

SECTION A (100 marks)

Answer six of the nine short response type questions in the spaces provided.

1. State three factors that determine the efficiency of labour:

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_

(16 marks)

2. "It is estimated that the 'Black Economy' costs the Irish Economy over €1 billion per month". (Irish Small and Medium Enterprises (ISME), August 2007).

Explain the underlined term and state one method by which the government could discourage this activity.

Explanation: \_\_\_\_\_

Method: \_\_\_\_\_

(16 marks)

3. A firm manufacturing 100 school desks weekly has the following total costs of production: Labour €2,000 (hired weekly); Raw Materials €3,500; Normal Profit €1,500; Rent €3,000. What is the minimum price per school desk this firm could charge in the short run? Explain your answer. (Show all your workings).

<p>Workings:</p>          
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Minimum Price: \_\_\_\_\_

Explanation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(16 marks)

4. Define economic development. State two policies by which governments in less developed countries (LDCs) might promote economic development.

Definition: \_\_\_\_\_

Policy (i): \_\_\_\_\_

Policy (ii): \_\_\_\_\_

(16 marks)

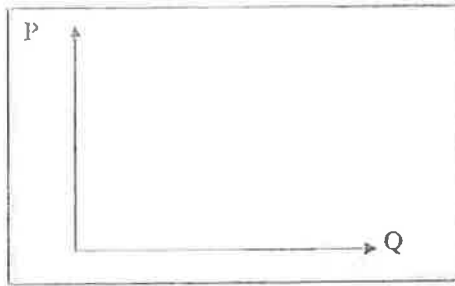
5. Define a Free Enterprise economic system and state one economic advantage of this system.

Definition: \_\_\_\_\_

Advantage: \_\_\_\_\_

(16 marks)

6. China will host the Beijing Olympic Games in August 2008 and 7 million tickets are available for the event. On the diagram below draw the supply curve for tickets and explain the reason for its shape.



**Explanation:**

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(17 marks)

7. 'Ireland's current account in the Balance of Payments is in deficit'. Explain the meaning of this statement and state two reasons why this situation exists.

**Explanation:** \_\_\_\_\_

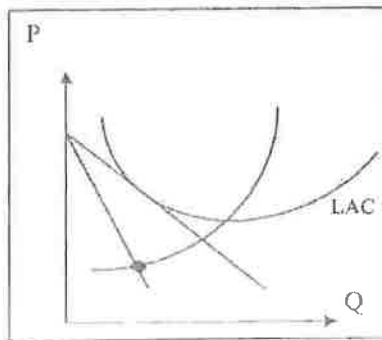
**Reasons:**

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(17 marks)

8. The diagram below represents the long run equilibrium of a firm in imperfect competition, which seeks to maximise profits. Label the diagram and use it to describe the long run equilibrium position for a firm in Imperfect Competition.



**Description:**

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

(17 marks)

9. Oil prices rose steadily during the last year. State two economic reasons for this development. State one social cost and one social benefit of the rising prices.

**Reasons:**

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

**Social Cost:** \_\_\_\_\_

**Social Benefit:** \_\_\_\_\_

(17 marks)

*Remember to return this question paper with the answer book(s) used to answer the questions in Section B.*

2007

**SECTION A (100 Marks)**

Answer six of the nine short response type questions in the spaces provided.

1. State **FOUR** possible economic effects of rising price inflation on the Irish economy.

- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
  - (iv) \_\_\_\_\_
- (16 marks)

2. State **THREE** assumptions underlying the Law of Comparative Advantage.

- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
- (16 marks)

3. Consumers buy 50 units of a product when the price is €1.50. When the price is reduced to €1 consumers buy 90 units. Using an appropriate formula, calculate the consumers' price elasticity of demand. Show your workings and explain your answer.

Workings
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Explanation:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(16 marks)

4. Firms attempting to enter a **monopoly** market must overcome barriers to entry. Outline **THREE** such barriers to entry.

- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
- (16 marks)

5. Outline **THREE** functions/responsibilities of the European Central Bank (ECB).

- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
- (16 marks)

6. Outline **TWO** circumstances under which a factor of production can earn **Economic Rent**.

(i) \_\_\_\_\_

\_\_\_\_\_

(ii) \_\_\_\_\_

\_\_\_\_\_

(17 marks)

7. 'An Irish banking group owns thirty branch offices. There is no opportunity cost to the banking group using these offices as they are fully owned'. **True / False.**

Circle your choice and give a one sentence explanation of your answer.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(17 marks)

8. Define **Social Costs**. State **TWO** significant examples currently facing the Irish economy.

**Definition:** \_\_\_\_\_

\_\_\_\_\_

**Example 1:** \_\_\_\_\_

**Example 2:** \_\_\_\_\_

(17 marks)

9. Energy costs (e.g. electricity) increased significantly in Ireland during 2006. Outline **TWO** economic reasons for the increase **and** **TWO** economic consequences of this specific development for the Irish economy.

**Reasons:**

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

**Consequences:**

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(17 marks)

**Remember to return this question paper with the answer book(s) used to answer the questions in Section B.**

2006.

**SECTION A (100 Marks)**

Answer six of the nine short response type questions in the spaces provided.

1. State **THREE** economic uses for a census of population in Ireland.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_

(16 marks)

2. State three reasons why profits are important in a **market economy**.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_

(16 marks)

3. A firm wishes to attract more labour. In order to increase its labour force from 5 to 6 employees, the firm must increase the weekly wage rate from €400 to €440 per employee. Calculate the firm's **marginal cost of labour**. Show your workings.

**Answer:**

<b>Workings</b>
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\_\_\_\_\_

(16 marks)

4. Define **economic development**. State **TWO** policies by which governments of developed countries could promote economic development in less developed countries (LDCs).

**Definition:** \_\_\_\_\_  
\_\_\_\_\_

**Policy (i):** \_\_\_\_\_

**Policy (ii):** \_\_\_\_\_

(16 marks)

5. Define **internal economies of scale**. State **TWO** examples.

**Definition:** \_\_\_\_\_  
\_\_\_\_\_

**Example (i):** \_\_\_\_\_

**Example (ii):** \_\_\_\_\_

(16 marks)

6. In equilibrium a consumer buys 8 bars of chocolate at €1.00 each and 12 sandwiches at €4.00 each. The marginal utility of the eighth bar of chocolate is 10 utils. Using the Equi-Marginal Principle of Consumer Behaviour calculate the marginal utility of the twelfth sandwich.

Show all your workings.

<b>Workings</b>
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**Answer:**

\_\_\_\_\_

(17 marks)

7. Define **price discrimination**. State **TWO** conditions under which it would be possible for a firm to price discriminate.

**Definition:** \_\_\_\_\_

\_\_\_\_\_

**Condition (i):** \_\_\_\_\_

**Condition (ii):** \_\_\_\_\_

(17 marks)

8. State **TWO** functions of the **Irish National Treasury Management Agency**:

**Function 1:** \_\_\_\_\_

**Function 2:** \_\_\_\_\_

(17 marks)

9. Savers who have **SSIAs** (Special Savings Investment Accounts) are being subsidised by the Irish government through the receipt of additional bonus payments.

Outline **TWO** economic advantages and **TWO** economic disadvantages of this scheme for the Irish economy.

**Advantages:**

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

**Disadvantages:**

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(17 marks)

*Remember to return this question paper with the answer book(s) used to answer the questions in Section B.*

2005

**SECTION A (100 Marks)**

Answer six of the **nine** short response type questions in the spaces provided.

1. Explain the concept **Opportunity Cost**. Why is the concept central to the study of Economics?

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2. Outline **THREE** reasons for the survival of small firms in the Irish economy, even though they do not have the benefits of economies of scale. (16 marks)

(i)

(ii)

(iii)

3. Explain what is meant by **Consumer Surplus**. (16 marks)

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4. A consumer in equilibrium buys 10 cups of coffee at €2 each and 10 phone cards at €6 each. The marginal utility of the cups of coffee is 5 utils. What is the marginal utility of phone cards? **Show your workings.** (16 marks)

Workings
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Answer: \_\_\_\_\_

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5. Explain what is meant by the term **Public Sector Borrowing Requirement**. (16 marks)

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6. For a composite (weighted) price index covering the three types of expenditure given in the following table, calculate the price index for the current year. The base value is 100. Show your workings.

Category	% income spent on item(s)	Prices of item(s) base year	Prices of item(s) current year	Calculation of Simple Price Index	Weight	Result
		€	€			
Food	30%	10.00	11.50			
Clothing & Footwear	20%	40.00	36.00			
Other Items	50%	20.00	22.00			
	100%			<b>Price Index for the Current Year</b>	→	

(17 marks)

7. "When a firm produces at a level of output at which marginal cost is greater than marginal revenue the firm is maximising profit (or minimising losses)". **True/False**  
(Place a circle around your choice and write a one-sentence explanation of your answer).

