



National  
Qualifications  
2025

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## 2025 Economics

### National 5

# Question Paper Finalised Marking Instructions

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## General marking principles for National 5 Economics

*This information is provided to help you understand the general principles you must apply when marking candidate responses to questions in this paper. These principles must be read in conjunction with the detailed marking instructions, which identify the key features required in candidate responses.*

- (a) Marks for each candidate response must **always** be assigned in line with these general marking principles and the specific marking instructions for the relevant question.
- (b) Marking should always be positive. This means that, for each candidate response, marks are accumulated for the demonstration of relevant skills, knowledge and understanding: they are not deducted from a maximum on the basis of errors or omissions.
- (c) If a specific candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.
- (d) i Questions that ask candidates to Describe...  
Candidates must make a number of relevant, factual points up to the total mark allocation for the question. These should be key points. The points do not need to be in any particular order. Candidates may provide a number of straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question:

- One mark should be given for each accurate relevant point of knowledge.
- A second mark could be given for any point that is developed from the point of knowledge

- ii Questions that ask candidates to Explain...  
Candidates must make a number of points that relate cause and effect and/or make the relationships between things clear, for example by showing connections between a process/situation. These should be key reasons and may include theoretical concepts. There is no need to prioritise the reasons. Candidates may provide a number of straightforward reasons or a smaller number of developed reasons, or a combination of these.

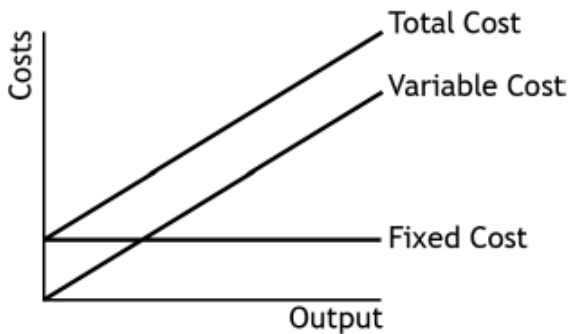
Up to the total mark allocation for this question:

- One mark should be given for each accurate relevant point of reason.
- A second mark could be given for any other point that is developed from the same reason

## Marking instructions for each question

### Section 1

Question			Expected response(s)	Max mark	Additional guidance
1.	(a)	(i)	<p><b>fixed cost</b></p> <ul style="list-style-type: none"> <li>• rent for chip shop (1)</li> <li>• business rates for chip shop (1)</li> <li>• insurance for chip shop (1)</li> <li>• chip shop manager's salary (1)</li> </ul>	1	<p>Award 1 mark for a valid example.</p> <p>DNA 'salary' without 'manager'.</p>
		(ii)	<p><b>variable cost</b></p> <ul style="list-style-type: none"> <li>• potatoes (1)</li> <li>• fish (1)</li> <li>• oil/fat for fryers/batter (1)</li> <li>• wages of staff in the chip shop (1)</li> <li>• salt/vinegar/brown sauce/ketchup (1)</li> </ul>	1	<p>Award 1 mark for a valid example.</p> <p>Any (raw) materials must be specific to the context of the fish and chip shop.</p> <p>DNA 'ingredients'/'produce'/'raw materials'.</p>
	(b)		<ul style="list-style-type: none"> <li>• negotiate lower rent for the chip shop (1)</li> <li>• find cheaper supplier of raw materials/potatoes/fish (1)</li> <li>• reduce the wage bill/have a wage freeze/make some staff redundant (1)</li> <li>• find a cheaper source of finance (1)</li> </ul>	1	<p>Award 1 mark for a valid description.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(c)	 <ul style="list-style-type: none"> <li>• correctly labelled axes (Cost, Output) (1)</li> <li>• correctly labelled Variable Cost (VC) curve (1)</li> <li>• correctly labelled Fixed Cost (FC) curve (1)</li> <li>• correctly labelled Total Cost (TC) curve (1)</li> </ul>	4	<p>DNA 'Price' and/or 'Quantity' instead of 'Cost' and/or 'Output' as axes labels.</p> <p>Accept curve labels in full or abbreviated.</p> <p>Accept label as TVC or VC.</p> <p>Accept label as TFC or FC.</p>
	(d)	<ul style="list-style-type: none"> <li>• fewer potatoes grow (ID) which leads to lower sales revenue/profit (EXP) (1)</li> <li>• crop may need to be replanted (ID) may increase costs/farmer may need to borrow additional finance (EXP) (1)</li> <li>• lower quality of crop (ID) may sell at a lower price (EXP) (1)</li> <li>• potatoes may rot (ID) so more wastage during harvest (EXP) (1)</li> <li>• delayed harvest/takes longer for crop to grow (ID) creating cash flow problems (EXP) (1)</li> </ul>	2	<p>Candidates must explain 2 reasons to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p>

