EXPERT TUITION

Economics Questions By Topic:

Specialisation (1.1.5) Mark Scheme

A-Level Edexcel Theme 1

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SECTION A

Question Number	Answer	Mark
1	**Knowledge 1, Analysis 1** **Knowledge** Identification of a benefit of division of labour (1) • Less training needed • Faster production process • Greater output from given workforce • Less time wasted moving between jobs • Increased skill within specific role • Increased efficiency **Analysis** Linked development (1) e.g. A benefit is that the firm only needs to train workers in one specific role (1k) this means that they can lower costs (1an)	**(2)**

Question Number	Answer	Mark
2(a)	**Knowledge 1** **The only correct answer is A** ***B*** *is not correct because whilst Hayek is associated with free market economy thinking, reference to Adam Smith is made in the context of specialisation and the division of labour.* ***C*** *is not correct because Keynes is mostly associated with 'animal spirits' and the multiplier effect.* ***D*** *is not correct because Marx is associated with the disadvantages of the free market and the case for a command economy.*	**(1)**

Question Number	Answer	Mark
2(b)	**Knowledge 1, Application 1, Analysis 1** **Knowledge/understanding** 1 mark for definition of division of labour or workers specialised e.g. Where a task is broken down into its component parts or Where an individual concentrates on one particular task to the exclusion of others **Application** 1 mark for application – Application to the car industry e.g. A worker who adds tyres to a car **Analysis** 1 mark for linked development e.g. increased productivity or reduces unit costs or higher output	**(3)**

Question Number	Answer	Mark
3(a)	C	**(1)**

Question Number	Answer	Mark
3(b)	**Knowledge 1, Application 1, Analysis 1** **Knowledge/understanding** 1 mark for definition of specialisation or definition of money acting as a medium of exchange or a measure of value or a store of value or a method of deferred payment. Specialisation requires exchange. **Application** 1 mark for application to a process, business or worker, e.g. Worker lives by exchanging earnings from making smartphones or receives training or is incentivised by money or smartphone company earns profit by trading in smartphones. **Analysis** 1 mark for linked development from money to improved specialisation, e.g. new technology enables further specialisation thus improving productivity or building up capital or increasing skills of workers.	**(3)**

Question Number	Answer	Mark
4	**Correct option A** (**1 mark**) • Definition of division of labour (for example, production of a good is broken down into different tasks and labour allocated to each task). (**1 mark**) • Application to building a house (for example, painter and decorators, bricklayers, plumbers, electricians, roof tilers)(**1 mark**) • Reason(s) for an increase in output per unit of labour/productivity: workers becoming more skilled in particular tasks through repetition / more efficient use of equipment / less time wasted moving from one job to another different job / less time taken for workers to get trained on a particular job or lower training costs). (**1+1 marks**) • Award a demand and supply diagram depicting an increase in supply and lower price / or a written explanation to this effect. (**1 mark**) **Rejection marks** • Option B incorrect since prices are more likely to fall since cost of building each house has fallen. (**1 mark**) • Option C incorrect since the cost of producing each house should fall as labour productivity increases. **NB: do not double award if diagram mark already given.** (**1 mark)** • Option D incorrect since each worker will concentrate on a narrow range of skills such as a bricklayer, rather than other skills involved with tiling and plumbing (**1 mark**)	**(4)**

NB: candidates may achieve up to 3 explanation marks even if incorrect option is selected.

NB: candidates may achieve up to 3 marks for explaining three incorrect options (provided three different reasons are offered and each option key is explicitly rejected).

