Surname	
Other Names	

Supporting AS Edexcel

Economics A

Quantitative Skills
Targeted Skills Test

For this paper you must have:
- A calculator

Time allowed
- 40 minutes

Instructions
- Use black ink or black ballpoint pen.
- Fill in the boxes at the top of this paper.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Answers written in margins or on blank pages will not be marked.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information
- The marks for questions are shown in brackets.
- The maximum mark for this paper is 36 marks.

Section	Mark
A	/11
B	/19
C	/6
Total	/36

Questions in this section are **multiple choice**.
Answer all questions. Only **one** answer per question is allowed.
For each answer **circle** the letter alongside the appropriate answer.
If you wish to change an answer then cross out the original answer with an X.

1. **John has a savings ratio of 0.14 and earns £8 per hour. How much of his h**

    a) 57p
    b) £6.60
    c) £1.12
    d) £1.78

2. **The number of unemployed ... ... Sandbourne rises from 34,120 to 35** **is this?**

    a) 4
    b) 4.
    c) 15.71%
    d) 7.03%

3. **Interest rates rise from 4% to 5.5%. What** *percentage change* **in interest r**

    a) 37.5%
    b) 1.50%
    c) 27.27%
    d) 15.00%

4. **What are the mean and median values for this set of numbers?**

6	4	5	7	3
21	2	1	3	1

    a) Mean = 4.5, Median = 6
    b) Mean = 6.4, Median = 4
    c) Mean = 5.8, Median = 5
    d) Mean = 6.4, Median = 4.5

5. **The price value of a basket of goods in 2010, the base year, is £5.30. In 201** **and in 2012 it costs £5.85. What is the index for**

    a) 104
    b) 110
    c) 111
    d) 1

6. **Incomes in an economy have risen by 5% and annual sales of musical thea** **14.7 million. What is the income elasticity of demand for musical theatre t** **affected demand)?**

    a) +1
    b) -1
    c) 5
    d) 0.5

7. The price of 750 g of salt in a supermarket rises from £0.28 to £0.35. The s[...] 2%. What is the price elasticity of demand for salt?

a) 0.08
b) 0.8
c) 12.5
d) 0.28

8. A supermarket has to increase the price of its orange juice following a pro[...] costs 65p more, an increase of 35%. However, the supermarket sees a 28% [...] What is the cross price elasticity of demand?

a) 0.43
b) 1.25
c) 0.8
d) -1.25

9. Steph[...]s 40% of her income in tax. She saves 10%, gives 5% to chari[...] Suppos[...] she has an annual salary of £60,000, how much does she spend [...]

a) £2,250
b) £27,000
c) £2,000
d) £4,250

10. Look at the following diagrams. Which shows the most elastic demand?
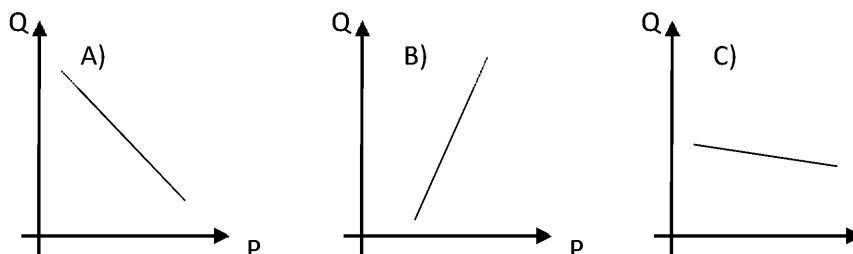
11. Following an increase in prices across the whole sector, the couple runnin[...] prices by 5%. They are willing to sell 60 more burritos a day at this price – [...] their price elasticity of supply (PES)?

a) 0.3
b) 1.6
c) 1.1
d) 3.1

Family	Household Income (£)
1	16,000
2	19,000
3	23,000
4	24,000
5	25,000
6	33,000
	35,000
8	47,000
9	55,000
10	78,000

1. The table above shows the household income for 10 families.

   a) Family 1 has a savings ratio of 0.09 and Family 2 has a savings ratio of 0.2 savings as a percentage of Family 2's annual savings.

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   b) What is the median household income?