Question		Expected response(s)		Max mark	Additional guidance						
(e)	(i)	<table border="1"> <thead> <tr> <th>Level</th> <th>whereas</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>number of people unemployed</td> <td></td> <td>percentage of the working population who are unemployed</td> </tr> </tbody> </table>	Level	whereas	Rate	number of people unemployed		percentage of the working population who are unemployed		1	<p>Award 1 mark for a valid distinction.</p> <p>DNA 'population' by itself for the rate of unemployment.</p>
Level	whereas	Rate									
number of people unemployed		percentage of the working population who are unemployed									
	(ii)	<ul style="list-style-type: none"> <li>decrease in income tax revenue (1) so less finance is available on spending on other areas (DEV) (1)</li> <li>decrease in VAT receipts (1) leads to increase in govt borrowing/a budget deficit (DEV) (1)</li> <li>decrease in corporation tax revenue (1)</li> <li>more spending on (unemployment element of) Universal Credit (1)</li> <li>increase in spending on social issues caused by unemployment (1)</li> </ul>		3	<p>Candidates must describe at least 2 disadvantages to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a valid development.</p> <p>DNA 'benefits' alone.</p>						
	(iii)	<ul style="list-style-type: none"> <li>claimant count - government counts the number of people claiming the unemployment element of Universal Credit/JSA (1)</li> <li>labour force survey/international labour organisation - samples (85,000) people (each quarter) and asks about their employment status (1)</li> </ul>		2	<p>Candidates must describe 2 ways to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Must be 'the unemployment element of' Universal Credit when measuring unemployment.</p>						
(f)	(i)	<ul style="list-style-type: none"> <li>an increase in total output over a period of time using the same or fewer resource (1)</li> <li>an increase in real GDP (1)</li> </ul>		1	<p>Award 1 mark for a valid definition.</p> <p>Must mention an 'increase' to gain full marks.</p>						

