Economics Questions By Topic:

Specialisation (1.1.5)

A-Level Edexcel Theme 1

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SECTION A

Write your answers in the spaces provided.

1 Free market economics is being challenged. The arguments for and against are being increasingly discussed within many countries.

(Explain **one** advantage to a firm of using division of labour when organising its production process.

(2)

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.....

.....

.....

(Total for Question 1 = 2 marks)

2 Henry Ford designed his first moving assembly line in 1913, and revolutionised the car production process of the Ford Model T. This assembly line, at the first Ford factory, became the benchmark for mass production methods around the world.

(Source: adapted from https://www.ford.co.uk/experience-ford/history-and-heritage)

(a) The benefits of specialisation and division of labour are mostly associated with:

(1)

- ☒ **A** Adam Smith
- ☒ **B** Friedrich Hayek
- ☒ **C** John Maynard Keynes
- ☒ **D** Karl Marx

(b) Explain **one** advantage of the division of labour in car production.

(3)

(Total for Question 2 = 4 marks)

3 (a) Which **one** of the following is the most likely consequence of an increase in the division of labour in the production of smartphones?

(1)

- ☒ **A** Decrease in boredom for smartphone workers
- ☒ **B** Decrease in use of specialised manufacturing equipment
- ☒ **C** Decrease in the cost per unit of smartphones
- ☒ **D** Increase in training costs per worker

(b) Explain what function money has in improving specialisation in the production of smartphones.

(3)

(Total for Question 3 = 4 marks)

4 The most likely consequence of an increase in the division of labour in the construction of new houses is an increase in

(1)

A output per unit of labour

B the price of houses

C the production cost of each house

D the range of skills required by each worker

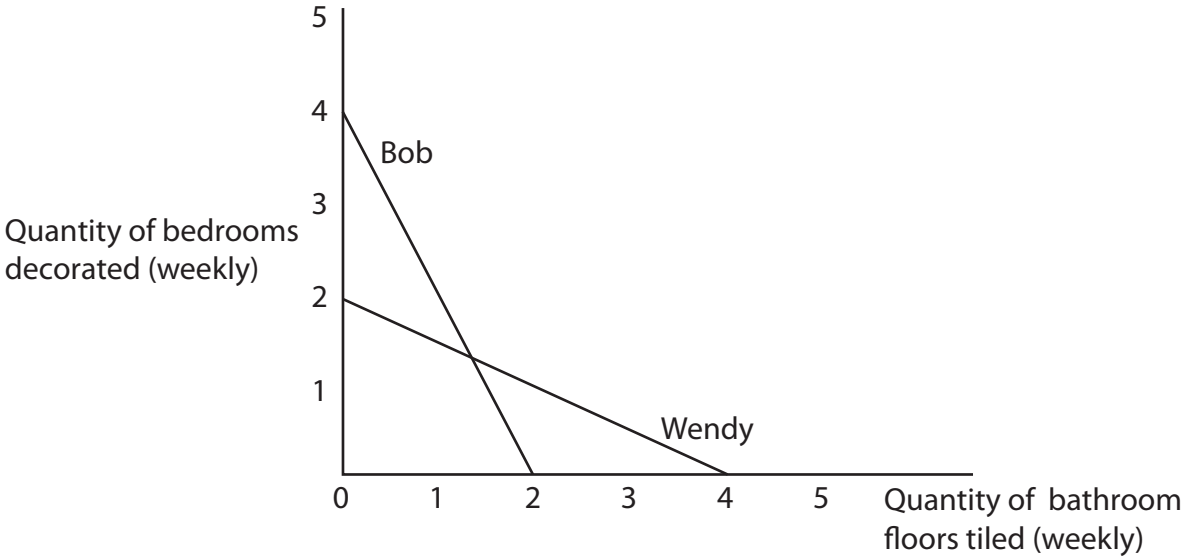
Answer ☐

Explanation

(3)

(Total for Question 4 = 4 marks)

5



The diagram shows the weekly production possibilities of two builders, Bob and Wendy. They **each allocate half** their working time to decorating bedrooms and the **other half** to tiling bathroom floors.

