

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

MARKSCHEME: 1

Describe two ways in which land is different from labour.

[4]

Land is a natural resource (1) whilst labour is human resources/workers (1).

The payment for land is rent (1) whilst the payment for labour is wages (1).

Land is geographically immobile (1) whilst there is some limited geographical mobility in the case of labour (1).

Note: a maximum of 4 marks overall.

MARKSCHEME: 2

Identify the reward to labour and the reward to land. Wages (1) rent (1).	2
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MARKSCHEME: 3

<p>Identify the rewards to capital and land.</p> <ul style="list-style-type: none">• Interest (1)• rent (1)	2	If just names the two rewards, they can be in any order.
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MARKSCHEME: 4

Land: natural resources available for production, e.g. oil, coal, forests, fish, farming

Labour: human effort available for production/human capital, e.g. skilled/unskilled

Capital: man-made physical goods used in production, e.g. machines, tools, factories (Do NOT accept money)

Enterprise: the role of the entrepreneur in terms of organising the other factors of production and in taking a risk in doing so

Only TWO factors need to be described.

1 mark for each correct description (2); 1 mark for each use of examples (2)

Note in the case of enterprise: Up to 2 marks from: organising other factors of production (1); risk bearing (1) example (1). For the example just the name of a business is not acceptable.

[4]

MARKSCHEME: 5

Up to 2 marks for a definition of capital:

- man-made physical goods used in production, e.g. machines, tools, factories, roads (do NOT accept money).

Up to 2 marks for an explanation of importance:

- idea of capital-intensive production, making greater use of latest, more technologically advanced, machines, tools, equipment. [4]