

**Economics**  
**Standard level**  
**Paper 1**

Monday 9 May 2022 (afternoon)

1 hour 15 minutes

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**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) Governments intervene in markets to support firms and to promote equity. Explain **one** policy that could be used to support firms **and one** policy that could be used to promote equity. [10]
- (b) Using real-world examples, evaluate the effects for stakeholders of a government imposing an indirect tax on a particular good. [15]
2. (a) Explain how the use of supply-side policies might encourage greater domestic competition **and** improve the international competitiveness of a country. [10]
- (b) Using real-world examples, evaluate the view that the use of interventionist supply-side policies is the most effective way of reducing a country's rate of unemployment. [15]
3. (a) Explain how political and social factors can act as barriers to economic growth **and** economic development. [10]
- (b) Using real-world examples, discuss the significance of economic barriers for a country's economic growth **and** economic development. [15]

1a) support firm subsidies quota  
monetary policy

- ~~taxes~~ price floor / price ceiling

