

FOR OFFICIAL USE

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	KU	ES
Total		

0820/402

NATIONAL
QUALIFICATIONS
2011

TUESDAY, 3 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

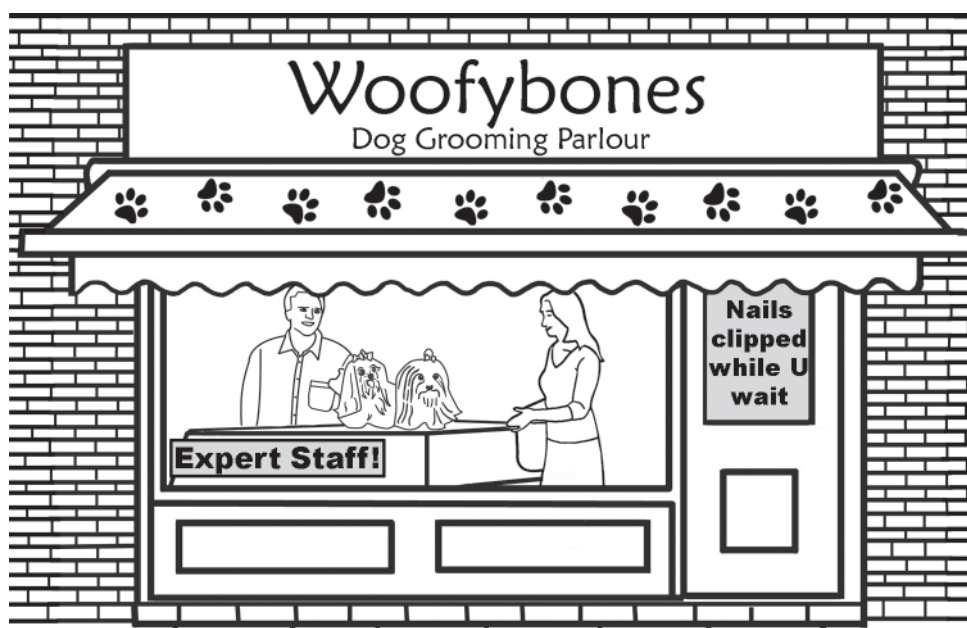
- 1 Read each question carefully.
- 2 Attempt **all** the questions.
- 3 All answers are to be written in this answer book.
- 4 Do **not** write in the margins.
- 5 Before leaving the examination room you must give this book to the Invigilator. If you do not, you may lose all the marks for this paper.



Marks

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



Woofybones Total Costs and Revenue for this week	
Total Costs	Total Revenue
Fixed Costs £2000	Income from customers £3000
Shampoo £500	

- (a) (i) Woofybones had 150 customers this week. Calculate the average revenue per customer.

Answer _____

Show your working here.

1

- (ii) Does it follow from your answer to (a)(i) that each customer was charged the same price? Tick (✓) the correct box.

Yes	
-----	--

No	
----	--

1

- (iii) Explain your answer to (a)(ii).

1

Marks

[illegible]

2

2

1

1

1

1

1

1

1

1

1

1

1

1

1

1

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2

-

- Tick (✓) the correct box.

PRIMARY	
SECONDARY	
TERTIARY	

-

[Turn over for Question 2 on *Page six*

- [illegible]

Year	Yes (%)
2005	9
2006	7
2007	6
2008	4
2009	3
2010	2

-

2

- 1 Investment _____
- _____
- 2 Employment _____
- _____

4

- 1 _____
- 2 _____

2

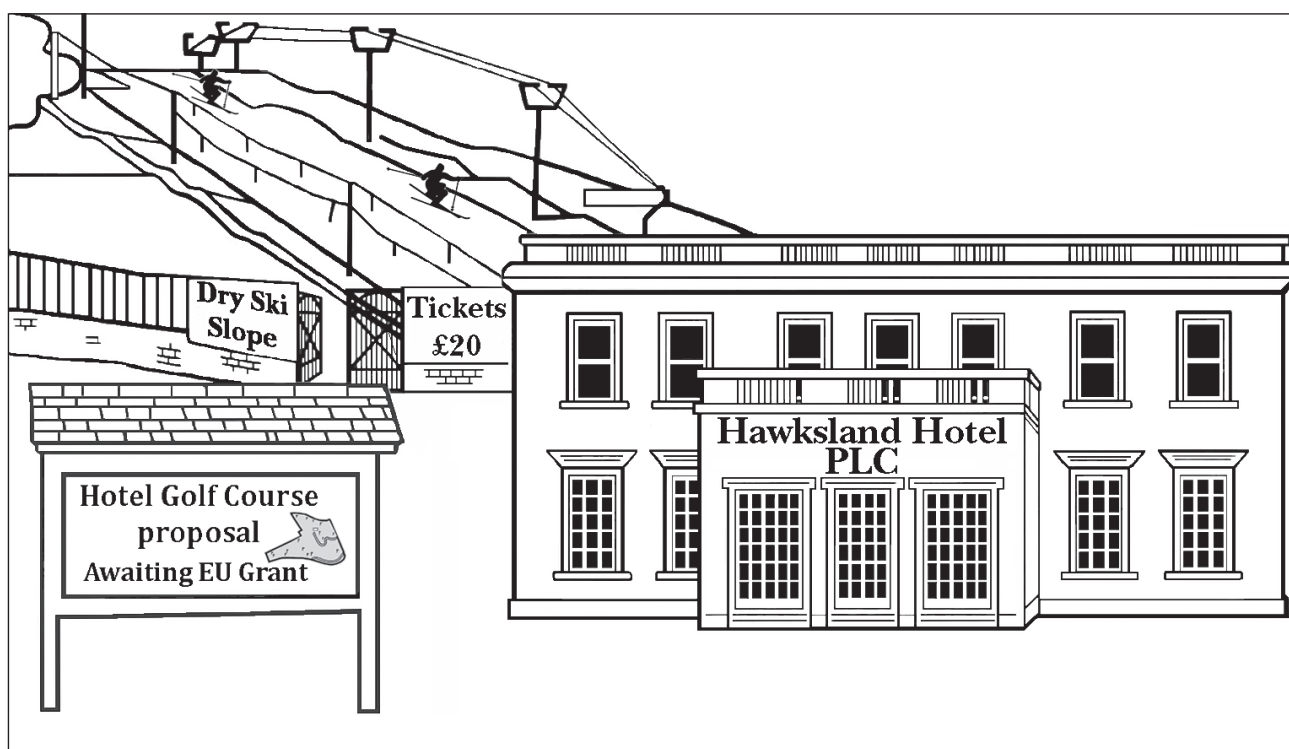
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(ii) Choose **one** of the actions given in (b)(i) and explain how it would be expected to work.

