

Coimisiún na Scrúduithe Stáit
State Examinations Commission

Leaving Certificate 2023

Marking Scheme

Economics

Ordinary Level

Note to teachers and students on the use of published marking schemes

Marking schemes published by the State Examinations Commission are not intended to be standalone documents. They are an essential resource for examiners who receive training in the correct interpretation and application of the scheme. This training involves, among other things, marking samples of student work and discussing the marks awarded, so as to clarify the correct application of the scheme. The work of examiners is subsequently monitored by Advising Examiners to ensure consistent and accurate application of the marking scheme. This process is overseen by the Chief Examiner, usually assisted by a Chief Advising Examiner. The Chief Examiner is the final authority regarding whether or not the marking scheme has been correctly applied to any piece of candidate work.

Marking schemes are working documents. While a draft marking scheme is prepared in advance of the examination, the scheme is not finalised until examiners have applied it to candidates' work and the feedback from all examiners has been collated and considered in light of the full range of responses of candidates, the overall level of difficulty of the examination and the need to maintain consistency in standards from year to year. This published document contains the finalised scheme, as it was applied to all candidates' work.

In the case of marking schemes that include model solutions or answers, it should be noted that these are not intended to be exhaustive. Variations and alternatives may also be acceptable. Examiners must consider all answers on their merits, and will have consulted with their Advising Examiners when in doubt.

Future Marking Schemes

Assumptions about future marking schemes on the basis of past schemes should be avoided. While the underlying assessment principles remain the same, the details of the marking of a particular type of question may change in the context of the contribution of that question to the overall examination in a given year. The Chief Examiner in any given year has the responsibility to determine how best to ensure the fair and accurate assessment of candidates' work and to ensure consistency in the standard of the assessment from year to year. Accordingly, aspects of the structure, detail and application of the marking scheme for a particular examination are subject to change from one year to the next without notice.

Marking Scheme and Support Notes

In considering the marking scheme and the support notes the following points should be noted:


- The support notes presented are neither exclusive nor complete and further relevant points of information presented by candidates are rewarded on their merits.
- They are not model answers but rather a sample of possible responses.
- The support notes in many cases may contain key phrases which must appear in the candidate's answer in order to merit the assigned marks.
- The detail required in any answer is determined by the context and the manner in which the question is asked and by the number of marks assigned to the answer in the examination paper. Requirements may therefore vary from year to year.
- Words, expressions or phrases must be correctly used in context and not contradicted, and where there is evidence of incorrect use or contradictions the marks may not be awarded.

2	1	0
Excellent	Good	Weak
<ul style="list-style-type: none"> • In-depth knowledge • Relates to question • Concise • Logical 	<ul style="list-style-type: none"> • Some knowledge • Limited development 	<ul style="list-style-type: none"> • No knowledge • Repetition of statement

3	2	1	0
Excellent	Good	Fair	Weak
<ul style="list-style-type: none"> • In-depth knowledge • Relates to question • Concise • Logical 	<ul style="list-style-type: none"> • Some knowledge • Limited development 	<ul style="list-style-type: none"> • Vague knowledge 	<ul style="list-style-type: none"> • No knowledge • Repetition of statement

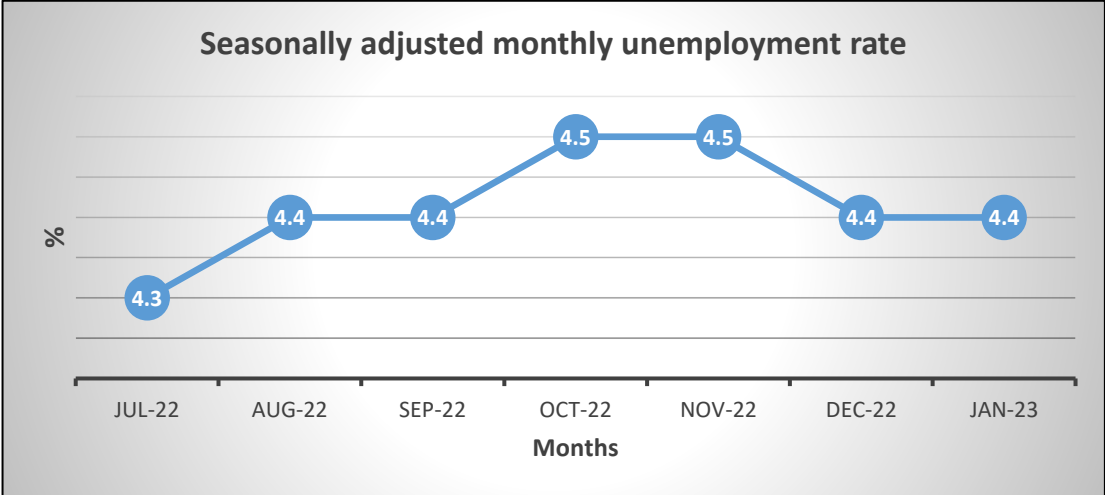
4	3	2	1	0
Excellent	Good	Fair	Poor	Weak
<ul style="list-style-type: none"> • In-depth knowledge • Relates to question • Concise • Logical 	<ul style="list-style-type: none"> • Some knowledge • Limited development 	<ul style="list-style-type: none"> • Vague knowledge 	<ul style="list-style-type: none"> • Confusing or Contradictory knowledge 	<ul style="list-style-type: none"> • No knowledge • Repetition of statement

The table below contains information about annotations used for marking throughout the exam paper.

Annotation	USE	Marks (if applicable)
✓ ₁	Valid information	1
✓ ₂	Valid information	2
✓ ₃	Valid information	3
✓ ₄	Valid information	4
✓ ₅	Valid information	5
✓ ₆	Valid information	6
✓ ₇	Valid information	7
✓ ₈	Valid information	8
✓ ₉	Valid information	9
✓ ₁₀	Valid information	10
✓ ₁₁	Valid information	11
✓	Surplus answer or part of answer	N/A
0	Incorrect answer	0
	Page seen by examiner / information not valid	N/A

