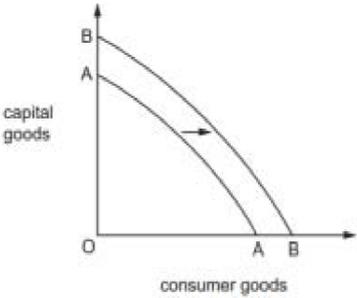


SMART EXAM RESOURCES
0455/0987(9-1) IGCSE ECONOMICS
PAPER-2- MARKSCHEME

MARKSCHEME: 1

<p>Analyse, using a production possibility curve (PPC) diagram, the possible effects of faster internet speeds for economic growth.</p> <p>Up to 4 marks for the diagram:</p> <ul style="list-style-type: none"> <input type="checkbox"/> axes correctly labelled in terms of two different products or types of products (1) <input type="checkbox"/> the curve or downward sloping line is drawn to the axes (1) <input type="checkbox"/> second curve or downward sloping line is drawn to the axes (1) <input type="checkbox"/> an indication either by labelling or an arrow that the curve has shifted outwards / right (1) <p>Up to 2 marks for written analysis: Faster internet speed increases productive capacity / the maximum quantity of products that can be produced within a certain time period (1) better communication infrastructure (1) e.g. labour can work faster, capital is better (1) lower costs of production (1) encourage more investments therefore increase financial capital (1) increased productive capacity results in (potential) economic growth / cause economic growth (1).</p>	<p>6</p>	 <p><i>Do not reward analysis marks for description of diagram e.g. PPC shifts to the right.</i></p>
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MARKSCHEME: 2

Analyse, using a production possibility curve (PPC) diagram, the beneficial effects for a country of the growth of its small and medium-sized firms.

Up to 4 marks for the diagram:

Axes correctly labelled (1).

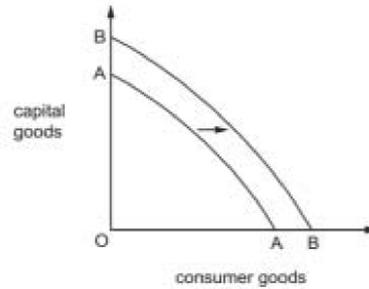
Initial curve drawn as a curve or downward sloping line to the axes (1).

New curve drawn as a curve or downward sloping line to the axes (1).

Shift to the right indicated by arrow or lettering (1).

Up to 2 marks for coherent analysis which might include:
The growth of its small and medium-sized firms will lead to an increase in the number of firms in the economy (1) this will increase productive potential / increase productive capacity / cause economic growth (1).

6



Also accept a tilt outward of the new PPC curve.

MARKSCHEME: 3

Analyse, using a production possibility curve (PPC) diagram, the effects of a decrease in the quantity of capital goods in an economy.

Up to 4 marks for the diagram:

Axes correctly labelled (1).

Initial curve drawn as a curve or downward sloping line to the axes (1).

New curve drawn as a curve or downward sloping line to the axes (1).

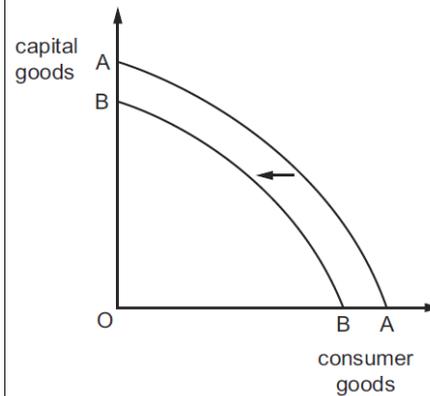
Shift to the left / pivot indicated by arrow or lettering (1).

Up to 2 marks for coherent analysis which might include:

Capital goods are a resource / investment used to produce other goods (1).

Fewer capital goods / factors of production reduce potential output / productive capacity (1).

6



Accept a PPC diagram that shows fewer capital goods and the same quantity of consumer goods.

Accept Good A / Good B labelling on axis.

Note: movement along the existing PPC is incorrect.

So potentially only 2 marks for correctly labelled axes and correct curve.

MARKSCHEME: 4

Analyse, using a production possibility curve (PPC), the effect of an increase in the quality of its resources on an economy.

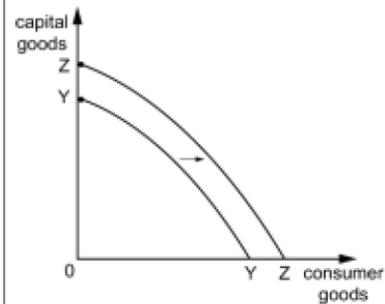
Up to 4 marks for the diagram:

Axes correctly labelled with different outputs (1).
Initial curve drawn as a curve / line sloping downward to the axes (1).
New curve drawn as a curve / line sloping downward to the axes (1).
Shift indicated by arrow or letter (1).

Up to 2 marks for coherent analysis which might include:

Better quality resources will increase productivity (1) enable more of both types of goods to be produced (1) with a given quantity of resources (1) increase productive potential / productive capacity / total supply (1) cause economic growth (1).

6 Nothing for higher output, higher GDP as this is uncertain.



MARKSCHEME: 5

Analyse, using a production possibility curve (PPC) diagram, the effect of a decrease in the size of a country's labour force on its economy.

Up to 4 marks for the diagram:

Axes correctly labelled with different outputs (1).

Initial curve drawn as a curve/line sloping downward to the axes (1).

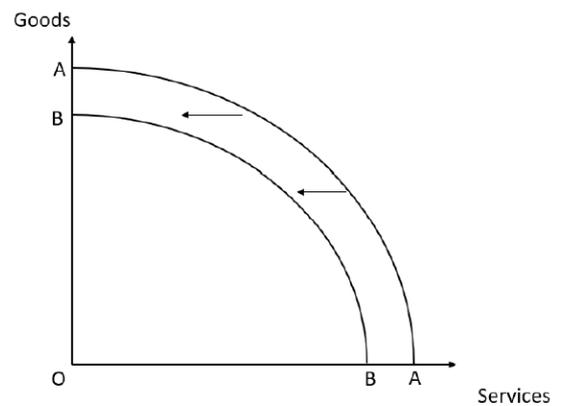
New curve drawn as a curve/line sloping downward to the axes (1).

Shift to the left indicated by arrow or letters (1).

Up to 2 marks for coherent analysis which might include:

A decrease in the size of the labour force reduces resources / factors of production available (1) this lowers productive capacity / the maximum output that can be produced (1).

6



Note to gain the marks for the curves, these must be drawn to the axes.