



**Economics**

A Level | Edexcel B | 9EB0



**2015 specification**  
first exams in 2026

# **A Level Edexcel Economics B Paper 3: Resource Pack Practice Papers**

## 2026: Competition

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# Teacher's Introduction

This resource has been produced to support the research required for the pre-release paper for the A Level Edexcel Economics B Paper 3 (The economic environment and business) exam, which students will sit during summer 2026.

The context for the 2026 exam is Competition.

This resource contains **three practice papers**. Each practice paper has a full mark scheme based on the pre-release case study for the unit. The content has been produced with consideration to the bullet points that Pearson directs students to research and possible question types that may arise.

## Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

## Using the practice papers

This resource can be used in a number of ways to help students prepare for their final exam. It can be used independently by students or as a teacher-led exercise. Here are a few suggestions:

- **Homework** – The papers could be completed by students as homework tasks. Students could be given one or two research headings to complete in the run-up to the exam, or the questions could be divided up and given to students as they progress through the pre-release research task.
- **In-class exam** – The practice papers make ideal mock exams to complete under timed exam conditions as they are based on the format of the final exam. There is a mark scheme and suggested answers to accompany each question. The mock exam will then enable teachers to pinpoint the topics that students find challenging, review their exam technique / time management and tailor any intervention activities appropriately. The benefit of using these practice papers as mock exams is that the mark schemes are not in the public domain (unlike past and specimen papers produced by the exam boards, which are posted on their websites), so they give teachers a true picture of how students perform when tackling an unseen paper.
- **In class** – The papers could be 'walked through' in their entirety or divided up into sections to give the students guidance related to the requirements of the pre-release task. Using the mark schemes, teachers can inform learners of how marks are awarded and the difference between the levels on the extended-mark questions.
- **Exam technique** – The papers can be used to help students of all levels to enhance their exam technique. They can become familiar with what is required from diverse question command words so they are aware of the detail expected for each level of response. Students could complete a range of question styles and peer-mark their responses to the practice questions to give them the opportunity to 'think like an examiner'.
- **Revision** – When the learners are approaching their final exams, a whole practice paper could be given to them to complete. This may be particularly appropriate for over a holiday period, e.g. Easter or half-term. When the students return from their holiday, the teacher can mark the entire paper and also share the mark scheme with the students so they can see how their responses compare.

*January 2026*

This resource is intended to supplement your teaching only.

As with all pre-release material it is the teacher's responsibility to decide in what way to assist their students. It is the teacher's responsibility to decide how this resource in particular can be used to fit into that assistance. You may simply wish to read this material to better inform yourself and to help you prepare your lessons and get ideas for your teaching. You may also consider whether it is appropriate to distribute some of the material for reference and to use some of the tasks for classwork and homework. You may consider making the whole resource available to be worked through by your students more independently.

The content of this resource is provided as one experienced teacher's interpretation of the A Level **Edexcel Economics B pre-release material**. The author does not have any special knowledge of what to expect on any particular exam.

# ZigZag Practice Exam

Supporting Pearson Edexcel A Level in Economics

Economics B  
Advanced



Paper 3: The economic environment and business

Practice Paper A: Source Booklet

Context: Competition



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## Sources for use with SECTION A

Read extracts A–E before answering Questions 1–5.

