



## 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*