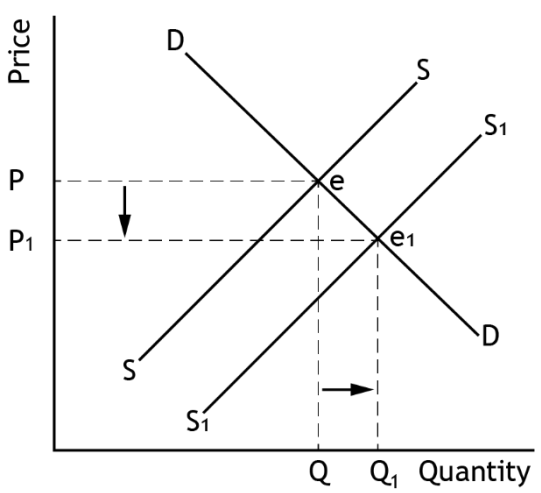
Question		Expected response(s)	Max mark	Additional guidance
	(ii)	<ul style="list-style-type: none"> <li>• promote entrepreneurial activity (1)</li> <li>• introduce legislation to encourage competition (1)</li> <li>• subsidise/invest in research and development (1)</li> <li>• invest in education/improve educational attainment (1)</li> <li>• invest in technology infrastructure (1)</li> <li>• subsidise apprenticeship/training schemes (1)</li> <li>• build new infrastructure (1)</li> <li>• reclaim land/use brownfield sites (1)</li> <li>• finance the discovery of new resources (1)</li> <li>• reduce income tax (1)</li> <li>• reduce corporation tax (1)</li> <li>• increase the retirement age (1)</li> <li>• increase working age immigration (1)</li> <li>• encourage new management techniques (1)</li> </ul>	4	<p>Candidates must outline 4 ways to gain full marks.</p> <p>Award 1 mark for each valid outline.</p> <p>Accept any answer which relates to increasing output, increasing demand or increasing the quantity/quality of resources.</p> <p>Accept any 'real world' measure that a UK government has used.</p>
2.	(a)	<ul style="list-style-type: none"> <li>• inflation went from 10.1% to 3.4% (1)</li> <li>• inflation rate generally fell (1)</li> </ul>	1	<p>Award 1 mark for a valid description.</p> <p>Percentages not required.</p>
	(b) (i)	<ul style="list-style-type: none"> <li>• increased (1)</li> <li>• <math>5.6\% - 3.4\% = 2.2\%</math> (1)</li> </ul>	2	<p>Award 1 mark for a valid statement.</p> <p>Award 1 mark for a correct calculation.</p>
	(ii)	<p><b>UK consumers</b></p> <ul style="list-style-type: none"> <li>• increase in disposable/discretionary income (1)</li> <li>• purchasing power rose (1) therefore may be able to buy luxuries (DEV) (1) therefore standard of living may rise (DEV) (1)</li> <li>• may save more (1)</li> <li>• may need to borrow less in future (1)</li> </ul> <p><b>UK firms</b></p> <ul style="list-style-type: none"> <li>• demand rises/sales rise (1)</li> <li>• sales revenue/profits may increase (1)</li> <li>• may need to increase output to meet demand (1) therefore may need to hire more staff (DEV) (1)</li> </ul>	4	<p>Candidates must describe effects on <b>both</b> areas to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Accept consequentiality from question (b)(i), ie real income decreased.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(c)	<ul style="list-style-type: none"> <li>complete the Living Costs and Food Survey (to find out what average families buy) (1)</li> <li>a basket of goods is created (1). Items in the basket are updated annually (DEV) (1)</li> <li>give a weight to each item in the basket based on importance (1) eg petrol has a higher weight than doughnuts (DEV) (1)</li> <li>gather prices from retailers around the country (1)</li> <li>check prices against the base year (last time) (1)</li> <li>calculate percentage change in prices (1)</li> <li>add up all the percentage changes and calculate the average change which is inflation (1)</li> </ul>	4	<p>Candidates must describe at least 2 steps to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>The steps do not have to appear in the correct sequence.</p>
	(d)	<ul style="list-style-type: none"> <li>land - rent (1)</li> <li>capital - interest (1)</li> <li>enterprise - profit (1)</li> </ul>	3	Award 1 mark for each valid identification.

Question	Expected response(s)	Max mark	Additional guidance
(e)	<p><b>Advantages</b></p> <p><b>Individuals</b></p> <ul style="list-style-type: none"> <li>• not all countries produce the same goods (ID) so there is a greater choice/variety (EXP) (1)</li> <li>• some countries can produce goods more cheaply than others (ID) which may lower prices (EXP) (1) so consumers may have excess cash to spend on other goods (DEV) (1)</li> <li>• increased competition amongst producers (ID) leads to higher quality of products available for consumers (EXP) (1) which may mean products need to be replaced less frequently (DEV) (1)</li> </ul> <p><b>Firms</b></p> <ul style="list-style-type: none"> <li>• international markets (ID) so companies can benefit from greater economies of scale (EXP) (1) and therefore become more competitive (DEV) (1) which allows firms to expand/grow (DEV) (1)</li> <li>• potential new markets (ID) lead to higher sales revenue (EXP) (1)</li> </ul> <p><b>Government</b></p> <ul style="list-style-type: none"> <li>• stimulates greater efficiency in production (ID) leading to economic growth (EXP) (1)</li> <li>• job creation in export firms (ID) which leads to increased tax revenue/corporation tax/income tax (EXP) (1)</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• augments home supplies (ID) therefore shortages can be met by imports (EXP) (1)</li> </ul>	6	<p>Candidates must explain at least <b>one</b> advantage and <b>one</b> disadvantage to gain full marks.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept explanations referring to the Balance of Payments.</p> <p>Candidates do not need to refer to specific agents of the economy.</p>