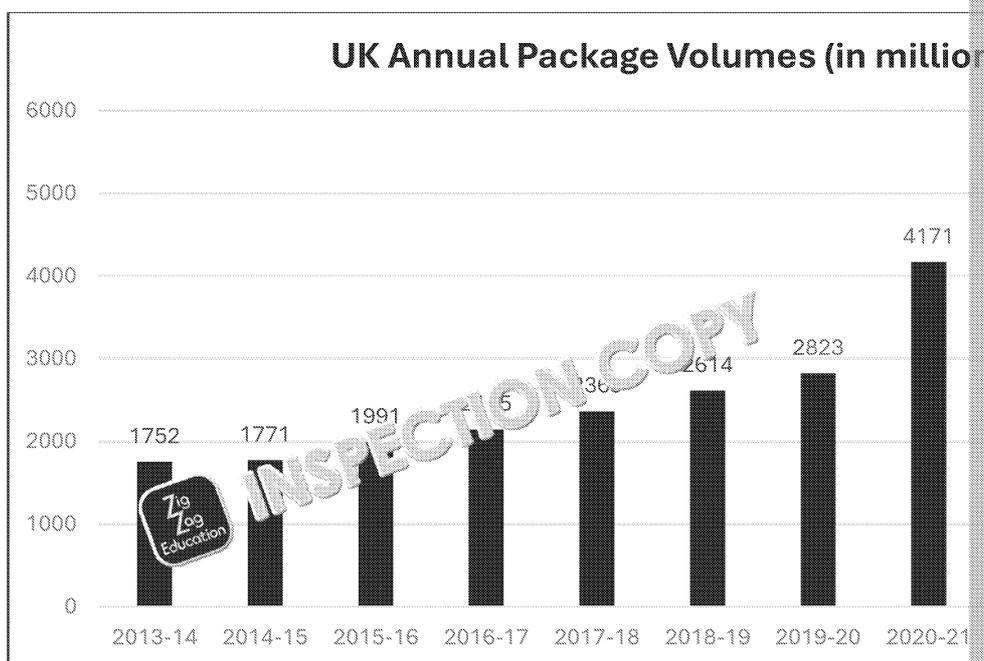
### Extract A

The market for delivery services grew by 8.4% in 2024. The cost of living crisis has made consumers more sensitive to the price of deliveries. E-commerce sales are expected to grow, boosting demand for delivery services. Although customer satisfaction levels with delivery services are high overall, many customers have had problems such as parcels being lost or damaged. The biggest delivery companies, Yodel, DPD, Evri and Royal Mail, are focusing on developing their use of technology and automation services and on the reliability of their services. Most delivery companies are investing in automation and electric vehicles.



Source: Adapted from: <https://store.mintel.com/report/uk-courier>

### Extract B



Source: [https://www.shiply.com/articles/uk-package-volumes-statistics?srsId=AfmBOool9fqUFq\\_MGHmGQQs5WYdjv](https://www.shiply.com/articles/uk-package-volumes-statistics?srsId=AfmBOool9fqUFq_MGHmGQQs5WYdjv)

### Extract C

Research shows that over half of all customers would be willing to pay more for faster delivery times. 40% of consumers overall had used delivery services in the last year, with 60% of those (mostly older consumers) having made use of these services. Despite this, just 21% of retailers offer same-day delivery services. Reasons for this include cost, a lack of infrastructure, and low capacity utilisation. As demand for faster delivery times grows, retailers that take more than two days are increasingly losing customers. Many retailers are investing in automation and electric vehicles. The number of these services will continue to grow over the next five years.

Source: Adapted from: <https://retailtimes.co.uk/retailers-rapid-delivery-offerings-lagging>



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### Extract D

Workers for Evri feel under immense pressure to deliver parcels quickly. Some earn less than the minimum wage of £12.21 per hour. In some cases, they earn only £7 or less per hour paid for each item they deliver. The lowest fee paid is only 35p per item. In order to complete some deliveries, some Evri drivers trade tips on how to complete more deliveries faster, such as by knocking on the doors of houses. Drivers are required to use technology to prove that they have delivered parcels by taking photographs, but unhappy customers have reported that they have been delivered parcels in unrecognisable locations nowhere near their homes, such as on a street in a different town.

Source: Adapted from: <https://www.bbc.com/news/business-58111111>

### Extract E

Evri and DHL UK are planning to merge. The combined business will deliver nearly 2 billion parcels a year, similar volume to Royal Mail, which delivered 1.3 billion parcels in 2024. Evri focuses on faster deliveries of smaller items. DHL focuses on faster deliveries of larger and higher-value items. The merger has received clearance from the Competition and Markets Authority (CMA) and approval has not yet been given by the European Commission.

Source: Adapted from: <https://www.bbc.com/news/business-67411111>

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## Sources for use with SECTION B

Read extracts F–K before answering Questions 1–10.