Section A

Award 1 extra mark for each of the first four correctly answered questions

		Possible responses	Max Mark																
1.		<p>The graph below shows the unemployment rate for Ireland from July 2022 to January 2023.</p> <div style="text-align: center;">  <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Seasonally adjusted monthly unemployment rate</caption> <thead> <tr> <th>Month</th> <th>Unemployment Rate (%)</th> </tr> </thead> <tbody> <tr> <td>JUL-22</td> <td>4.3</td> </tr> <tr> <td>AUG-22</td> <td>4.4</td> </tr> <tr> <td>SEP-22</td> <td>4.4</td> </tr> <tr> <td>OCT-22</td> <td>4.5</td> </tr> <tr> <td>NOV-22</td> <td>4.5</td> </tr> <tr> <td>DEC-22</td> <td>4.4</td> </tr> <tr> <td>JAN-23</td> <td>4.4</td> </tr> </tbody> </table> <p style="text-align: right; margin-top: 5px;">Adapted from the CSO</p> </div> <p>(i) Identify the month when unemployment was at its lowest.</p> <p style="text-align: center;">July 2022</p> <p>(ii) Comment on the unemployment rate between July 2022 and January 2023, using figures from the above chart.</p> <p>Overall trend Unemployment rose between July 2022 and January 2023. From 4.3% to 4.4%</p> <p>Monthly trends In July, unemployment stood at 4.3%. It rose to 4.4% in August and remained at the same rate in September. It increased again in October to 4.5% and the rate was then static in November. It dipped again in December to 4.4% and was the same in Jan 2023.</p>	Month	Unemployment Rate (%)	JUL-22	4.3	AUG-22	4.4	SEP-22	4.4	OCT-22	4.5	NOV-22	4.5	DEC-22	4.4	JAN-23	4.4	<p>8</p> <p>4</p>
Month	Unemployment Rate (%)																		
JUL-22	4.3																		
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OCT-22	4.5																		
NOV-22	4.5																		
DEC-22	4.4																		
JAN-23	4.4																		

<p>3.</p>	<p>(a)</p>	<p>There are loads of job vacancies in Ireland, but where are all the workers. Adapted from the Irish Times</p> <p>Answer either (a) or (b)</p> <p>(i) Identify one area where the Irish economy is experiencing a skills shortage.</p> <ul style="list-style-type: none"> • Hospitality sector. • Medical profession. • Retail industry. • Construction. • Transport. <p>(ii) Outline one economic effect of a skilled labour shortage for the Irish economy.</p> <ul style="list-style-type: none"> • Wages could increase to attract workers into these industries. • Cost of production could rise and this add to inflation. • Impact on exports of goods and services due to increased costs. • Reduced availability of goods and services. • FDI: Ireland may become less attractive to locate here. • Businesses may have to reduce operating hours, raise prices, reduce the services they offer leading to a reduction in profits and poor guest experiences. <p style="text-align: center;">OR</p>	<p>8</p> <p>4</p>
	<p>(b)</p>	<p>Outline two measures the Irish government could take to address this labour shortage.</p> <ul style="list-style-type: none"> • Increase in the minimum wage to attract more workers to the workplace. • Investment in education in the areas where there are skill shortages. • Recruitment campaign to attract workers from other EU member states. • Make it easier for non-EU workers to access visa or work permits for the areas where there are shortages. • Introduction of schemes such as Pathways to Work to help unemployed people find work. • Work in Ireland a new portal which helps to match job seekers with employers. 	<p>1st @ 8 2nd @ 4</p>

4.

Answer either (a) or (b)

- (a) (i) Identify, with a tick (✓), which of the following firms exist in a monopoly market structure in Ireland. **8**

Name of Organisation	Tick (✓) which is a monopoly structure
Aer Lingus	
Iarnród Eireann (Irish Rail)	✓
VHI	

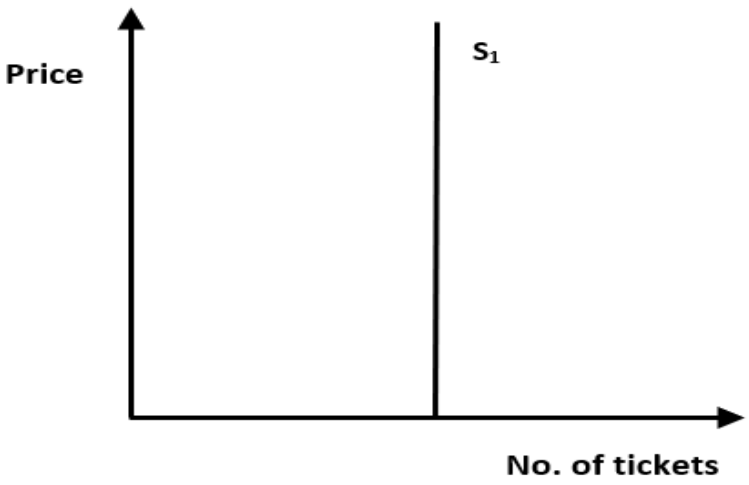
- (ii) Explain the term monopoly in economics. **4**

A monopoly exists when there is only one firm in the industry. The firm is the industry. A monopoly is the sole supplier of a good or service in the market. The firm can control the price or quantity but not both.

OR

- (b) Outline two characteristics of a monopoly market. **1st @ 8**
2nd @ 4

- One seller – the firm is the industry. Seller can control price or output but not both.
- Barriers to entry exist. New firms cannot enter the industry.
- The firm faces a downward sloping demand curve. By reducing price it can sell more.
- The firm aims to maximise profit. It achieves this when $MC = MR$.

<p>5.</p>	<p>The diagram below represents the supply of tickets for the Rugby World Cup in France in September 2023. Explain the relationship between the price of tickets and the supply of tickets.</p> <div style="text-align: center;">  </div> <p>Explanation:</p> <p>The supply of tickets for the Rugby World Cup is fixed / will not change / is price inelastic. If price increases supply cannot increase even if match goers are prepared to pay more for the tickets.</p>	<p>12</p>			
<p>6.</p>	<p>Ireland's GDP is predicted to increase by 2.7% in 2023. Adapted from www.oecd.org</p> <p>(i) What do the initials GDP stand for? G is completed for your benefit.</p> <table border="1" data-bbox="290 1518 1340 1594"> <tr> <td>Gross</td> <td>DOMESTIC</td> <td>PRODUCT</td> </tr> </table> <p>(ii) Outline one advantage of increasing GDP for the Irish economy.</p> <ul style="list-style-type: none"> • Increased demand for goods and services in Ireland. • More people employed to create the goods and services in demand. • Increased standard of living. • Increase in tax revenue received for the Irish government. • Ireland may become more attractive for FDI. • Government may have more options available to improve state services. 	Gross	DOMESTIC	PRODUCT	<p>2 @ 4</p> <p>4</p>
Gross	DOMESTIC	PRODUCT			