\_\_\_\_\_

\_\_\_\_\_

(17 marks)

8. Outline **THREE** key ideas, which John Maynard Keynes contributed to economic thought.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(17 marks)

9. Given that Gross National Product at Current Market Prices is €180 million; Price Subsidies €4 million; Depreciation €15 million; Indirect Taxes €25million; complete the following calculations. Show your workings

(i) Gross National Product at Factor Cost \_\_\_\_\_ = € \_\_\_\_\_

(ii) Net National Product at Factor Cost/National Income \_\_\_\_\_ = € \_\_\_\_\_

(17 marks)

Remember to return this question paper with the answer book(s) used to answer the questions in Section B.



2004

**SECTION A (100 Marks)**

Answer six of the nine short response type questions in the spaces provided.

1. Outline **FOUR** factors that affect the supply of a good, other than the price of the good itself.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

(16 marks)

2. Define the 'Black Economy' (also referred to as the 'Underground Economy') and state ONE example to support your definition.

\_\_\_\_\_  
\_\_\_\_\_

Example: \_\_\_\_\_ (16 marks)

3. Name the economist primarily associated with the following economic concepts:

- (i) **Iron Law of Wages :** \_\_\_\_\_
- (ii) **Law of Comparative Advantage:** \_\_\_\_\_
- (iii) **Laissez Faire :** \_\_\_\_\_
- (iv) **Liquidity Preference Theory:** \_\_\_\_\_

(16 marks)

4. Identify **FOUR** features of an oligopolistic market.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

(16 marks)

5. State **THREE** limitations on the power of banks to create credit.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_

(16 marks)

6. Define the Law of Diminishing Marginal Utility and state TWO assumptions underlying the law.

Definition: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Assumption (i): \_\_\_\_\_

Assumption (ii): \_\_\_\_\_

(17 marks)

7. Outline TWO private benefits and TWO social benefits of the possible decline in the consumption of tobacco products, which is being promoted by government policies.

Private benefits:

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

Social benefits:

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(17 marks)

8. "There is no opportunity cost to a firm in using an asset which it already owns". True / False.  
(Place a circle around your choice and give a one sentence explanation of your answer.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(17 marks)

9. State FOUR reasons why different categories of workers are paid at different wage rates.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

(17 marks)

*Remember to return this question paper with the answer book(s) used to answer the questions in Section B.*

2003.

**SECTION A (100 Marks)**

Answer six of the nine short response type questions in the spaces provided.

1. Define regressive tax and state **TWO** examples of this type of tax.

**Definition:** \_\_\_\_\_  
\_\_\_\_\_

**Example 1:** \_\_\_\_\_

**Example 2:** \_\_\_\_\_

(16 marks)

2. State **FOUR** economic aims of government.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

(16 marks)

3. Define Monetary Policy. State **TWO** measures by which the European Central Bank implements monetary policy within the euro-zone countries.

**Definition:** \_\_\_\_\_  
\_\_\_\_\_

**Measure 1:** \_\_\_\_\_

**Measure 2:** \_\_\_\_\_

(16 marks)

4. Define the term 'Balance of Payments on Capital Account'. State **TWO** examples of items which may appear in it.

**Definition:** \_\_\_\_\_  
\_\_\_\_\_

**Example 1:** \_\_\_\_\_

**Example 2:** \_\_\_\_\_

(16 marks)

5. State **THREE** economic reasons why entrepreneurs are important to the development of an economy.

(i) \_\_\_\_\_

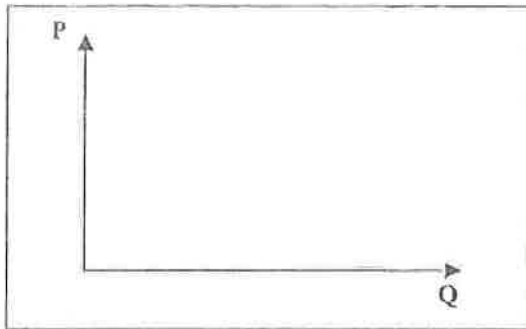
(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(16 marks)

6. Using the diagram, explain how higher consumers' incomes (other factors unchanged) may affect the demand curve for mobile phones in Ireland.

