

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

MARKSCHEME: 1

Define the <i>economic problem</i>. Finite/limited resources (1) unlimited/infinite wants (1). Wants exceeding resources (2). Scarcity (1).	2	
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MARKSCHEME: 2

<p>Explain how the economic problem results in consumers having to make choices.</p> <p>Logical explanation which might include:</p> <p>The economic problem is unlimited / infinite wants (1) exceeding limited / finite / scare resources (1) resulting in scarcity (1). Consumers have limited incomes (1) and so cannot buy everything they want (1). Buying one product involves an opportunity cost (1) in the form of another product sacrificed / example (1).</p>	4	
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MARKSCHEME: 3

- what to produce?
- how to produce?
- for whom to produce?

[3]

MARKSCHEME: 4

Explanation could include:

- there are limited/finite resources (1)
- to satisfy unlimited/infinite wants (1)
- where choices have to be made/there is an opportunity cost (1). [3]

MARKSCHEME: 5

Definition of ageing population:

- this occurs where people are living longer and therefore the average age of the population is rising (2).

Possible problems:

- a rise in the dependency ratio, i.e. the ratio of the working population to the dependent population becomes lower
- a change in the labour force; older workers may be less geographically and occupationally mobile (the retirement age is likely to go up)
- older workers may lack the required skills/training
- a higher demand for health services
- a higher demand for welfare services
- a rise in the cost of pensions
- all of this may require taxation to be increased
- a change in the pattern of demand.

Answers which fail to address 'always' can gain no more than 5 marks.

[8]