<p>7.</p>	<p>Corporation tax receipts in Ireland rose by 52.9% to €8.8 billion from June 2021 to June 2022, making up almost a quarter of all tax collected.</p> <p style="text-align: right;">Adapted from Reuters</p> <p>Explain two reasons why the government in Ireland collects tax.</p> <ul style="list-style-type: none"> • To fund / help improve / pay for state services employees. • To find improvements in the state’s infrastructure. • To encourage certain behaviour and/or discourage other behaviour. • To reduce inequality: tax those have the ability to pay and provide to those who are on low incomes. • Help repay the national debt. 	<p>1st @ 8 2nd @ 4</p>			
<p>8.</p>	<p>Ireland ranks second highest in the world on the Human Development Index.</p> <p>(i) Name two of the three areas (elements) that the Human Development Index (HDI) measures. One has been completed for your benefit.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">1. <i>Gross National Income</i></td> </tr> <tr> <td style="text-align: center;">2. EDUCATION</td> </tr> <tr> <td style="text-align: center;">3. LIFE EXPECTANCY</td> </tr> </table> <p>(ii) In your opinion what area of government expenditure has helped Ireland to achieve its position as second in the world on the HDI. Explain your answer.</p> <p>Area of expenditure: Education</p> <p>Explanation: An educated workforce is able to gain employment. The standard of education in Ireland attracts FDI to the country which creates thousands of jobs and this creates income and wealth in the country. This in turn leads to a better standard of living for the Irish people.</p>	1. <i>Gross National Income</i>	2. EDUCATION	3. LIFE EXPECTANCY	<p>1st @ 4 2nd @ 2</p> <p>1st @ 4 2nd @ 2</p>
1. <i>Gross National Income</i>					
2. EDUCATION					
3. LIFE EXPECTANCY					

9.	<p>(i) Explain the term opportunity cost.</p> <ul style="list-style-type: none"> • The cost of the foregone alternatives or the use of a fully explained example. • The cost of passing up the next best choice when making a decision. <p>(ii) Capital funding of €2.3bn has been allocated for social and affordable housing in Budget 2023.</p> <p>Outline one opportunity cost involved in the government expenditure on social and affordable housing.</p> <p>The Irish government could have spent the money on something else e.g. investment in education, development of the hospitals, improving infrastructure etc.</p>	<p>1st @ 8 2nd @ 4</p>
10.	<p>The government is currently looking to reduce the vaping problem among young Irish teenagers.</p> <p>State one private benefit and one social benefit if this government intervention is successful.</p> <p>Private benefit:</p> <ul style="list-style-type: none"> • Teenagers will have more disposable income. • Their health may improve. • Possibly reduce the incentive to switch to smoking. <p>Social benefit:</p> <ul style="list-style-type: none"> • Healthier young population. • Less air pollution. • Reduction in waste – disposable vapes. • Reduced impact of nicotine on the brain and lungs. 	<p>1st @ 8 2nd @ 4</p>

Question 11

		Possible responses	Max Mark
(a)	(i)	<p>Outline two reasons why, in your opinion the hair and beauty industries are an example of monopolistic competition.</p> <ul style="list-style-type: none"> • There are many firms in the industry: each seller can influence their sales. • There are many buyers in the industry: no buyer can influence market price. • The products and services are close substitutes for each other: this allows for extensive advertising. • Firms wish to maximise profits where $MC=MR$. 	<p>1st @ 6 2nd @ 4</p>
20	(ii)	<p>Outline two advantages for consumers of monopolistic competition.</p> <ul style="list-style-type: none"> • Consumers benefit from increased choice. • Due to competition the consumer may benefit from more competitive pricing. • They may also benefit from better quality of service. • As firms earn normal profit in the long run, consumers are less likely to be exploited by higher prices. • Due to competition, there may be more innovation in the industry. • As the firms in this industry engage in competitive advertising, it could be argued that consumers have the benefit of access to more information / consumers may have access to brand loyalty bonuses. 	<p>1st @ 6 2nd @ 4</p>

(b)

35

(i)

The diagram below represents the long run equilibrium of a firm in this industry.

Write out in full what each of the three numbered items (1-3) in the diagram below represent. (Do not use abbreviations)

3 @ 8

1.	AVERAGE COST
2.	AVERAGE REVENUE / DEMAND
3.	QUANTITY

(ii)

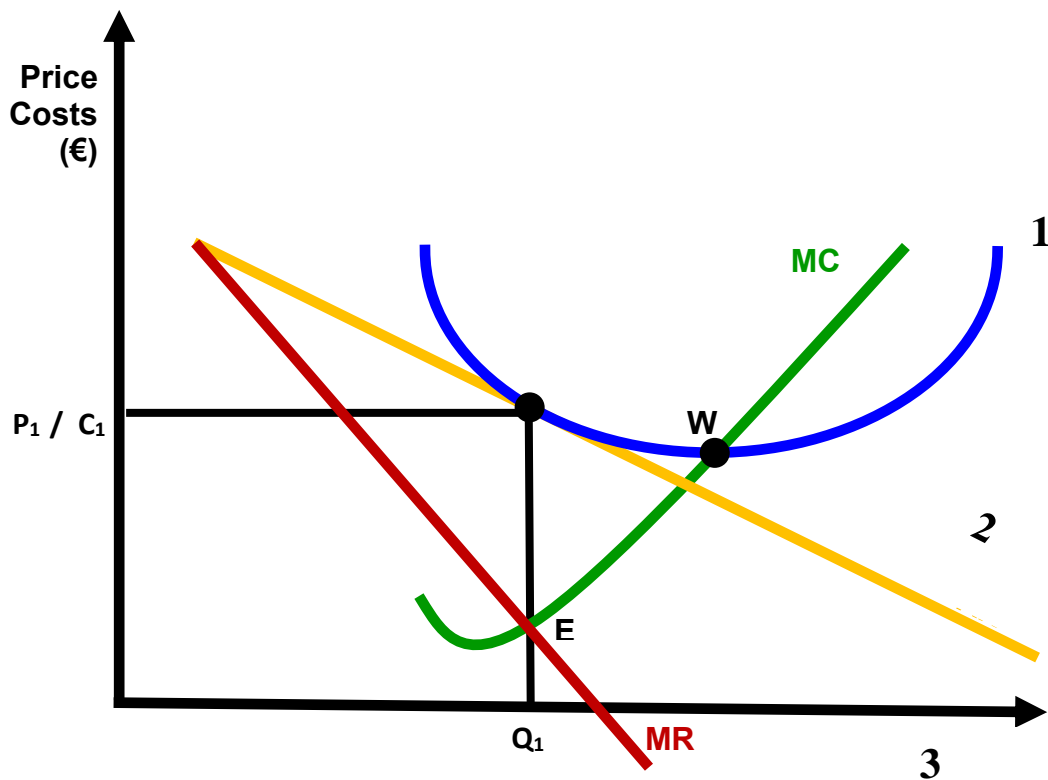
Equilibrium occurs at point E on the diagram below.
Clearly show and label on the above diagram

- The output the firm will produce in the equilibrium (use label Q_1)
- The price the firm will charge for its output (use label P_1)
- The average cost of producing this output (using point C_1)

1st @ 4

2nd @ 4

3rd @ 1



(iii)

Is the above firm producing efficiently? Yes: No:

No.

