www.dynamicpapers.com

Please check the examination details below before entering your c date information

Candidate surname	Other name

Pearson Edexcel
International Advanced Level

Centre Number | Candi Number

Time 2 hours

Paper reference **WEC13/0**

Economics

International Advanced Level
Unit 3: Business behaviour

You must have:
Source Booklet (enclosed)

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **ALL** questions in Sections A and B.
- Answer **TWO** questions in Section C.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Check your answers if you have time at the end.
- Good luck with your examination.

Turn over ▶

P65837A
©2021 Pearson Education Ltd.
1/1/1/1/1/1/1/

P 6 5 8 3 7 A 0 1 2 8

Pearson

www.dynamicpapers.com

SECTION A

Answer ALL questions in this section.

Questions must be answered with a cross in a box ☒. If you change your mind ab n answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 Mara Phone is a new smartphone developed by the African conglomerate, Mara Group. The business is aiming to grow its market share by maximising its sales.

Which **one** of the following conditions is necessary for Mara Group to maximise sales volume of this new phone without making a loss?

☒ **A** Marginal revenue equals marginal cost

☒ **B** Average revenue equals average cost

☒ **C** Marginal revenue equals zero

☒ **D** Average revenue equals marginal revenue

(Total for Question 1 = 1 mark)

2 A Swedish company, Lantmännen, is an agricultural business owned by 25 000 farming partners.

Which **one** of the following is the best description of this type of business?

☒ **A** State-owned enterprise

☒ **B** Joint venture

☒ **C** Conglomerate

☒ **D** Co-operative

(Total for Question 2 = 1 mark)

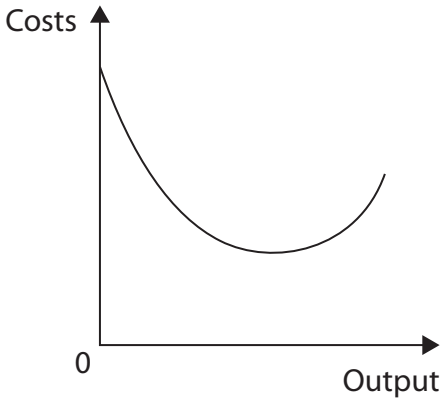
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

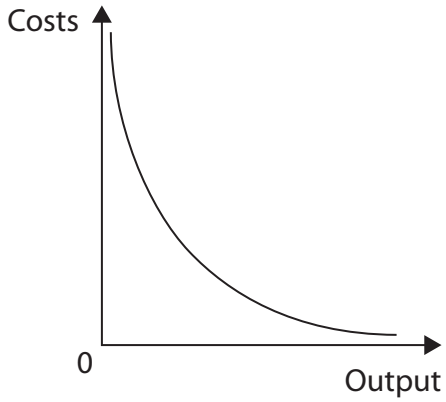
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

3 Which **one** of the following diagrams illustrates a firm's average fixed c rve?

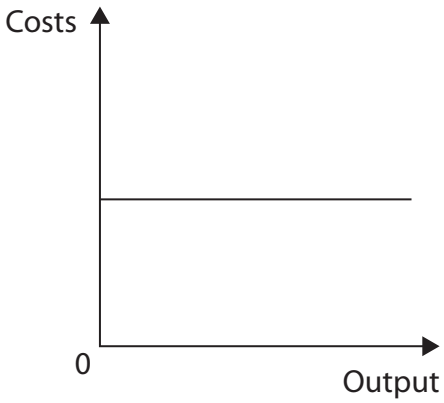
A



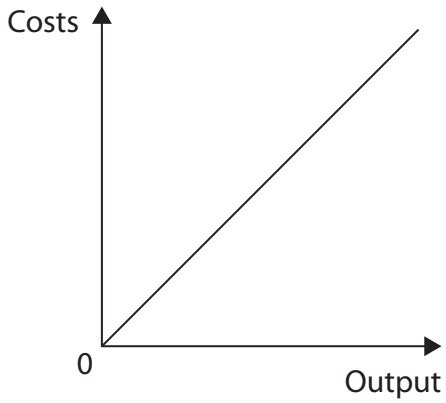
B



C



D



☒ **A**

☒ **B**

☒ **C**

☒ **D**

(Total for Question 3 = 1 mark)

www.dynamicpapers.com

4 Which **one** of the following will influence the elasticity of demand for l r?

- ☒ **A** The size of the population
- ☒ **B** The level of welfare benefits
- ☒ **C** Labour costs as a percentage of total costs
- ☒ **D** The rules determining the number of immigrants

(Total for Question 4 = 1 mark)

5 The table shows a firm's total costs of producing textbooks.

Output	Total costs ($)
0	14 000
1 000	15 000
2 000	16 000
3 000	17 000
4 000	18 000
5 000	19 000

What would be the average variable cost at an output of 4 000 textbooks?

