

Economics Standard level Paper 1

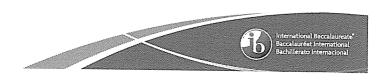
Wednesday 26 October 2022 (afternoon)

1 hour 15 minutes

Instructions to candidates

- Do not turn over this examination paper until instructed to do so.
- You are not permitted access to a calculator for this paper.
- Answer one question.
- Use fully labelled diagrams where appropriate.
- The maximum mark for this examination paper is [25 marks].





Answer **one** question.

1.	(a)	Explain two forms of government intervention in markets.	[10]
	(b)	Using real-world examples, discuss the view that governments should intervene if markets fail to provide public goods.	[15]
2.	(a)	Explain two goals of fiscal policy.	[10]
	(b)	Using real-world examples, evaluate the use of fiscal policy to close a deflationary/recessionary gap.	[15]
3.	(a)	Explain two factors that might cause an appreciation of a currency.	[10]
	(b)	Using real-world examples, discuss the consequences for an economy of an appreciation of its currency.	[15