

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

MARKSCHEME: 1

Possible reasons:

- labour has become too expensive
- there has been too much disruption e.g. as a result of strike action
- there is not enough labour available
- the labour available does not have the necessary skills/training/qualifications
- the firm wants to take advantage of new capital equipment
- this could increase the efficiency of production and keep costs down
- increased complexity of product being made.

[7]

MARKSCHEME: 2

land – natural resources/gifts of nature available for production, e.g. farmland

labour – all physical and mental effort of workers, e.g. teacher

capital – all man-made goods used in production, e.g. machinery

enterprise – the risk bearing and decision making function, e.g. entrepreneur or example of a function

Note: maximum of 6 marks.

[6]

MARKSCHEME: 3

Land: this refers to any natural resource that is used in production/gift of nature available for production (1), e.g. land, forest, sea and what is found within them (1)

Capital: this refers to the human-made resources that are used in production (1), e.g. machinery, equipment, tools (1) [4]

MARKSCHEME: 4

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: 5

(a) What is the difference between labour and enterprise?

[4]

Up to 2 marks for: labour is human/effort/workers' services [1] whilst enterprise is the ability and willingness to bear uncertain risks/organise other factors of production [1].

Up to 2 marks for another relevant comparison, e.g.:

- the reward for labour is wages [1], whereas the reward for enterprise is profit [1]
- enterprise tends to be more geographically or occupationally mobile than labour [2].