



Worksheet 9: Understanding the question answers

- 1 Define 'capital'.
 - Do you need a short or a detailed answer?
Short
 - What is capital an example of?
A factor of production/resource
 - Is an example of capital necessary here?
No, definition questions don't credit examples, unless the question specifically requires one, e.g. 'Define, using examples, 'capital'.

- 2 Identify two types of external growth for a business.
 - Do you have to explain/give examples of each type of growth?
No, a short answer is required.
 - Would you be answering the question if you wrote about internal growth instead?
No
 - What is another word for external growth?/How do firms grow externally?
External growth occurs through integration, so naming forms of integration answers the question.

- 3 Explain two causes of inflation.
 - Is it enough to list the two causes?
No, this is only half of the answer. Explanations are required.
 - Are you going to be awarded for examples?
Yes, 'explain' questions award examples.
 - Can inflation be caused by both demand-side and supply-side reasons?
Yes
 - Do you have to write about individual/firm/market/total demand/supply?
Only total/aggregate
 - Your answer must link the causes to inflation. What is inflation expressed in?
It is a rise in the general price level, so the answer must explain how/why the causes identified will increase the price level.

- 4 A 20 per cent increase in the price of Product A leads to a 5 per cent decrease in its quantity demanded. Calculate the PED for Product A.
 - Do you have to write the formula for PED before you substitute with the numbers?
Yes, sometimes you can be credited for a correct formula even if the calculations are wrong.
 - Is there a unit of measurement for your final result?
No, elasticity is a coefficient, but other calculation answers usually require units of measurement, e.g. \$bn, %.
 - What is the sign of the result?
Negative



- 5 Using Table X, analyse the relationship between average incomes and mobile phone ownership.
- Would you expect a positive or negative relationship?
Positive
 - Do you have to give a reason for the expected direction of the relationship?
Yes, a reason why when average incomes increase mobile phone ownership would rise.
 - How many/Which examples to confirm the expected relationship from Table X can you give?
Two examples, ideally one where average incomes and mobile phone ownership are lowest and the other extreme – where average incomes and mobile phone ownership are highest.
 - Do you have to look for outliers/exceptions?
Yes, e.g. an instance where average incomes are higher but mobile ownership is lower than in another example.
 - Do you have to explain a possible reason for the exception?
Yes
 - Is your answer credited if you only quoted examples/figures from the table?
No, no credit for descriptive quotes of the data.
- 6 Analyse the effects of economic growth to an economy.
- What linking devices do you have to use here?
Cause and effect, e.g. 'therefore', 'hence', 'as a result', 'leading to', 'since', 'because', 'due to'
 - Can you write about both positive and negative effects?
Yes
 - Is this a question about the consequences or the causes of economic growth?
Consequences
 - Is this a microeconomics or a macroeconomics question?
Macroeconomic
 - You can consider the effects on which economic agents?
The government, households, firms, exporters, MNCs, etc.
- 7 Analyse the possible disadvantages of economic growth to an economy.
- Would you be answering the question if you wrote about the advantages of economic growth?
No
- 8 Discuss the advantages of economic growth to an economy.
- Is this a short or a detailed answer?
Detailed
 - Although it mentions advantages, do you have to write about disadvantages as well?
Yes, 'discuss' questions always require a two-sided answer, regardless of the wording.
 - Is this a one-sided or a two-sided answer?
Two-sided
 - What are suitable phrases to start each half of the answer?
On one hand; On the other hand
 - Is it enough to develop one idea only in each half of the answer?
No, the question requires detailed analysis and development of multiple ideas/advantages.
 - Is this a descriptive or an analytical question?
Analytical