16+ ENTRANCE EXAMINATION

For entry in
September 2016

ECONOMICS

Time: 1 hour

Candidates Name: …………………………………………………

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
1. Using an example, explain the term opportunity cost and how it relates to Economics.

1. Using a supply and demand diagram in your answer, explain what could have caused an increase in the price of beef.
2. What does the term ‘austerity’ mean to you in terms of Economics?

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3. Discuss the likely economic effects of a 30% cut in government subsidies for new build affordable homes.

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4. Assess the economic effects if the Central Bank increased the interest rate.
5. From your knowledge of economics, evaluate the extent to which the benefits of globalisation outweigh the costs.