The firm is not producing at the minimum point on the AC curve so is inefficient and wasting scarce resources.

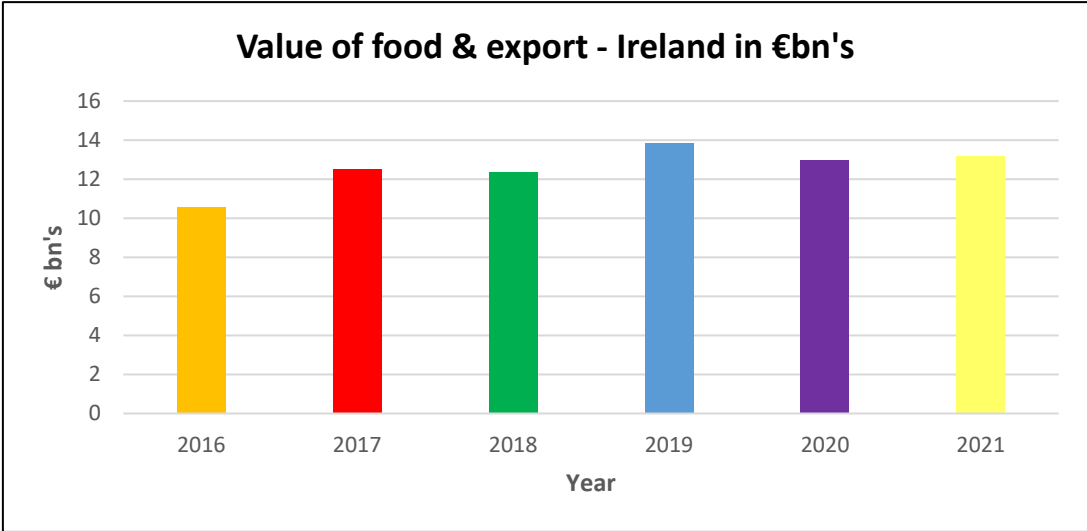
1

1

<p>(c) 20</p>	<p>(i)</p> <p>(ii)</p>	<p>The hidden economy in the Hair & Beauty Market is estimated to be worth €400m. (Economic Value of Hair & Beauty Market in Ireland, Jim Power for HABIC, 2020)</p> <p>The Irish government is concerned about the size of this hidden economy.</p> <p>Explain the term hidden economy. Give one other example of an activity in the Irish hidden economy.</p> <p>Explanation:</p> <ul style="list-style-type: none"> • The hidden economy refers to all economic activity that goes unrecorded in national income accounts. • It refers to incomes from illegal sources/undeclared incomes from the production of goods and services from either monetary or barter transactions. • Activities outside the tax/regulatory systems. <p>Give one other example of an activity in the Irish hidden economy.</p> <p>Sale of cigarettes on the black market. Teachers doing grinds without paying tax.</p> <p>Outline one effect the hidden economy in the hair and beauty industry has on businesses in this industry and on the Irish Government.</p> <p>Effect of hidden economy on the businesses in this industry:</p> <ul style="list-style-type: none"> • Loss of income to the firms that are in the legitimate economy that pay all their taxes. • Legitimate firms may be forced to cut their prices / alter their standard of service. • Possible exploitation of workers: they may not be paid the minimum wage. • Possible closure of legitimate businesses. • There is a skills shortage in the legitimate hair and beauty sector which has a negative impact on the services that can be provided. <p>Effect of hidden economy on the Irish government:</p> <ul style="list-style-type: none"> • Loss of revenue to the state in unpaid taxes. • Additional costs to the state of monitoring the hidden economy. • May lead to increased crime e.g. in the supply of illegal drugs. • Reputational damage to the country as it may be seen as a haven for tax evasion. 	<p>6</p> <p>4</p> <p>1st @ 6 2nd @ 4</p>
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<p>(b) 20</p>	<p>(i)</p>	<p>Equity is one of the principles of a good tax system. Explain the term equity.</p> <p>This means the more income you earn the more tax you pay . The tax system takes ability to pay into consideration.</p>	<p>8</p>
	<p>(ii)</p>	<p>Explain two other principles of a good tax system that you would consider important in the current economic climate.</p> <ul style="list-style-type: none"> • A good tax system should not be a disincentive to work. • Convenient: It should be easy and convenient to collect the tax. • It should discourage tax evasion. • Certainty: the amount of tax to be paid should be clear or certain. • Economic: The revenue collected should exceed the cost of collection. 	<p>1st @ 8 2nd @ 4</p>
<p>(c) 27</p>	<p>(i)</p>	<p>As part of Budget 2023 the government have announced an electricity credit of €600 which will be applied to every household’s electricity bills.</p> <p>Outline one benefit of this electricity credit to the Irish household.</p> <ul style="list-style-type: none"> • It helps Irish households to maintain their standard of living during cost of living crisis. • It reduces the costs of electricity for households in a time of high energy inflation. • It reduces the risk of energy poverty for fixed/low income families. • It may help reduce stress / anxiety for households facing increasing bills. • Helps low income families by providing them with more disposable income. 	<p>10</p>
	<p>(ii)</p>	<p>Describe two actions an Irish household could take to reduce their electricity bills and make them more sustainable.</p> <ul style="list-style-type: none"> • The Irish household could reduce their consumption of electricity: switch off unused appliances. • The Irish household could look at alternative ways of accessing energy e.g. install solar panels. • They could ensure their electrical appliances are more energy efficient: switch to improved energy rating appliances. • They could be more mindful of usage e.g. standby, boiling a full kettle for one cup of tea. Use dishwashers/ washing machines with full loads. 	<p>1st@ 10 2nd@ 4</p>
	<p>(iii)</p>	<p>Name the three pillars of sustainability.</p> <ul style="list-style-type: none"> • Economic. • Environment. • Social. 	<p>3</p>