From this information it can be deduced that

(1)

A the opportunity cost of decorating a bedroom is the same for both builders

B Wendy can decorate more bedrooms and tile more bathroom floors than Bob in a week

C the opportunity cost of tiling a bathroom floor is lower for Bob than for Wendy

D Wendy and Bob could increase their combined total weekly output through specialisation

Answer ☐

Explanation

(3)

(Total for Question 5 = 4 marks)

6 One disadvantage a sandwich making firm may experience from the division of labour on its production line is an increase in:

(1)

A The range of workers' skills

B Training costs per worker

C Staff turnover

D Productivity.

Answer ☐

Explanation

(3)

(Total for Question 6 = 4 marks)

7 Which of the following is the most likely consequence of an increase in the division of labour in the production of beauty products?

(1)

A A decrease in the total revenue of beauty product manufacturers

B Decreased use of specialised manufacturing equipment

C A decrease in the cost per unit of beauty products

D A shift in demand for beauty products

Answer ☐

Explanation

(3)

END OF SECTION A **(Total for Question 7 = 4 marks)**

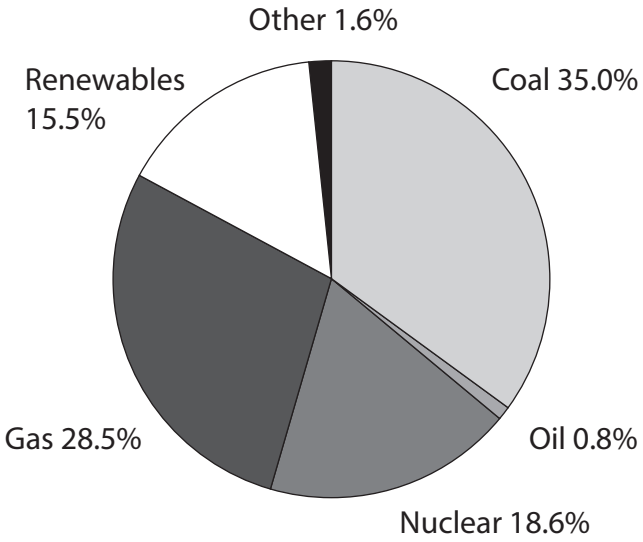
SECTION B

Read all figures/extracts before answering.

Write your answers in the spaces provided.

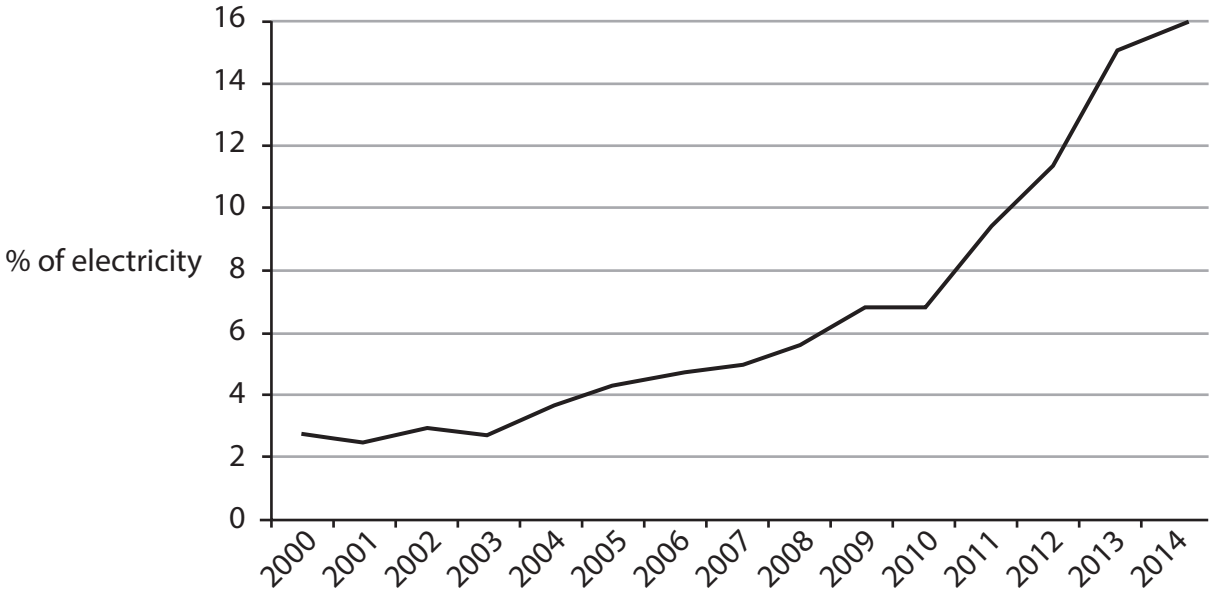
8 Renewable energy in the UK

Figure 1 UK Electricity generation from different sources: (April–June 2013)



