

Candidate Name:.....

Have you studied Economics before? (Yes/no, if yes, to what level?).....



St Swithun's
WINCHESTER

Economics

Sixth Form Academic Assessment

Sample paper

Time allowed: 1 hour

30 marks

Instructions to Candidates

**Please use a calculator and complete to the best of your ability,
showing all your workings.**

**No previous subject knowledge is assumed and all reasonable
responses will be rewarded generously.**

Part A: Quantitative Skills (20 minutes)**10 marks total****Question 1: Quantitative**

Milano's Pizza is a large-scale frozen pizza manufacturer based in Newcastle. They have 4 pizza machines. 1 machine can make 500 margarita pizzas an hour OR 400 ham and pineapple pizzas per hour. The manager currently has 2 machines making margarita pizzas and 2 machines making ham and pineapple pizzas.

Assuming there are no defects or production problems, what is the maximum number of pizzas the firm can make in 12 hours?

(2 marks)

Question 2: Quantitative

The regional demand for *Milano's* ham and pineapple pizzas increases after two prominent Newcastle footballers post a photo of themselves on Instagram eating them. To satisfy the extra demand, the manager at *Milano's* decides that she will use 3 machines to make ham and pineapple pizzas and 1 machine to make margarita pizzas.

Calculate the new maximum number of pizzas made in 12 hours.

(1 mark)

After a few weeks, the manager decides that the only way she can cope with the surging demand is to buy 2 more machines, so she has 6 in total. She uses 1 of her new machines to make margarita pizzas (2 in total) and the other new machine to make ham and pineapple pizzas (4 in total).

Calculate the percentage change in production in both types of pizza.

(2 marks)

Question 3: Quantitative Skills

The owner of a small carpet cleaning business looks at the annual salaries of his five employees.

Employee 1 (duty manager)	£32 000
Employee 2	£14 000
Employee 3	£14 000
Employee 4	£16 000
Employee 5	£18 000

- i) Calculate the total expenditure on labour costs**
- ii) Calculate mean average and median average salary for the five employees.**

(3 marks)

The boss hires a sixth employee to the business. The employee is highly experienced and very skilled. As a result, she commands a relatively high salary of £26 000. Calculate the change in the mean average salary in the business.

- (iii) Calculate the change in the mean average salary in the business (1 mark)

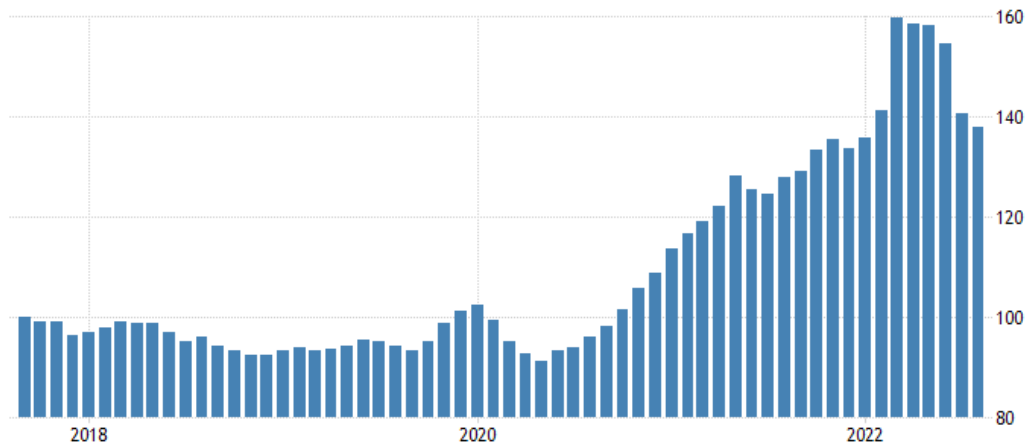
(iiii) Calculate the new median average salary for the employees of the carpet cleaning business (1 mark)

Part B: Macroeconomic changes (40 minutes)

20 marks total

Answer all of the questions below (both parts of A and B)

World Food Price Index



The chart above shows the average price of food from Sep 2017 to Sep 2022.