Question 13

		Possible responses	Max Mark														
(a)	22	<p>The bar chart below shows the expected value of food and drink exports for Ireland from 2016 to 2021.</p> <p style="text-align: right;">Adapted from bordbia.ie</p> <div style="text-align: center;">  <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Value of food & export - Ireland in €bn's</caption> <thead> <tr> <th>Year</th> <th>Value (€bn's)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>10.5</td> </tr> <tr> <td>2017</td> <td>12.5</td> </tr> <tr> <td>2018</td> <td>12.2</td> </tr> <tr> <td>2019</td> <td>13.8</td> </tr> <tr> <td>2020</td> <td>12.8</td> </tr> <tr> <td>2021</td> <td>13.2</td> </tr> </tbody> </table> </div>	Year	Value (€bn's)	2016	10.5	2017	12.5	2018	12.2	2019	13.8	2020	12.8	2021	13.2	
Year	Value (€bn's)																
2016	10.5																
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2020	12.8																
2021	13.2																
	(i)	<p>Using the bar chart above, answer the following questions.</p> <p>State the year with the highest value in food and drink exports from Ireland. 2019</p> <p>State the year with the lowest value in food and drink exports from Ireland. 2016</p>	<p>1st @ 8</p> <p>2nd @ 4</p>														
	(ii)	<p>Describe two advantages of exports for the Irish economy.</p> <ul style="list-style-type: none"> • Increased national income: exporting goods and services generates money for the Irish economy and leads to an increase in economic growth. • Employment: the demand for Irish goods and services abroad leads to an increase in jobs in the Irish economy. • Government revenue will increase in terms of increase in corporation tax collected and PAYE and VAT collected. • Benefit of economies of scale for the Irish firms exporting abroad. These are the cost savings that will come with increased production to meet the demand for Irish goods and services abroad. 	<p>1st @ 8</p> <p>2nd @ 2</p>														

(b)

35

National Income is calculated using the following formula:

$$\text{National Income (Y)} = C + \text{Investment} + G + \text{Exports} - \text{Imports}$$

(i) State what each of the letters **C** and **G** represent.

Consumption expenditure.
Government expenditure.

(ii) Using the formula in (i) above and the figures below calculate

- The level of National Income in 2023 and
- The Balance of Trade.
Show your workings.

Year	Income	C	Investment	G	Exports	Imports
	€'m	€ m	€ m	€ m	€ m	€ m
2023		700	200	400	300	200

National Income:

$$Y = C + I + G + (X - M)$$
$$Y = \text{€}700\text{m} + \text{€}200\text{m} + \text{€}400\text{m} + \text{€}300\text{m} - \text{€}200\text{m}$$
$$Y = \text{€}1,400\text{m}$$

Deduct 1 mark each for omission of € and million

Balance of Trade:

$$\text{Exports} - \text{Imports}$$
$$\text{€}300\text{m} - \text{€}200\text{m} = \text{€}100\text{m}$$

Deduct 1 mark each for omission of € and million

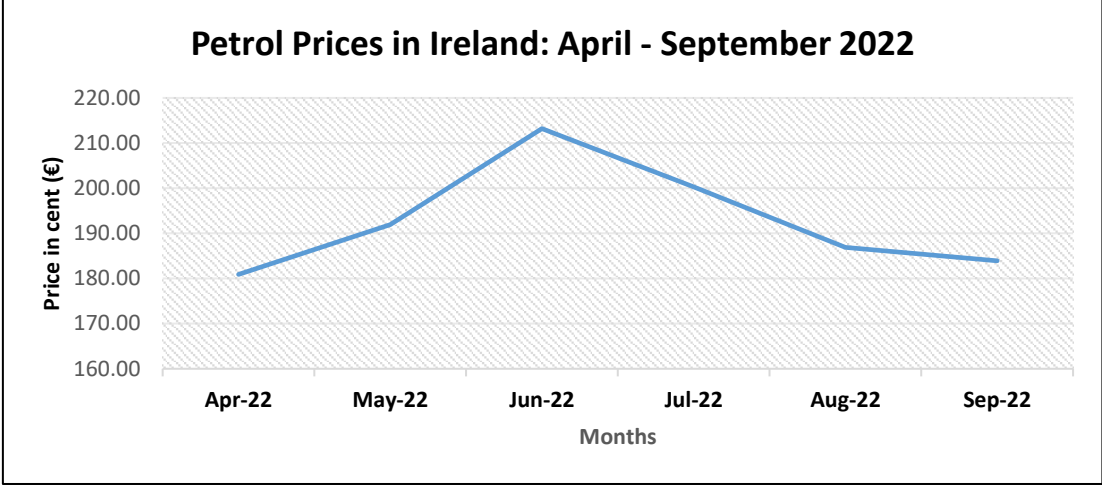
2 @ 4

18
6 @ 3

9
3 @ 3

<p>(c) 18</p>	<p>(i)</p>	<p>When the European Central Bank (ECB) implemented a 0.5% interest rate increase, Bank of Ireland announced a number of interest rate changes.</p> <p style="text-align: right;">Adapted from Bank of Ireland</p> <p>Explain how this increase in interest rates would affect consumers with Bank of Ireland mortgages.</p> <ul style="list-style-type: none"> • Increased monthly repayments on mortgages: less disposable income and a lower standard of living. • The increase in repayments may be unaffordable for some consumers and they may fall into arrears/ lose their home. • It may make it more difficult for people wishing to get on to the property ladder, they may now need to save for longer to afford to buy. 	<p>8</p>
	<p>(ii)</p>	<p>Outline how the increase in interest rates could affect savings in the Irish economy.</p> <ul style="list-style-type: none"> • Savings could increase if people spend less and are attracted to save with the higher interest rates – if the rate increase is offered to savers. • For those paying higher mortgage repayments savings could fall as they have less disposable income. • As interest rates remain well below inflation rates, it may have no effect on the level of savings. 	<p>8</p>
	<p>(iii)</p>	<p>Outline one reason why consumers are switching to the online banking app called Revolut.</p> <ul style="list-style-type: none"> • The consumer has one place to deal with all money related matters. • The Revolut app is considered much better than BOI / AIB etc. as it is more user friendly. • Money transfers are free of charge. • It is possible to split bills using Revolut. • No hidden fees – possible to send and receive money in 29 currencies • The transfers are instant regardless of where in the world the consumers are based. • You can save as you spend with Revolut. • Possible to track your finances. • It provides mobile phone and overseas medical insurance. • Allows users benefit from favourable exchange rates. • Users can buy stocks and crypto currencies. 	<p>2</p>

