ST EDWARD'S OXFORD



Lower Sixth Entrance Assessment

November 2013

ECONOMICS

Time: 1 hour

Candidates Name:	Candidates Name:				
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INSTRUCTIONS TO CANDIDATES:

- Write your answer to each question in the space provided.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Answer all the questions

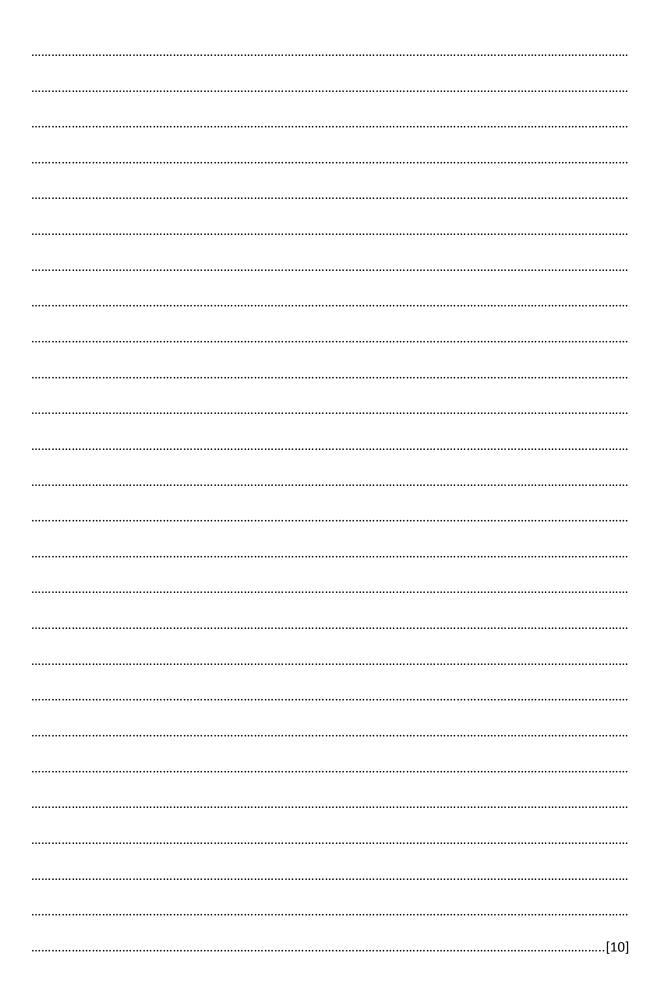
INFORMATION FOR CANDIDATES:

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is 40

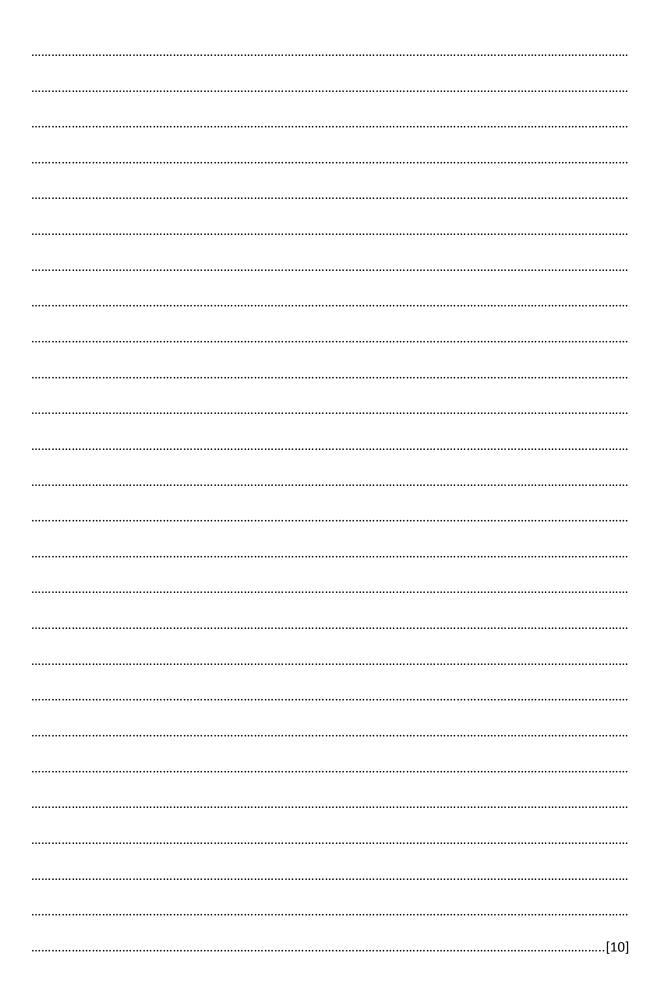
Answer all questions

(a) With the help of an example, explain what is meant by the term Opportunity Cost
[4]
(b) How is the price of a good or service determined?
[c]

(c)	Discuss why the government places an indirect tax on goods such as petrol and alcohol				
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(d)	Over the past few years the Bank of England interest rate has been 0.5%. Discuss the
reasons	for this rate and whether you think it should be changed
	6
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(e)	From your knowledge of economics, evaluate the extent to which the benefits of					
interna	international trade outweigh the costs for the UK Economy					
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[40]
 [10]

Additio	nal answer space	e. Any answer	s written in th	nis space mus	t be clearly nu	mbered.
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