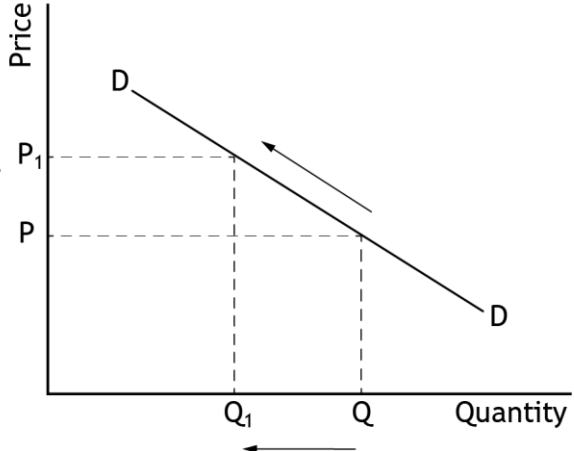
Question	Expected response(s)	Max mark	Additional guidance
	<p><b>Disadvantages</b></p> <p><b>Individuals</b></p> <ul style="list-style-type: none"> <li>• potential job loss (ID) which leads to lower standard of living (EXP) (1)</li> <li>• consumers may be exposed to harmful products (ID) which could lead to injury (EXP) (1) eg toys finished with lead-based paint (DEV) (1)</li> </ul> <p><b>Firms</b></p> <ul style="list-style-type: none"> <li>• potential loss of customers (ID) reducing sales revenue (EXP) (1) which may lead to the firm shutting down in long term (DEV) (1)</li> <li>• inability to compete (ID) leading to a need for reduced prices (EXP) (1)</li> <li>• increased transport costs (ID) as goods have to travel around world to get to customers (EXP) (1)</li> </ul> <p><b>Government</b></p> <ul style="list-style-type: none"> <li>• potential increase in Universal Credit payments (ID) as there may be more people unemployed (EXP) (1)</li> <li>• potential lower corporation tax (ID) leaving less to spend on other priorities (EXP) (1)</li> <li>• increased transport of goods (ID) which can lead to increased pollution/emissions (EXP) (1)</li> <li>• may lead to over-specialisation (ID) which may cause a down-turn in the economy if demand falls (EXP) (1)</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• wide access to cheap consumer goods (ID) leads to increased pollution (EXP) (1)</li> </ul>		

Section 2

Question		Expected response(s)	Max mark	Additional guidance
3.	(a)	<ul style="list-style-type: none"> <li>the market for chocolate is where the buyers and sellers of chocolate come together (1) to set a price and make an exchange (1)</li> </ul>	2	<p>Award 1 mark for each part of the definition.</p> <p>Candidates must mention 'chocolate', 'buyers', 'sellers', 'price' and 'exchange' to gain full marks.</p>
	(b)	<p>Market for Chocolate Bars</p>  <p>Diagram</p> <ul style="list-style-type: none"> <li>original labelled diagram (Price, Quantity, D, S, P, Q) (1)</li> <li>shift right in supply to <math>S_1</math> (1)</li> <li>new <math>P_1</math> and <math>Q_1</math> (and/or new <math>e_1</math>) (1)</li> </ul>	3	<p>Award up to 3 marks for the diagram.</p> <p>If the shift is incorrect, max 1 mark (for accurate original labelled diagram).</p>

Question		Expected response(s)	Max mark	Additional guidance
	(c)	<ul style="list-style-type: none"> <li>• to buy property (1)</li> <li>• to purchase large ticket goods/services (1)</li> <li>• to pay day-to-day living expenses (1)</li> <li>• to pay for emergency repairs (1)</li> <li>• to take advantage of low interest rates (1)</li> <li>• to start a business (1)</li> <li>• to consolidate existing debt (1)</li> </ul>	<b>2</b>	<p>Candidates must outline <b>2</b> reasons to gain full marks.</p> <p>Award <b>1 mark</b> for each valid outline.</p>
	(d)	<ul style="list-style-type: none"> <li>• an individual's ability to pay back (1)</li> <li>• an individual's attitude towards debt (1)</li> <li>• time taken to pay back loan (1)</li> <li>• an individual's employment status (1)</li> <li>• an individual's family circumstances (1)</li> <li>• uncertainty in the economy/consumer confidence (1)</li> </ul>	<b>3</b>	<p>Candidates must describe <b>3</b> factors to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p>

