



ECONOMICS

9772/02

Paper 2 Essays

May/June 2010

2 hours 15 minutes

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for any diagrams, graphs or rough working.

Do not use paper clips, highlighters, glue or correction fluid.

Answer **three** questions. **One** must be chosen from Section A and **one** from Section B. The third question can be chosen from either section.

You are advised to spend 5 minutes planning each answer and no more than 40 minutes writing each essay.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **2** printed pages.



Answer **three** questions. **One** must be chosen from Section A and **one** from Section B. The third question can be chosen from either section.

Section A

- 1 'If the price of a good or service rises, the demand for that product will always fall'. To what extent does economic analysis support this statement? [25]
- 2 'Perfect competition results in a more efficient outcome than is the case with monopoly'. Evaluate this statement. [25]
- 3 'Given the lack of perfect knowledge, government intervention in markets for goods and services is doomed to fail and therefore markets should be left alone'. Evaluate whether economic analysis supports this argument. [25]

Section B

- 4 'Economic growth is necessary to ensure an improvement in the standard of living and hence should be a government's primary economic objective'. To what extent do you agree with this view? [25]
- 5 'Recent UK experience has shown that monetary policy can be implemented more quickly but that fiscal policy is more effective in dealing with underlying economic problems.' Evaluate this statement. [25]
- 6 'The main influence on the pattern of UK trade with other countries continues to be differences in comparative advantage'. Discuss. [25]

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