(Source: UK Renewable energy roadmap update 2013; Department of Energy and Climate Change, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255182/UK_Renewable_Energy_Roadmap_-_5_November_-_FINAL_DOCUMENT_FOR_PUBLICATIO___.pdf)

Figure 2 Electricity generation from renewable sources as a proportion of total UK electricity production (2000-2014)



(Source: https://www.gov.uk/government/statistics/renewable-sources-of-energy-chapter-6-digest-of-united-kingdom-energy-statistics-dukes)

Extract 1 Growth of renewable energy in the UK

Renewable energy currently makes up around 16% of UK electricity supply. More than half of this comes from wind power – the UK has more wind potential than any other country in Europe. Production of renewable energy is set to increase significantly over the next fifteen years to exceed 30% of total electricity generation. Most coal power stations are set to be phased out by 2030 helping to reduce carbon emissions whilst gas supplies appear unreliable in the current political climate.

Wind, wave and tidal power currently provides employment for 34 500 people in the UK and is expected to create a further 70 000 jobs over the next decade. The economic benefits from such growth will be spread across the UK. The German company Siemens, for example, has announced plans to invest £160 million in building a wind turbine factory in Hull, in the north of England. Its partner in the project, Associated British Ports, will invest a further £150 million in local infrastructure. Together, they will directly create 1 000 jobs in a city hit hard by unemployment and poverty. Hull will become one of the world's leading locations for the production of wind turbines. The work involves many types of specialist jobs such as designers, engineers, welders, electricians and truck drivers.

(Source: adapted from 'Siemens to add 1000 UK jobs in wind turbine production', *The Guardian*, 25th March, 2014, http://www.theguardian.com/business/2014/mar/25/siemens-wind-turbine-production)

Extract 2 Lack of competition in awarding subsidies for renewable energy

Renewable energy requires subsidies to make it profitable. The Government has been criticised for awarding subsidies to renewable energy projects without any competition, undermining the interest of consumers. This refers to contracts worth £16.6 billion being awarded to companies involved in five offshore wind power and three biomass projects.

However, Energy and Climate Change Secretary, Ed Davey, said: "This government has been dealing with a legacy of chronic under-investment and neglect in our energy system. To keep the lights on in British homes and businesses we needed to move quickly to secure new capacity and give investors confidence – fast." Without the investment there is a danger of power cuts in the near future as demand exceeds supply.

(Source: adapted from 'Consumers not getting the best value for renewable energy subsidies, say MPs', *The Guardian*, 3rd October 2014, http://www.theguardian.com/environment/2014/oct/03/consumers-not-getting-best-value-for-renewable-energy-subsidies-say-mps)

Extract 3 The costs of renewable energy

The private costs of electricity generated from renewable energy sources are far greater than those from fossil fuels. The uncertainty of the weather also means renewable energy from wind and solar power is unreliable.

There are also external costs associated with the generation of renewable energy, especially wind power. These include the negative effects on the environment, homes and tourism. Industrial scale wind turbines exceed 450 feet tall to the tip of their blades. There are currently 680 onshore wind farms and 23 offshore wind farms in the UK. These figures are set to increase rapidly over the next twenty years.

(Sources: http://www.renewableuk.com/en/renewable-energy/wind-energy/onshore-wind/index.cfm and http://www.nowind.org.uk/, http://www.nowind.org.uk/ and replace with http://repealtheact.org.uk/blog/campaign-support-the-now-charter-www-nowind-org-uk)

8 With reference to Extract 1, assess the likely benefits of the division of labour in the production of wind turbines.

(10)

(Total for Question 8 = 10 marks)

END OF SECTION B