Question		Expected response(s)	Max mark	Additional guidance										
4.	(a)	<table border="1"> <tr> <td style="text-align: center;"><b>Need</b></td> <td rowspan="3" style="text-align: center; vertical-align: middle;"><b>whereas</b></td> <td style="text-align: center;"><b>Want</b></td> <td></td> </tr> <tr> <td>is something that is required for survival</td> <td>is something that makes life more pleasant</td> <td style="text-align: center;">(1)</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>• food</li> <li>• water</li> <li>• shelter</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• games console</li> <li>• TV</li> <li>• freezer</li> </ul> </td> <td style="text-align: center;">(1)</td> </tr> </table>	<b>Need</b>	<b>whereas</b>	<b>Want</b>		is something that is required for survival	is something that makes life more pleasant	(1)	<ul style="list-style-type: none"> <li>• food</li> <li>• water</li> <li>• shelter</li> </ul>	<ul style="list-style-type: none"> <li>• games console</li> <li>• TV</li> <li>• freezer</li> </ul>	(1)	<b>2</b>	<p>Award <b>1 mark</b> for a valid distinction.</p> <p>Award <b>1 mark</b> for a pair of examples.</p> <p>Accept any suitable examples.</p>
<b>Need</b>	<b>whereas</b>	<b>Want</b>												
is something that is required for survival		is something that makes life more pleasant	(1)											
<ul style="list-style-type: none"> <li>• food</li> <li>• water</li> <li>• shelter</li> </ul>		<ul style="list-style-type: none"> <li>• games console</li> <li>• TV</li> <li>• freezer</li> </ul>	(1)											
	(b)	<ul style="list-style-type: none"> <li>• having suitable skills (eg typing, driving) (1)</li> <li>• having suitable qualifications (eg Highers, degrees) (1)</li> <li>• being aware of opportunities in other industries/departments (1)</li> <li>• having/not having the desire for new challenges (1)</li> <li>• cost of training courses (1)</li> <li>• the availability of retraining programmes (1)</li> <li>• having a fear of retraining/change (1)</li> <li>• being aware of training opportunities (1)</li> <li>• the level of salary on offer (1)</li> <li>• current employment contractual commitments (1)</li> </ul>	<b>2</b>	<p>Candidates must describe <b>2</b> factors to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p>										

Question	Expected response(s)	Max mark	Additional guidance
(c)	<p style="text-align: center;">Demand for Water Bottles</p>  <p><b>Diagram</b></p> <ul style="list-style-type: none"> <li>• correctly labelled diagram and axes (Price, Quantity, D, P, Q) (1)</li> <li>• diagram showing contraction with <math>P_1</math>, <math>Q_1</math> and/or arrow(s) (1)</li> </ul> <p><b>Explanation</b></p> <ul style="list-style-type: none"> <li>• consumers are less willing and able to purchase them (ID) therefore the quantity demanded falls (EXP) (1)</li> </ul>	3	<p>Award up to 2 marks for the diagram.</p> <p>Award 1 mark for the explanation.</p> <p>DNA market diagram.</p>
(d)	<ul style="list-style-type: none"> <li>• the quantity of a good or service which firms are willing and able to sell (1)</li> </ul>	1	<p>Award 1 mark for a valid definition.</p> <p>DNA output.</p>
(e)	<ul style="list-style-type: none"> <li>• producers get more profit per unit/profit motive (ID) so existing producers are willing to supply more (EXP) (1)</li> <li>• higher prices make producing more profitable (ID) so new producers might enter the market (EXP) (1)</li> <li>• when output rises, a firm's costs may rise (ID) therefore a higher price is needed to justify the extra output/cover the extra cost of production (EXP) (1)</li> </ul>	2	<p>Candidates must explain 2 reasons to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p>

