retail firm selling computers.

1

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