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   c) The mean household income is £35,500. Suppose that this figure rises by What is the new value?

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d) If the rise was 2 *percentage points* higher, what would the new value be?

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2. **a)** Fill in the table below:

Year	Goods			Price
	Good	Price	Weight	
2010	Good A	£1.00	0.25	£
	Good B	£2.00	0.15	
	Good C	£3.00	0.2	
	Good D	£4.00	0.4	
2011	Good A	£1.10	0.25	
	Good B	£2.00	0.15	
	Good C	£3.20	0.2	
	Good D	£4.50	0.4	
2012	Good A	£1.10	0.25	
	Good B	£2.05	0.15	
	Good C	£3.25	0.2	
	Good D	£4.45	0.4	
2013	Good A	£1.10	0.25	
	Good B	£2.00	0.15	
	Good C	£3.40	0.2	
	Good D	4.45	0.4	

b) Which year was the most expensive to live in?

....

3. Historically, Japan has struggled with very low inflation – and sometimes ev

    Imagine a Japanese firm sees its total revenue rise from 350 million yen to 3
    2015. What percentage increase is this in nominal terms?
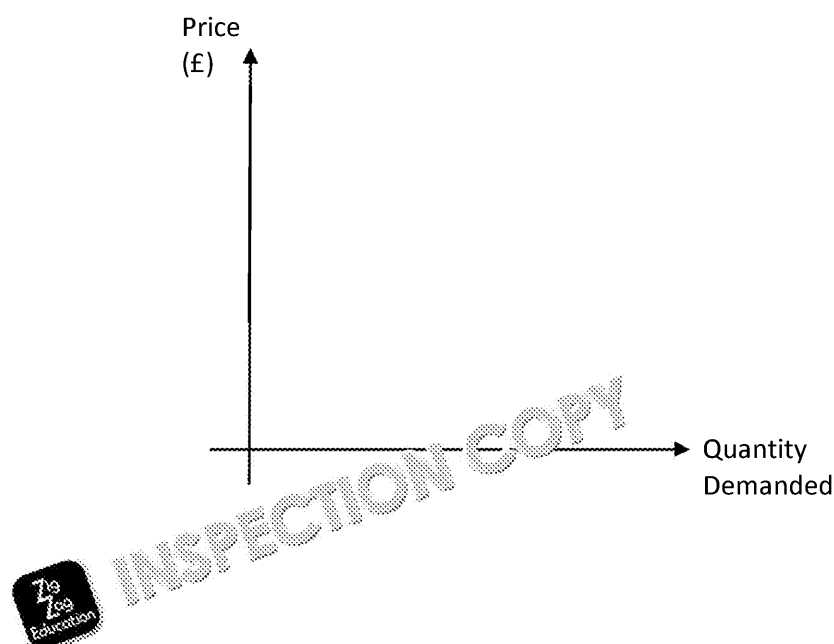
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4. **a)** A f......... c....... ..op has to increase the price of its chips after blight affe
    con.......ps rises from £1.20 to £1.40. The shop sees sales fall by 12%. \
    demand?

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    b) Sketch the demand for chips with respect to price on the graph below:

    Price
    (£)

    Quantity
    Demanded

The same shop sells various types of fish. Suppose that fishermen are catching ~~overfishing~~ in the 1980s. This pushes wholesale prices down and the fish and ch~~15%~~ more cheaply. However, it sees demand for battered haddock (which doe~~s~~

c) What is the cross price elasticity of demand for haddock with respect to between cod prices and demand for haddock on the chart below.