- ☒ **A** $0.75
- ☒ **B** $1.00
- ☒ **C** $3.25
- ☒ **D** $4.50

(Total for Question 5 = 1 mark)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

6 A farm producing wheat is operating in a monopolistically competitive et.
Which **one** of the following will apply to this firm?

- ☒ **A** Allocative inefficiency in the long-run
- ☒ **B** Productive efficiency in the short-run
- ☒ **C** Supernormal profit in the long-run
- ☒ **D** Allocative efficiency in the short-run

(Total for Question 6 = 1 mark)

TOTAL FOR SECTION A = 6 MARKS

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

SECTION B

Study Figures 1 and 2 and Extracts A and B in the Source Booklet before a ing Question 7.
Write your answers in the space provided on the following pag

7 In 2018 total new car sales in China were 23.7 million.

(a) With reference to Figure 2, calculate the 4-firm concentration ratio for the car market in China in 2018. You are advised to show your working.

(2)

(b) With reference to the third paragraph of Extract B, explain what is meant by a 'takeover'.

(4)

(c) With reference to Figure 1 and Extract A, analyse **two** reasons for the fall in car sales in China since 2017.

(6)

(d) With reference to Extract A, examine the likely effects of the Chinese Government's subsidy on the profits of an electric car manufacturer.

Illustrate your answer with an appropriate diagram.

(8)

(e) With reference to Extract A and Extract B and your own knowledge, discuss the types of non-price competition that could be used by car manufacturers to increase the sales of cars.

(14)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

7 In 2018 total new car sales in China were 23.7 million.

(a) With reference to Figure 2, calculate the 4-firm concentration ratio for th market in China in 2018. You are advised to show your working.

(2)

(b) With reference to the third paragraph of Extract B, explain what is meant by a 'takeover'.

(4)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(c) With reference to Figure 1 and Extract A, analyse **two** reasons for th in car sales in China since 2017.

(6)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(d) With reference to Extract A, examine the likely effects of the Chines Government's subsidy on the profits of an electric car manufacturer.

Illustrate your answer with an appropriate diagram.

(8)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(e) With reference to Extract A and Extract B and your own knowledge, uss the types of non-price competition that could be used by car manufac s to increase the sales of cars.

(14)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(Total for Question 7 = 34 marks)

TOTAL FOR SECTION B = 34 MARKS

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

BLANK PAGE

SECTION C BEGINS ON THE NEXT PAGE.

www.dynamicpapers.com

SECTION C

Answer TWO questions from this section.

8 In 2019 the Indian Government announced plans to privatise up to 25 airports acr India. These airports are not the largest in India, but they each have annual passenge numbers between 1 million and 1.5 million.

Evaluate the possible benefits of privatisation for the consumer.

Illustrate your answer with an appropriate diagram(s).

(Total for Question 8 = 20 marks)

9 In the UK, for any given rail journey, there are usually more than five different ticket prices depending on the time and day of travel.

Evaluate the view that price discrimination is always beneficial for producers.

Illustrate your answer with an appropriate diagram(s).

(Total for Question 9 = 20 marks)

10 In New Zealand, in 2018, it was estimated that the average worker employed in the private sector earned 30% less than the average worker in the public sector.

Evaluate the reasons why wage differences exist.

Illustrate your answer with an appropriate diagram(s).

(Total for Question 10 = 20 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

Write the answer to your FIRST chosen question

Indicate which question you are answering by marking a cross in the box ☒ u change your mind, put a line through the box ☒ and then indicate your new question cross ☒.

Write the answer to your SECOND chosen question on page 22.

Chosen question number: **Question 8** ☒ **Question 9** ☒ **Question 10** ☒

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

Write the answer to your SECOND chosen question .

Indicate which question you are answering by marking a cross in the box ☒ ou change your mind, put a line through the box ☒ and then indicate your new question a cross ☒.

Chosen question number: **Question 8** ☒ **Question 9** ☒ **Question 1** ☐

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

TOTAL FOR SECTION C = 40 MARKS
TOTAL FOR PAPER = 80 MARKS

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

BLANK PAGE

www.dynamicpapers.com

BLANK PAGE

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA