

ECONOMICS (PRINCIPAL)

9772/02

Paper 2 Essays

May/June 2018

2 hours 15 minutes

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

You may use an HB pencil for any diagrams or graphs.

Do not use staples, paper clips, glue or correction fluid.

DO NOT WRITE IN ANY BARCODES.

Answer **three** questions. **One** question must be chosen from Section A and **one** question from Section B. The third question can be chosen from either section.

You are advised to spend 5 minutes planning each answer and no more than 40 minutes writing each essay.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

All questions carry equal marks.

This syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 3 Pre-U Certificate.

This document consists of **2** printed pages.

Answer **three** questions. **One** question must be chosen from Section A and **one** question from Section B. The third question can be chosen from either section.

Section A

- 1 'Many individuals underestimate the damage to their own health that can be caused by infectious diseases, and they also feel no responsibility towards others who may be infected by them.'

Discuss the view that the government should provide vaccinations against infectious diseases free to all. [25]

- 2 'UK Government policy should concentrate on stopping firms from getting too large.'

Assess this view. [25]

- 3 'Most employers have never heard of the concept of marginal revenue product, so a theory of wage determination that is based upon it has no relevance.'

To what extent do you agree with this statement? [25]

Section B

- 4 'An increase in the standard rate of income tax will cause consumer expenditure to decrease, and may also cause problems on the supply-side of the economy.'

Discuss the circumstances in which such a policy might be successful. [25]

- 5 'GDP statistics are so inaccurate as a measure of living standards, especially for LEDCs, that they should not be used on their own as a basis for policy decisions.'

To what extent do you agree? [25]

- 6 'A lack of international competitiveness is more of a problem for countries that have a fixed exchange rate than for those that have a floating exchange rate.'

Assess this view. [25]

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