1

[0820/402]

1



Tick (✓) the correct box.

A private individual	
The shareholders	
The Government	

How many customers are needed each month for the ski slope to break even?

Answer _____

Show your working here.

1

KU	ES
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-
- Annual Rate of Inflation in the UK 2005–2010**
- | Year | Annual Rate of Inflation (%) |
|------|------------------------------|
| 2005 | 4.0 |
| 2006 | 5.0 |
| 2007 | 4.0 |
| 2008 | 3.0 |
| 2009 | 4.0 |
| 2010 | 2.0 |

-

1

-

2

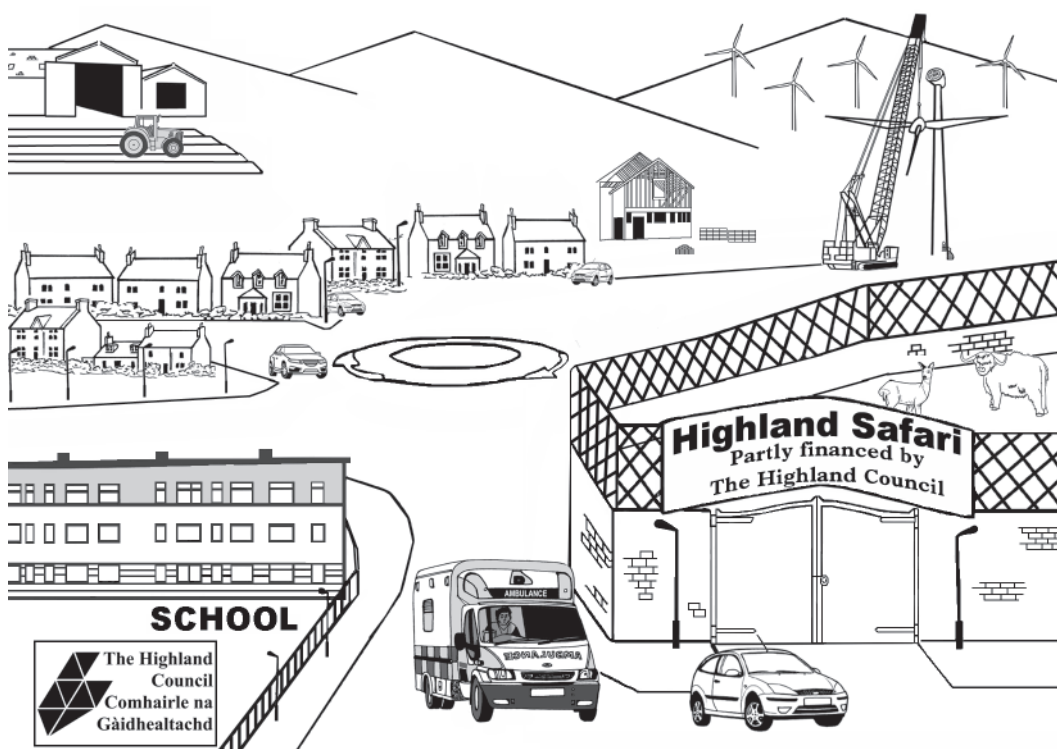
-
-
-

2

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KU	ES
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- Study the picture below and answer the questions which follow.



- A private good _____

3

1

2

Marks

- 2

3

- 1

1

1

[Turn over

Marks

KU	ES
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6. Study the information below, which relates to the country of Gaeltopia, and answer the questions which follow.

Government Revenue and Expenditure

REVENUE	Year 1 £ billion	Year 2 £ billion
Income Tax	500	550
Corporation Tax	300	350
VAT	300	500
Customs and Excise Duties	400	480
EXPENDITURE		
Health	390	430
Defence	290	470
Education	380	550
Others	400	450

- (a) Income tax is a progressive tax. Explain what is meant by the term “progressive tax”.

2

- (b) Calculate the percentage of total tax revenue which came from progressive taxes in Year 1.

Answer _____

Show your working here.

2

[illegible]

Weekly Demand and Supply



2

- Answer _____

1

2

- (ii) Describe the effect this change in market price will have on the quantity demanded.

3

- | | | |
|---|---|--|
| 1 | A wage increase for Bloobery employees | |
| 2 | An increase in the price of screens for hand held computers | |
| 3 | A government subsidy on hand held computers | |
| 4 | An increase in price of a competitor's version | |
| 5 | An increase in corporation tax | |

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ACKNOWLEDGEMENTS

Question 5 – Highland Council logo is reproduced by kind permission of The Highland Council.

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