Question 14

	Possible responses	Max Mark														
<p>(a) 22</p>	<p>The line graph below shows changes in the price of petrol in Ireland from April to September 2022.</p> <div style="text-align: center;">  <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Petrol Prices in Ireland: April - September 2022</caption> <thead> <tr> <th>Month</th> <th>Price in cent (€)</th> </tr> </thead> <tbody> <tr> <td>Apr-22</td> <td>180.00</td> </tr> <tr> <td>May-22</td> <td>192.00</td> </tr> <tr> <td>Jun-22</td> <td>212.00</td> </tr> <tr> <td>Jul-22</td> <td>200.00</td> </tr> <tr> <td>Aug-22</td> <td>188.00</td> </tr> <tr> <td>Sep-22</td> <td>185.00</td> </tr> </tbody> </table> </div> <p>(i) Comment on one key trend in the price of petrol in the line graph above, using information from the line graph.</p> <p>From April to June 2022, petrol prices increased steadily. Prices rose from €1.80 to over €2.10.</p> <p>From June 2022 to September 2022 petrol prices fell. The decline was sharpest between June at €2.10 to under €1.90 in August.</p> <p>(ii) Outline one reason why the price of petrol changed from April to June in the line graph above and explain one effect this had on Irish consumers.</p> <p style="text-align: center;">Reason:</p> <p>The easing of restrictions following lockdowns lead to an increase in demand for petrol as people were able to move more freely around the country and businesses were back to normal.</p> <p>However, the sharp increase in price later in the year was brought about by the EU sanctions imposed on Russian oil following the invasion of Ukraine. The lack of supply caused the sharp increase in price until alternative sources of oil were found.</p> <p style="text-align: center;">Effect:</p> <p>The increase in petrol prices leads to consumers having a lower standard of living as the cost of living increases. An increase in the price of petrol inevitably leads to an increase in the cost of producing and transporting goods. Some consumers reduced the number of journeys undertaken. Some consumers switched to use more public transport or walk or cycle where possible or switch to EVs.</p>	Month	Price in cent (€)	Apr-22	180.00	May-22	192.00	Jun-22	212.00	Jul-22	200.00	Aug-22	188.00	Sep-22	185.00	<p>10 (6+4)</p> <p>1st @ 8 2nd @ 4</p>
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(b)
30

The table below shows the output, total cost, total revenue and **profit/loss** earned for portable chargers for electronic devices.

The selling price is €15 per item sold.

Output (Units)	0	200	400
Total Cost	€500	€2500	€4500
Total Revenue	€0	€3000	
Total Profit or Loss	-€500	€500	

(i) Calculate the total revenue if the firm sells 400 units. Show your workings.

$$\text{Total revenue} = \text{Price} \times \text{Quantity}$$

$$= €15 \times 400 \text{ units}$$

$$= €6,000$$

Deduct 1 for omission of € sign

18
3 @ 6

(ii) Calculate the profit earned when the firm sells 400 units. Show your workings.

$$\text{Profit} = \text{Total revenue} - \text{Total cost}$$

$$= €6,000 - €4,500$$

$$= €1,500$$

Deduct 1 for omission of € sign














9
3 @ 3

(iii) A shortage of parts for making electronic devices has developed worldwide. Explain one possible reason for this shortage of parts.

- Interruption to the supply chain due to lockdowns over a period of time during the COVID 19 pandemic across the world
- Transport disruption due to the war between Russia and Ukraine.
- Skills shortages in those industries making these devices.
- Lack of essential raw material for the making of these components.

3

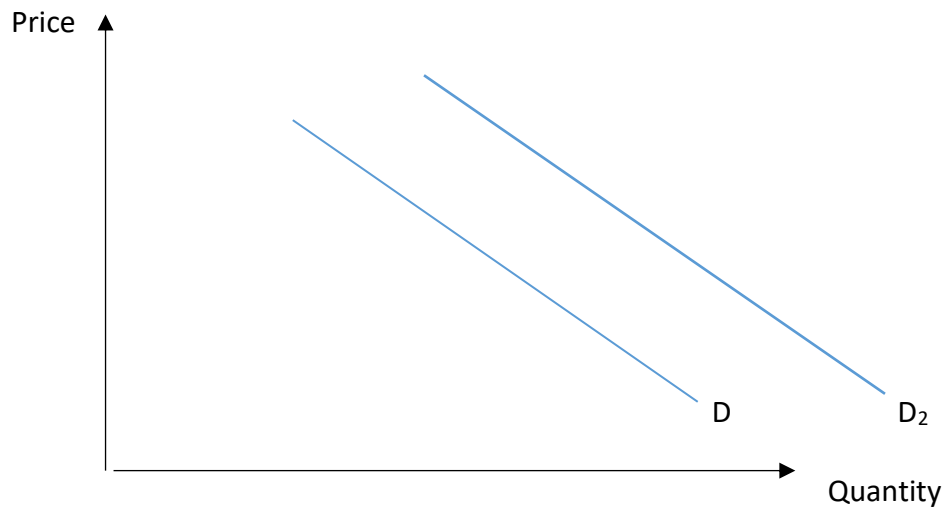
Question 15

		Possible responses	Max Mark															
(a)	25	<p>The infographic below details the number of vehicles licensed for the first time in Ireland in 2021.</p> <div style="text-align: center;">  <table border="1" style="margin: 10px auto; border-collapse: collapse; background-color: #2c3e50; color: white;"> <thead> <tr> <th colspan="3" style="text-align: center;">Licensed for the first time 2021</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">101,853 New private cars</td> <td style="text-align: center;"></td> <td style="text-align: center;">Up 20.8% on 2020</td> </tr> <tr> <td style="text-align: center;">68,042 Used private cars</td> <td style="text-align: center;"></td> <td style="text-align: center;">Down 13.4% on 2020</td> </tr> <tr> <td style="text-align: center;">28,387 New goods vehicles</td> <td style="text-align: center;"></td> <td style="text-align: center;">Up 32.1% on 2020</td> </tr> <tr> <td style="text-align: center;">10,631 Used goods vehicles</td> <td style="text-align: center;"></td> <td style="text-align: center;">Down 9.5% on 2020</td> </tr> </tbody> </table> <p style="color: red; font-weight: bold; text-align: center;">TOTAL Number of vehicles = 208,913</p> <p style="text-align: right;">Adapted from the CSO</p> </div>	Licensed for the first time 2021			101,853 New private cars		Up 20.8% on 2020	68,042 Used private cars		Down 13.4% on 2020	28,387 New goods vehicles		Up 32.1% on 2020	10,631 Used goods vehicles		Down 9.5% on 2020	
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	(i)	<p>Using the information in the table above, calculate the percentage (%) of private cars (new and used), as a percentage of the total vehicles licensed for the first time in 2021. Show your workings.</p> $\frac{101,853 + 68,042}{208,913} \times 100 = 81.32\%$ <p style="text-align: center;"><i>Deduct 1 mark for omission of % sign</i></p>	20 5 @ 4															
	(ii)	<p>The Irish government are currently subsidizing the users of public transport. Explain the term subsidy in the context of public transport.</p> <p>The Irish government is paying part of the cost of the consumer using the public transport to the providers of the service.</p>	5															

(b) 30

(i)

Draw and label (include the axes) the market demand curve for electric cars.