A1. What is the impact of rising food prices on people’s standard of living? (5 marks)

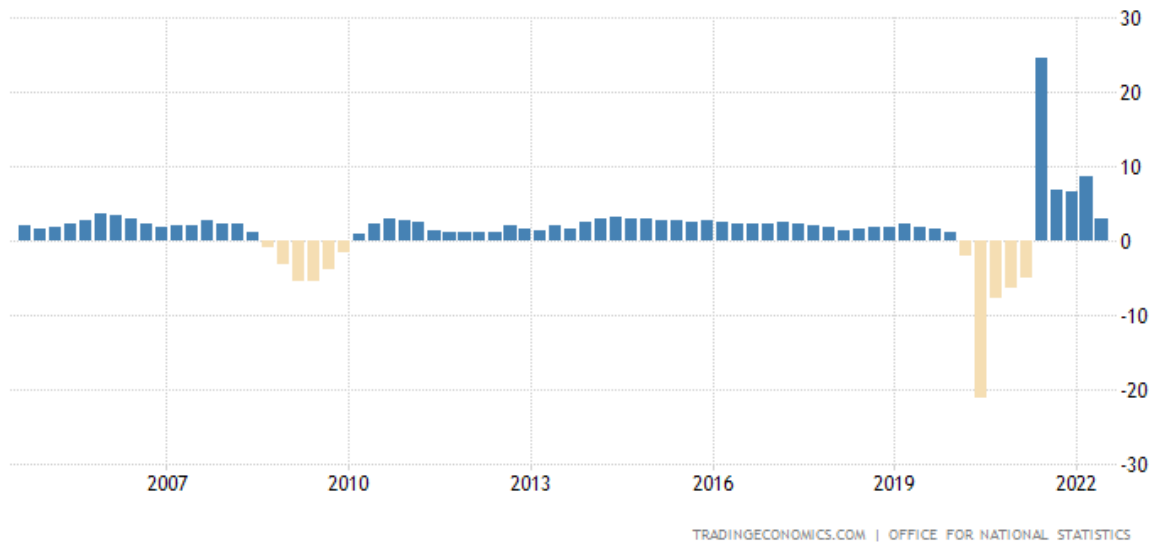
Oil price



The chart above shows the price of Brent Crude Oil (\$ per barrel) from Sep 2017 to Sep 2022.

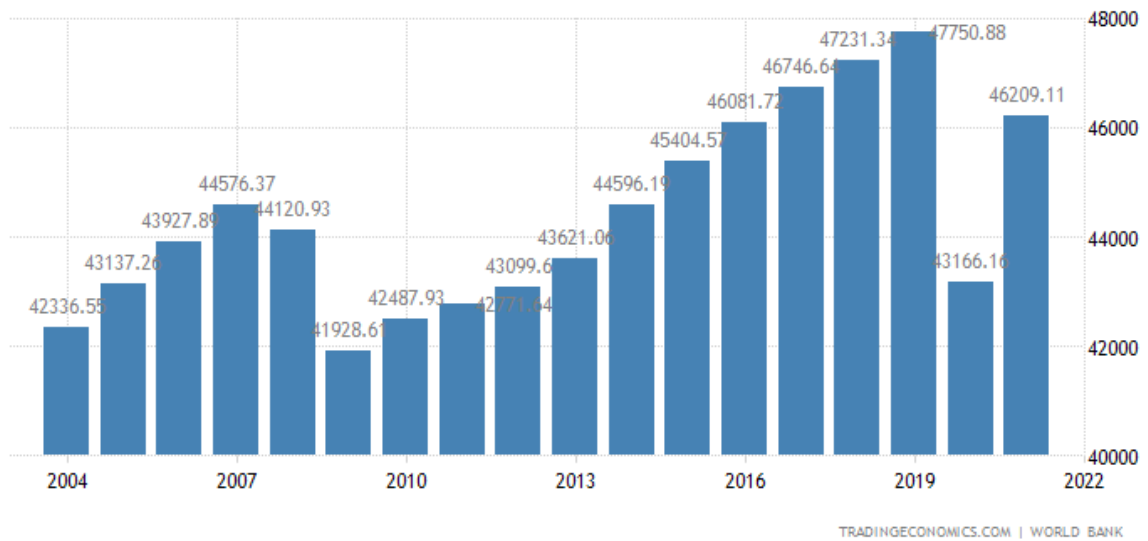
A2. Why do economists think the price of oil is important? (5 marks)

UK GDP Annual Gross Domestic Product (GDP) Growth Rate (%)



The chart above shows the rate of economic growth in the UK between 2004 and 2022.

UK GDP per capita (average annual income per person measured in USD, \$)



Economics growth = an increase in the output of goods and services.

B1. What could cause the output of the economy to fall? (5 marks)

Hint – what happened in 2008? What happened in 2020?

B2. Why do economists consider recessions, where the output of the economy falls, to be bad news? (5 marks)