Question		Expected response(s)			Max mark	Additional guidance												
5.	(a)	<table border="1"> <thead> <tr> <th>Direct</th> <th rowspan="4">whereas</th> <th>Indirect</th> <th></th> </tr> </thead> <tbody> <tr> <td>a tax on income and wealth</td> <td>a tax on expenditure/on goods and services</td> <td>(1)</td> </tr> <tr> <td>taken from individuals and firms and paid straight to the government/HMRC</td> <td>a third party collects the tax and sends in on to the government/HRMC</td> <td>(1)</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>income tax</li> <li>NI contributions</li> <li>corporation tax</li> <li>inheritance tax</li> <li>capital gains tax</li> <li>land and buildings transaction tax</li> <li>council tax</li> </ul> </td> <td>(1)</td> <td> <ul style="list-style-type: none"> <li>VAT</li> <li>car tax (Vehicle Excise Duty)</li> <li>TV licence</li> <li>excise duties on fuel/alcohol</li> <li>sugar tax/SDIL (Soft Drinks Industry Levy)</li> </ul> </td> <td>(1)</td> </tr> </tbody> </table>	Direct	whereas	Indirect		a tax on income and wealth	a tax on expenditure/on goods and services	(1)	taken from individuals and firms and paid straight to the government/HMRC	a third party collects the tax and sends in on to the government/HRMC	(1)	<ul style="list-style-type: none"> <li>income tax</li> <li>NI contributions</li> <li>corporation tax</li> <li>inheritance tax</li> <li>capital gains tax</li> <li>land and buildings transaction tax</li> <li>council tax</li> </ul>	(1)	<ul style="list-style-type: none"> <li>VAT</li> <li>car tax (Vehicle Excise Duty)</li> <li>TV licence</li> <li>excise duties on fuel/alcohol</li> <li>sugar tax/SDIL (Soft Drinks Industry Levy)</li> </ul>	(1)	3	<p>Candidate must give 2 examples to gain full marks.</p> <p>Award 1 mark for a valid distinction.</p> <p>Award 1 mark for each valid example.</p> <p>DNA 'direct taxes are taken directly ...' with no reference to income or wealth.</p>
Direct	whereas	Indirect																
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	(b)	<p><b>health</b></p> <ul style="list-style-type: none"> <li>to enable workforce to work for longer (1)</li> <li>to reduce the number of days lost through sickness absence (1)</li> </ul> <p><b>education</b></p> <ul style="list-style-type: none"> <li>to create employable workforce (1)</li> <li>to improve productivity of the workforce (1)</li> <li>to improve flexibility of the workforce (1)</li> </ul> <p><b>defence</b></p> <ul style="list-style-type: none"> <li>to maintain secure UK borders (1)</li> <li>to deter other countries from invading (1)</li> <li>to comply with NATO obligations/to support allies (1)</li> </ul>	3	<p>Candidates must describe <b>one</b> reason for <b>each</b> area to gain full marks.</p> <p>Award 1 mark for each valid description.</p>														

Question		Expected response(s)	Max mark	Additional guidance	
	(c)	<p><b>public good</b></p> <ul style="list-style-type: none"> <li>goods/services where consumption by one person does not reduce its availability to another person (1)</li> <li>goods/services which no one can be excluded from using (1)</li> <li>goods/services which have non-rivalry (1)</li> </ul> <p><b>merit good</b></p> <ul style="list-style-type: none"> <li>goods which people will under-consume if they have to pay for it (1)</li> <li>goods which are subsidised/free at the point of use so it doesn't depend on anyone's ability to pay (1)</li> <li>goods which are normally under-provided by the market (1)</li> <li>goods which provide external benefits to society (1)</li> </ul>	2	<p>Candidates must describe <b>both</b> terms to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p>	
	(d)	(i)	<b>households to firms</b>	1	Award <b>1 mark</b> for a valid outline.
		(ii)	<b>firms to households</b>	1	Award <b>1 mark</b> for a valid outline.

Question			Expected response(s)	Max mark	Additional guidance
6.	(a)	(i)	$\left. \begin{array}{l} \text{€6 million}/1.50 = \text{£4 million} \\ \text{€6 million}/1.20 = \text{£5 million} \end{array} \right\} (1)$ <p>£4 million - £5 million = - £1 million (1)</p>	2	<p>Award <b>2 marks</b> for an accurate calculation.</p> <p>If no working is shown award full marks for a correct final answer.</p> <p>If correct working is shown with an incorrect final answer, maximum <b>1 mark</b>.</p> <p>If millions are not shown, maximum <b>1 mark</b>.</p>
		(ii)	<ul style="list-style-type: none"> <li>price increased (1)</li> </ul>	1	Award <b>1 mark</b> for a valid statement.
		(iii)	<ul style="list-style-type: none"> <li>increase the price of cars to consumers (ID) so that profit margins of manufacturers are maintained (EXP) (1)</li> <li>increase the price of cars to consumers (ID) to cover the higher cost of production (1)</li> <li>keep prices the same for customers (ID) to maintain levels of consumer demand (EXP) (1)</li> </ul>	1	Award <b>1 mark</b> for a valid explanation.
		(iv)	<ul style="list-style-type: none"> <li>machinery (1)</li> <li>vehicles (1)</li> <li>precious metals (1)</li> <li>oil (1)</li> <li>pharmaceuticals/vaccines (1)</li> <li>aircraft (1)</li> <li>medical equipment (1)</li> <li>plastics (1)</li> <li>furniture (1)</li> </ul>	1	<p>Award <b>1 mark</b> for a valid identification.</p> <p>Accept any suitable example.</p> <p>DNA 'food/drink' without a specific example, such as bananas, avocado, etc.</p>