16
4 @ 4

(ii)

If consumers income increases, show how this would affect the market demand curve in (i) above. Explain your answer.

9
(6+3)

The demand curve shifts to the right.
Consumers can afford to buy more.

(iii)

Explain one factor, other than an increase in income, that would affect the demand for electric cars in a market.

5

- Change in consumer tastes or preference for driving an EV or increased advertising of the benefits of driving an EV.
- Government initiatives which may help buyers with the purchase price.
- Expectation as to future prices: if consumers expect future prices to rise it may encourage their purchase now.
- Change in price of a substitute good or a complement goods: if the prices of diesel/petrol cars increased then EVs may become more attractive.
- Unplanned factors: if the EU were to announce that the manufacture of diesel/petrol cars were to end sooner than expected.

<p>(c) 20</p>	<p>‘Meeting the Government target to have almost a million electric vehicles (EVs) on the road by 2030 will be a ‘huge challenge’ unless the Government incentivises and supports dealing with the issues of the oldest polluting cars’.</p> <p style="text-align: right;">Adapted from the Irish Times</p> <p>(i) Outline two ways the Irish government may influence consumers to switch to electric cars.</p> <ul style="list-style-type: none"> • Provide a grant to consumers to encourage the purchase of the cars. • Provide charging points in the homes of consumers who purchase electric cars. • Reduce the VRT on electric cars. • Increase the VRT on petrol and diesel cars. • Increase the taxes on petrol and diesel to discourage consumers from purchasing such cars. • Provide free street parking and/or free charging stations for EV users. • Government awareness campaigns to promote the benefits to society of sustainable transport. <p>(ii) Describe one social benefit for Ireland if more consumers switch to hybrid and electric cars.</p> <ul style="list-style-type: none"> • Less air pollution due to reduced carbon emissions. • Improved health for the population as the air is cleaner /reduction is respiratory illnesses. • Cleaner environment benefits all citizens – with reduced carbon emissions citizens may feel better about their environment. 	<p>1st @ 8 2nd @ 4</p> <p>8</p>

Question 16

		Possible responses	Max Mark															
(a) 30	(i)	<p>Established in 2011 by Tom Keogh, Keogh’s Crisps are already sold in 16 countries worldwide. It is one of the fastest growing food manufacturers in Ireland. Adapted from Irish exporters.ie</p> <p>Complete the table below to show your understanding of the factors of production used in the production of Keogh’s Crisps. Some of the information has been completed for you.</p>	24 6 @ 4															
		<table border="1"> <thead> <tr> <th>Factor of Production</th> <th>Explanation</th> <th>Example</th> </tr> </thead> <tbody> <tr> <td>1. LAND</td> <td>Anything supplied by nature which helps in production.</td> <td>POTATOES SALT OIL</td> </tr> <tr> <td>2. LABOUR</td> <td>THE HUMAN EFFORT INVOLVED IN THE PRODUCTION OF A GOOD OR SERVICE.</td> <td>Workers</td> </tr> <tr> <td>3. CAPITAL</td> <td>ANYTHING MADE BY HUMANS WHICH IS USED IN PRODUCTION.</td> <td>Machinery</td> </tr> <tr> <td>4. ENTERPRISE</td> <td>Takes a risk with an idea in setting up a business in return for profit.</td> <td>TOM KEOGH</td> </tr> </tbody> </table>		Factor of Production	Explanation	Example	1. LAND	Anything supplied by nature which helps in production.	POTATOES SALT OIL	2. LABOUR	THE HUMAN EFFORT INVOLVED IN THE PRODUCTION OF A GOOD OR SERVICE.	Workers	3. CAPITAL	ANYTHING MADE BY HUMANS WHICH IS USED IN PRODUCTION.	Machinery	4. ENTERPRISE	Takes a risk with an idea in setting up a business in return for profit.	TOM KEOGH
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	<p>(ii) In your opinion are entrepreneurs important to the development of the Irish economy? Explain your answer. Yes: No:</p> <p>Yes.</p> <p>Explanation:</p> <ul style="list-style-type: none"> • Entrepreneurs create employment – they need workers to produce the goods and services. • Entrepreneurs organise the other factors of production – Without the entrepreneurs the factors of production would be idle. • Entrepreneurs decide output – which goods and services are going to be produced and in which quantities. • They anticipate consumers demand – decide the prices to be charged. • Entrepreneurs help generate revenue – for the government by generating Corporation tax, VAT, PAYE • May increase exports – If the goods and services produced are exported this will help improve the balance of payments • Help create wealth – leading to economic growth within the country. 	<p>2</p> <p>4</p>
<p>(b) 21</p>	<p>Keogh’s Crisps are economic goods which means that they are</p> <ul style="list-style-type: none"> • scarce • transferable • and provide utility. <p>(i) Explain any two of the above terms.</p> <p>Scarce: The supply of Keogh’s crisps is limited. There is more demand than supply. There’s not a lot of the product available.</p> <p>Transferable: The crisps can be passed from the seller (Keogh’s) to the buyer i.e. the consumer.</p> <p>Utility: The crisps are capable of providing satisfaction to the consumer i.e. the consumer is benefitting from consuming the crisps.</p> <p>(ii) Keogh’s Crisps are due to increase production capacity by 50%. (www.rte.ie)</p> <p>This expansion will allow Keogh’s Crisps to benefit from economies of scale. Explain the term economies of scale with reference to Keoghs crisps.</p> <p>Economies of scale arise as the firm increases its size of production and leads to a reduction in the long run average cost. It leads to a fall in the cost per unit as the business expands or grows in size.</p>	<p>2 @ 7</p> <p>7</p>

<p>(c) 24</p>	<p>In Ireland, we generate nearly 800,000 tons of food waste every year. Adapted from epa.ie</p> <p>(i) Outline one cost to society of wasting food.</p> <ul style="list-style-type: none"> • Inequitable: we are wasting food while others go hungry. It is an unfair use of scarce resources. • The unnecessary increased cost of food to the consumer / waste of income. • The cost of disposing of the waste i.e. higher bin charges and the use of income to pay for disposal. • The damage to the environment because of the disposal of the food waste: on the atmosphere, water use' land use etc. It leads to climate change. • Impact of overproduction on the land. • Growing, processing and transporting food uses significant amounts of resources (land, energy, water) which is wasteful of scarce resources. • Food in landfill breaks down to create greenhouse gases including methane which affects air quality and public health. <p>(ii) Describe one action consumers could take to reduce food waste.</p> <ul style="list-style-type: none"> • Reduce consumption: buy only what is necessary. Avoid serving too much. • Plan food shopping more carefully: think of what is needed before buying. Prepare a list and stick to it. • Reduce consumption of convenience foods as this will reduce waste. • Use leftovers to prepare other meals i.e. lunches / sandwiches etc or give to others. • Use the food waste as compost to provide compost for the garden. • Storage: store the food correctly in the fridge/ cupboard. Understand the difference between use by and best before dates. <p>(iii) Describe one action producers could take to reduce food waste.</p> <ul style="list-style-type: none"> • Invest in efficient production systems that minimise waste. • Innovate: where possible produce products from the 'waste' generated so that no waste is generated and/or reduced. • Where appropriate discontinue 'use by' dates so that the shelf life of products can be extended. • Use products which, in the past, were considered not 'perfect' for display so that they can be sold e.g. tomatoes; strawberries etc. • Increase the use of food donation schemes to help those on lower incomes. 	<p>8</p> <p>8</p> <p>8</p>