### Extract F

The UK has signed a new trade deal with South Korea designed to increase exports of beer and Guinness canned from Britain. Trade between the two countries is already vibrant. South Korea will benefit from easier access to British goods and services, including pharmaceuticals, food and drink, and digital services. The agreement lowers the tariff on British goods from 55% to 25%, allowing manufacturers to source components more cheaply. It also opens opportunities for South Korean companies to compete in the UK and engage in e-contract business for the first time. Industry leaders have welcomed the deal, highlighting its potential to strengthen trade links and boost key sectors.

Source: Adapted from: <https://www.theguardian.com/business/2025/dec/15/uk-south-korea-trade-deal>

### Extract G

Soaring global demand for semiconductors driven by artificial intelligence has pushed exports to a record \$700 billion in 2025. This is an increase of 3.8% from the previous year. Memory chips for AI applications have particularly seen demand. December marked the highest monthly export figure on record, up 15% year-on-year. Major firms like Samsung Electronics and SK Hynix led the surge, with SK Hynix pledging to triple AI investment this year. Other key exports, including cars and electronics, have also hit record levels due to strong global demand. Exports to the USA and Europe remain strong, but overall growth demonstrates the resilience and global competitiveness of the semiconductor industry.

Source: Adapted from: <https://www.finance.yahoo.com/news/south-korean-firms-incl>

### Extract H

Hyundai Motor Group's decision to roll out humanoid robots across its factories in South Korea's growing economic competitiveness in advanced manufacturing and artificial intelligence. By integrating Atlas robots, developed by Boston Dynamics, Hyundai aims to raise productivity. The robots will reduce physical strain on workers and lower long-run unit labour costs. Innovation and automation are key drivers of efficiency and output quality. Hyundai's \$20 billion investment in AI manufacturing also demonstrates how multinational firms use foreign direct investment to stay competitive by locating production close to major markets. An immigration raid in the US highlights how political and institutional instability can threaten competitiveness and may lead to a loss of market share.

Source: Adapted from: <https://www.bbc.com/news/business-68123456>

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**Extract I**

South Korea’s working-time regulations illustrate how labour market institutions respond to fluctuations in demand while maintaining legal safeguards. Overtime of ordinary wages raise labour costs. This encourages firms to improve productivity and reduce excessive working hours. Special restrictions for new entrants reflect a focus on market inclusivity. At the same time exemption for managers and supervisors provides flexibility.

Source: Adapted from: <https://www.atlashxm.com/resources/navigating-south-korea>



**Extract J**

South Korea’s inflation performance highlights the role of macroeconomic stability and competitiveness. Consumer price growth slowed to 2.3% in December but remained above the central bank’s 2% target. Falling food and telecommunication costs suggest easing inflationary pressures for households and firms. This increased consumption. Stable core inflation points to inflation under control. However, the rising prices in the property market and rising house prices have led the Bank of Korea cautious about loosening monetary policy. They have concerns that this could undermine financial stability. External risks such as a weak won and reliance on exports could continue to create inflationary pressures that could raise business costs.

Source: Adapted from: <https://archive.is/20251230231733/https://www.bloomberg.com/news/articles/2025-12-30/korea-inflation-cools-even-as-property-prices-rise>

**Extract K**

**South Korea Key Economic Indicators**

	2022	2023	2024
Gross domestic product (GDP)	2.7	1.4	2.6
Private consumption	4.2	1.8	1.4
Gross fixed capital formation	-0.2	1.4	1.0
Exports	3.9	3.6	6.5
Imports	4.2	3.5	1.7
Unemployment rate (%)	2.9	2.7	2.9
Headline CPI inflation	5.1	3.6	2.3



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# ZigZag Practice Exam

Supporting Pearson Edexcel A Level in Economics

## Economics B Advanced

### Paper 3: The economic environment and business Practice Paper A

Name

#### Time allowed

2 hours

#### Instructions

Answer all questions.

#### Information

The total number of marks available for this paper is **100**. The number of marks available for each question is shown in brackets. Calculators may be used.

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## SECTION A

Read extracts A–E in the Source Booklet before answering the questions.

1.
  - a) Discuss **one** method of non-price competition used by delivery firms.
  - b) Assess the ability of delivery firms in the UK to charge premium prices.
  - c) Assess the ability of delivery firms in the UK to gain a competitive advantage over their rivals.
  - d) Evaluate the impact of a merger between Evri and DHL on competition in the UK delivery market.