Question		Expected response(s)	Max mark	Additional guidance	
	(b)	<ul style="list-style-type: none"> <li>• cost of land is lower than in the UK (ID) therefore greater profit can be made (EXP) (1) which can be used to give higher dividends to shareholders (DEV) (1)</li> <li>• wage rates are usually lower than UK (ID) so firm can become more competitive (EXP) (1) so market share might be increased (DEV) (1)</li> <li>• a new market can be accessed (ID) so greater sales can be made (EXP) (1)</li> <li>• the business will be closer to customers/raw materials (ID) therefore transport costs are lowered (EXP) (1)</li> <li>• government incentives may be given (ID) so start-up costs can be reduced (EXP) (1)</li> <li>• minimal health and safety standards (ID) so production costs are lowered (EXP) (1)</li> </ul>	3	<p>Candidates must explain at least 2 reasons to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for a valid development.</p>	
	(c)	(i)	<ul style="list-style-type: none"> <li>• a group of countries that make an agreement to reduce or remove barriers to trade (1)</li> </ul>	1	Award 1 mark for a valid definition.
		(ii)	<ul style="list-style-type: none"> <li>• EU (1)</li> <li>• NAFTA/USMCA (1)</li> <li>• ASEAN (1)</li> </ul>	1	<p>Award 1 mark for a valid example.</p> <p>DNA 'BRICS'.</p>

Question		Expected response(s)	Max mark	Additional guidance
7.	(a)	<ul style="list-style-type: none"> <li>to protect infant industries (ID) so that they won't face competition in their early years (EXP) (1)</li> <li>to raise revenue (ID) so that the government can increase its domestic spending (EXP) (1)</li> <li>to protect domestic jobs (ID) so that the unemployment benefits do not increase (EXP) (1)</li> <li>to prevent dumping/selling at artificially low prices (ID) because domestic firms would not be able to compete (EXP) (1) which could put them out of business (DEV) (1)</li> <li>to protect strategic industries (ID) so that, in case of significant supply issues(war/pandemic), home countries do not have to rely on foreign suppliers (EXP) (1) who may now be enemies (DEV) (1) or who may not be able to transport goods (DEV) (1)</li> <li>to prevent harmful products entering a country (ID) so that domestic consumers are protected from them (EXP) (1)</li> <li>to punish a political regime (ID) so that they change their policies/human rights record/etc (EXP) (1)</li> <li>to retaliate against a country which has imposed trade barriers (ID) to encourage it to remove/reverse/lower their barriers (EXP) (1)</li> </ul>	4	<p>Candidates must explain at least 2 reasons to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for each valid development.</p>
	(b)	<p><b>bilateral aid</b></p> <ul style="list-style-type: none"> <li>funds/assets given by one government to one recipient country (1)</li> </ul> <p><b>technical expertise</b></p> <ul style="list-style-type: none"> <li>provide engineers/architects/etc to train locals (1)</li> </ul> <p><b>emergency aid</b></p> <ul style="list-style-type: none"> <li>provide food/shelter in a drought/flood/earthquake (1)</li> </ul>	3	<p>Candidates must describe all 3 types of aid to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>DNA 'experts' in a 'technical expertise' answer.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(c)	<ul style="list-style-type: none"> <li>one that is progressing towards becoming more advanced (1)</li> <li>an economy with some of the characteristics of a developed country but does not yet fit the criteria of a fully developed economy (1)</li> </ul>	1	<p>Award <b>1 mark</b> for a valid definition.</p> <p>Accept major characteristics of an emerging economy, eg one with rapid economic growth.</p>
	(d)	<ul style="list-style-type: none"> <li>USA</li> <li>Angola</li> <li>China</li> <li>France</li> <li>Australia</li> <li>India</li>   <li>China (1)</li> <li>India (1)</li> </ul>	2	Award <b>1 mark</b> for each valid identification.

[END OF MARKING INSTRUCTIONS]