Question Number	Answer	Mark
5	Correct option D (**1 mark**) • Definition of specialisation or division of labour (labour allocate all their time in producing just one good or service) (**1 mark**) • Definition of production possibility frontier (maximum possible output combinations of two goods or services an economy can achieve when all resources are fully efficiently employed **or,** the maximum output potential for Bob and Wendy) (**1 mark**) • Identification that Wendy should produce bathrooms and Bob bedrooms / reason is due to different opportunity cost or efficiency or productivity (**1+1 marks**) • Relevant numerical application: for example, Wendy can specialise in tiling bathroom floors and increase output to 4 per week and Bob can specialise in decorating bedrooms and increase output to 4 per week (this may be shown on diagram). (**1 mark**) **NB: this may include calculations of opportunity cost.** **Rejection marks** • Option A incorrect since opportunity cost is different - with a numerical example e.g. to decorate 1 bedroom Bob has an opportunity cost of 0.5 tiling of a bathroom whereas for Wendy the opportunity cost of decorating 1 bedroom is 2 tiling of a bathroom / opportunity cost differs since they have different gradients on their production possibilities. (**1 mark**) • Option B incorrect since Wendy can only decorate 2 bedrooms per week whereas Bob can decorate 4 bedrooms per week. (**1 mark**) • Option C incorrect since Bob has a higher opportunity cost of tiling 1 bathroom floor (forgo decorating 2 bedrooms compared to Wendy who forgoes decorating just 0.5 bedrooms). (**1 mark**)	**(4)**

Question Number	Answer	Mark
6	**Answer C** • Definition / explanation of division of labour (production broken down into different tasks and labour allocated to each task). (**1 mark**) • Application to sandwich production line e.g. cutting bread, spreading butter and packing sandwiches. (**1 mark**) • Identification of boredom or monotony of a job (**1 mark**) • Increase in recruitment costs / 'total' training costs since increased staff turnover (**1 mark**) **Rejection marks** ➢ Option A is incorrect since division of labour reduces range of workers' skills to specific tasks. (**1 mark**) ➢ Option B is incorrect since training costs per worker falls as just doing specific tasks (**1 mark**) ➢ Option D is incorrect as higher output per head is an advantage of division of labour / means more profits could be made for producer. (**1 mark**)	**(4)**

Question Number	Answer	Mark
7	**Answer C** • Definition of division of labour (production of a good is broken down into different tasks and labour allocated to each task) (**1 mark**). • Advantages of division of labour, for example less time taken to train / repetition in one task quickly leads to greater productivity / greater variety of jobs to choose from / more efficient use of machinery (**1 + 1 mark**). • Application to beauty industry, for example face creams, lipsticks, eye shadow, other make up (**1 mark**) • Also award for diagram showing a decrease in average cost (**1 mark**).	**(4)**

SECTION B

Question Number	Answer	Mark
8	**KAA = 6 marks** • Definition of the division of labour (production of a good is broken down into different tasks and labour allocated to each task / labour become specialised in particular jobs for the production of wind energy). (**1 mark**). • Application to wind power production: Extract 1 refers to designers, engineers, welders, electricians, truck drivers. (**1 mark**) **Explanation of the benefits of division of labour:** ➢ Increase productivity of labour or increase output per head / may lead to higher earnings for labour. (**1+1 marks**) ➢ Reduction in costs per unit of output or increase in efficiency / which may increase profits. (**1+1 marks**) ➢ More choice of jobs. (**1 mark**) ➢ Diagram showing an increase in supply and reduction in price. (**1 mark**) ➢ Repetition means workers become more skilled / improve quality of their work. (**1+1 marks**) ➢ Faster at their specific jobs due to repetition or an increase in skills / less time taken in moving between jobs. (**1+1 marks**) ➢ More effective use of capital in production / factory space or machinery in constant use so greater efficiency. (**1+1 marks**) **NB: Award a maximum of 4 KAA marks if no reference made to wind power.**	

	• **Evaluation (2+2 marks or 3+1 marks)** **Consideration of disadvantages** ➢ Boredom and monotony of particular work / this could reduce productivity or quality of output / lead to high staff turnover / increase in recruitment costs. ➢ Risk of workers being replaced by machines. ➢ Wind power firms may be vulnerable to dependency upon key types of workers / designers or installation workers. ➢ Time required and cost involved in training workers for specific jobs / immobility of labour e.g. shortage of skilled workers or workers not willing to move to Hull / growth of wind power projects across world mean skilled workers have other choice of jobs. ➢ The benefits of higher productivity may be offset by higher wages.	**(10)**