## SECTION B

Read extracts F–K in the Source Booklet before answering the questions.

2.
  - a) Discuss **one** way in which the UK–South Korea trade deal could improve the competitiveness of South Korean exporters.
  - b) Assess the extent to which technological innovation has contributed to the competitiveness of South Korean exporters.
  - c) Assess the ability of South Korean firms to gain a competitive advantage over their rivals.
  - d) Evaluate the impact of government policy on South Korea's economic growth.

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## **Preview of Questions Ends Here**

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This is a limited inspection copy. Sample of questions ends here to avoid students previewing questions before they are set. See contents page for details of the rest of the resource.

## Practice Paper 3C

### 1a) Discuss one way Monzo's growth in customer numbers could affect competition in

- Monzo's rapid growth to over 14 million customers strengthens its market position, intensifying competition for traditional banks.
  - Extract D shows Monzo added around 2 million customers in six months, a chart highlights strong reach among 25–34-year-olds (over one in five).
  - A larger customer base gives Monzo greater bargaining power and visibility, forcing established banks to retain value by targeting digitally engaged customers.
- As deposits rise (48% growth to £10.3 billion in Extract A), Monzo gains access to product expansion, enabling it to compete more aggressively on loans, savings and mortgages.
  - Customers who hold current accounts are more likely to purchase additional mortgages or insurance, increasing Monzo's cross-selling opportunities and revenue streams.
- With scale, Monzo can exploit economies of scale, lowering average costs per customer through pricing or enhanced features.
  - This may allow Monzo to offer higher savings rates, lower fees or more attractive products, forcing traditional banks to respond by cutting margins or upgrading digital services.
- A growing customer base generates more user data, enabling Monzo to refine its automated savings challenges and budgeting tools.
  - Extract B's gamified savings features and Extract D's 70% monthly engaged users leverage digital innovation to deepen customer relationships.
  - Competitors may be forced to invest heavily in similar technologies, raising the cost of digital transformation.
- Expansion to around 800,000 business customers (Extract D) increases competition in SME finance.
  - This challenges traditional banks that dominate small business finance, particularly in pricing and service quality across the sector.
- High customer satisfaction (85% *Which?* score) strengthens Monzo's brand and word-of-mouth and reputation effects.
  - This forces rivals to invest in improving customer experience and digital engagement, particularly targeting younger demographics.

### 1b) Assess the competitive impact of Monzo's new savings challenge and product features on competitors

- The automated 1p savings challenge lowers barriers to saving and increases customer engagement, attracting new users and raising competitive pressure on rival digital banks.
  - By gamifying saving (Extract B), Monzo differentiates its app experience, forcing rivals to invest in automated or behavioural-finance tools to avoid losing customers, particularly among younger users.
- Enhanced product features and subscription benefits encourage customer retention and loyalty rather than just new account openings.
  - Extract D shows over 1 million customers now pay for premium plans, suggesting customer locking in users through value-added services such as budgeting and savings tools.
  - This increases switching costs, making it harder for rival digital banks to attract and retain customers.
- Innovative app-based services strengthen Monzo's unique selling proposition (USP) in an increasingly crowded digital banking market.
  - Features such as incremental saving and progress tracking differentiate Monzo from more standard current accounts, pushing rivals to improve service design and user experience.
- Paid savings features generate additional revenue streams, giving Monzo greater financial flexibility for marketing, technology and product development.
  - This creates a virtuous cycle. Higher income funds further innovation, widening the gap between Monzo and other digital banks with fewer resources.
- However, the competitive impact may be limited because rivals can replicate some features.
  - Digital banking features are not strongly protected by patents, meaning competitors can copy savings, reducing Monzo's long-term advantage.
  - Regulatory scrutiny and past compliance failures (Extract C) could constrain Monzo's ability to compete aggressively, giving competitors an opportunity to catch up.

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## **Preview of Answers Ends Here**

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This is a limited inspection copy. Sample of answers ends here to stop students looking up answers to their assessments. See contents page for details of the rest of the resource.