Ordinary Level Economics Student Research Project

Before commencing marking read the entire Individual Investigative Study to familiarise yourself with the content presented for marking.

Note: Be careful not to penalise skilful brevity, nor to reward unwarranted length.

These descriptors should be interpreted in the context of the challenges and demands of the investigation the candidate has chosen.

Section	Very Good	Good	Fair	Weak
Introduction	<p>The line of inquiry is reasonably clear and there is some evidence of coherence.</p> <p>The aims are slightly vague in context but they do meet a number of the requirements.</p> <p>A reasonably good attempt is made at linking the line of inquiry to the Learning Outcomes.</p>	<p>A basic attempt at linking the line of inquiry to the theme. The report lacks depth and structure.</p> <p>The aims are very vague and displays limited understanding of the theme and LOI.</p> <p>Vague attempt at linking the line of inquiry to the Learning Outcomes.</p>	<p>Very basic level of response.</p> <p>Very poor linking of the line inquiry to the theme or the Learning Outcomes.</p> <p>Aims if given are very poor with no structure.</p>	<p>Line of inquiry is not relevant to the theme or topic.</p> <p>No link to the Learning Outcomes.</p> <p>No aims provided.</p>
10 marks	8-10	6-7	4-5	0-3
Evidence of Data: 5 marks	5	Deduct 1m if no quantitative data.	Deduct 1m if 2 sources not included.	

The Research Process 40 marks				
	Very Good 8-10	Good 6-7	Fair 4-5	Weak 0-3
Application & Analysis	A good application and analysis of key concepts and theories to the line of inquiry.	Simplistic very basic application of key concepts and theories to the line of inquiry.	A simplistic, maybe confused attempt to apply a concept/theory to the line of inquiry.	No application of concept/theory to the line of inquiry. Concepts and theories if evident are irrelevant to the line of inquiry.
Interpretation & Evaluation	Basic analysis and interpretation and evaluation of sources of information and data used. Concepts and theories used make tentative links to part of the research process. In some cases, evaluation may be omitted.	Very basic analysis & interpretation of sources of information and data. Evaluation may be omitted. Concepts are somewhat relevant and sometimes applied to the line of inquiry	Data and sources of information is poorly researched which leads to very little if no interpretation.	Very poor selection of research sources. No evidence of evaluation.
Arguments & Judgements	Some good arguments and judgements are offered which are somewhat linked to economics concepts and theories.	Arguments/judgements offered are very limited and may not be relevant.	Very limited if any arguments or judgments are offered.	No arguments and judgements are offered.
Data	The sources of information and data used are relevant and in date but are very limited in quality and standard.	Sources of information and data if included are somewhat relevant and some maybe in date.	There is some very limited, very vague evidence of sources of information used and data. Very little evidence.	No sources of information used or data are evident.
Research Process overall mark	31-40	21-30	11-20	0-10

	Very Good	Good	Fair	Weak
Conclusion	<p>Some conclusions are made based on the basic analysis and evaluation of the evidence with a good link to concepts & theories.</p> <p>Intended aims have been mostly addressed & most are met.</p> <p>Recommendations lack structure & depth.</p> <p>New somewhat relevant question/line of inquiry suggested.</p>	<p>Some conclusions are made based on a very basic analysis and evaluation (if any) with some limited evidence that these are somewhat linked to concepts/theories.</p> <p>Some of the intended aims are met and some recommendations are made.</p>	<p>Some conclusions are made but limited evidence to support them. These may be based on irrelevant material.</p> <p>Some of the intended aims are somewhat addressed. Regurgitation and repetition of information already used is evident. These may be irrelevant or incorrect.</p>	<p>Little or no conclusions made with very little evidence to support them and irrelevant material used.</p> <p>Intended aims are not met.</p> <p>A lot of regurgitation and repetition.</p>
20 marks	16-20	12-15	8-11	0-7
Reflection	<p>A personal reflection on the SRP is evident.</p> <p>Students consider & reflect on some elements of their learning. Basic consideration given to how their thinking/attitudes has changed or/and evolved, their opinions and/or behaviour influenced/not influenced as a result of engaging with the study.</p>	<p>A basic personal reflection on some elements of the SRP is attempted.</p> <p>A very basic consideration on how their thinking/attitudes has changed or/and evolved, their opinions and/or behaviour influenced/ not influenced as a result of engaging with the study.</p>	<p>Limited personal insights gained through limited reflection on the topic.</p> <p>Limited consideration (if any) on how their thinking/attitudes has changed or/and evolved, their opinions and/or behaviour influenced/not influenced as result of engaging with the study.</p>	<p>No personal reflection – inadequate reflection. Re-telling of facts learned.</p> <p>No personal insight into how their thinking/attitudes has changed and/or evolved, their opinions and/or behaviour influenced/not influenced as a result of engaging with the study.</p>
10 marks	8-10	6-7	4-5	0-3
Communication Presentation & Overall Coherence	<p>The SRP is reasonably coherent and logical.</p> <p>The language, concepts & data are somewhat integrated to give a basic flow & structure.</p> <p>Communication of data & information is clear but simplistic.</p> <p>There is evidence of originality and innovation.</p>	<p>The SRP generally lacks coherence and focus.</p> <p>The language, concepts & data lack focus & structure & the report may be hard to follow. Lacks consistency.</p> <p>Very little evidence of originality and innovation.</p>	<p>A poor attempt at delivering a coherent and logical SRP.</p> <p>The language, concepts & data are very poor and confused with many errors throughout.</p> <p>Little to no evidence of originality and innovation.</p>	<p>This SRP totally lacks structure and coherence. Irrelevant material and significant errors.</p> <p>The report contains incorrect information/plagiarism.</p>
15 marks	12-15	9-11	6-8	0-5