Q_haddock
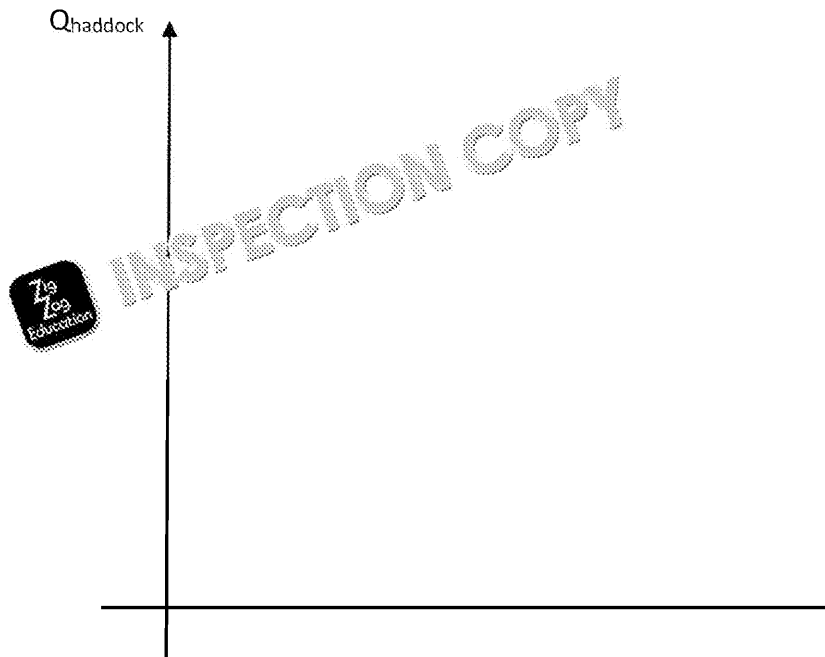
This section is based on the following information:

Graph 1

UK Supermarkets' market share

Lidl	3.70%
Waitrose	5.10%
Aldi	5.30%
The Co-op	6.00%
Morrisons	10.90%
Sainsbury'	16.40%
Asda	17.10%
Tesco	

0%   5%   10%   15%   20%   25%

Extract 1

Despite challenging economic conditions the two main discount supermarkets in
share increase this year. Aldi experienced growth of over 30% which resulted in it
the UK to date. It currently stands at 4.6%. Lidl also expanded successfully and nc

Premium supermarkets also managed to expand with Waitrose slightly increasin
main losers were the 'big four' of Tesco, Asda, Sainsbury's and Morrisons which c

Graph 2

Average Weekly Earnings deflated by RPI
% change on same quarter a year previously
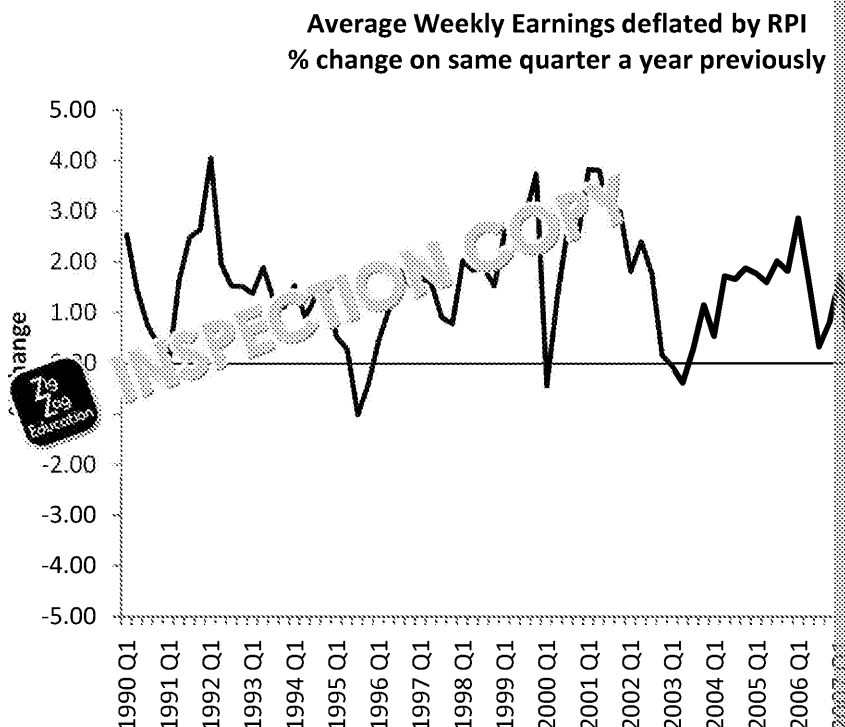
1. Identify key features of the data in graph 2.

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2. Extract 1 suggests that discount supermarkets have increased their market
   discuss why this might be the case.

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