Diagram



Explanation

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(17 marks)

7. State **FOUR** economic assumptions used for analysing consumer behaviour.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

(17 marks)

8. Define social benefits and state **TWO** examples of social benefits which may arise from the Irish Government's payment of student fees for most third level colleges in Ireland.

**Definition:** \_\_\_\_\_

\_\_\_\_\_

**Example 1:** \_\_\_\_\_

**Example 2:** \_\_\_\_\_

(17 marks)

9. A firm wishes to attract more labour. In order to increase its labour force from 7 to 8 employees, the firm must increase the weekly wage rate from €250 to €300 per worker. Calculate the firm's **marginal cost of labour**. Show your workings.

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(17 marks)

*Remember to return this question paper with the answer book(s) used to answer the questions in Section B.*

2002

**SECTION A (100 Marks)**

Answer six of the nine short response type questions in the spaces provided.

1. Define economic development. State TWO policies by which governments in less developed countries (LDCs) might promote economic development.

Definition: \_\_\_\_\_  
\_\_\_\_\_

Policy 1: \_\_\_\_\_

Policy 2: \_\_\_\_\_

(16 marks)

2. Outline FOUR steps involved in calculating a Composite Price Index.

Step 1: \_\_\_\_\_

Step 2: \_\_\_\_\_

Step 3: \_\_\_\_\_

Step 4: \_\_\_\_\_

(16 marks)

3. Define occupational mobility of labour. Outline TWO factors which influence it.

Definition: \_\_\_\_\_  
\_\_\_\_\_

Factor 1: \_\_\_\_\_

Factor 2: \_\_\_\_\_

(16 marks)

4. Outline THREE key ideas which John Maynard Keynes contributed to economic thought.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(16 marks)

5. Outline TWO benefits to consumers of non-price competition.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(16 marks)

6. Distinguish between tax avoidance and tax evasion.

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(17 marks)

7. (a) State the Law of Diminishing Marginal Returns.

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The table below illustrates the Law of Diminishing Marginal Returns.

<b>Number of persons employed</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Total output (in units)</b>	<b>12</b>	<b>27</b>	<b>47</b>	<b>63</b>	<b>73</b>
<b>Marginal Output (in units)</b>	<b>12</b>				

(b) Complete the table above and state the point after which diminishing returns set in.

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(17 marks)

8. From the table below, calculate (i) and (ii), showing all your workings.

<b>Period</b>	<b>National Income</b>	<b>Consumption</b>	<b>Investment</b>	<b>Exports</b>	<b>Imports</b>
<b>1</b>	<b>€4,200</b>	<b>€3,750</b>	<b>€400</b>	<b>€600</b>	<b>€550</b>
<b>2</b>	<b>€4,600</b>	<b>€4,050</b>	<b>€500</b>	<b>€700</b>	<b>€650</b>

(i) The Marginal Propensity to Consume.

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(ii) The size of the Multiplier.

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(17 marks)

9. Explain why GNP rather than GDP (both at Market Prices) is generally regarded as a better measure of average standard of living in Ireland.

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(17 marks)

*Remember to return this question paper with the answer book(s) used to answer the questions in Section B.*

2001

Answer any six of the following:

1. What is meant by the concept 'consumer surplus'?

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.....  
.....

(16 marks)

2. State TWO non-insurable risks which entrepreneurs face.

(i) .....

(ii) .....

(16 marks)

3. Define SOCIAL COSTS. Give TWO examples.

.....  
.....

Example (i) .....

Example (ii) .....

(16 marks)

4. State THREE economic benefits of economic development to the citizens of underdeveloped countries.

(i) .....

(ii) .....

(iii) .....

(16 marks)

5. Identify TWO means by which some state companies which are monopolies could be made operate more cost effectively.

(i) .....

(ii) .....

(16 marks)

6. With the aid of a clearly labelled diagram, explain the relationship between the **average** and **marginal** costs.

Diagram	Explanation
<div style="border: 1px solid black; width: 280px; height: 140px; margin: 0 auto;"></div>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p style="text-align: right;">(17 marks)</p>

7. State **THREE** roles of profits in a market economy.

- (i) .....
  - (ii) .....
  - (iii) .....
- (17 marks)

8. State **THREE** contributions made to economic thought by the **Monetarist** economists.

- (i) .....
  - (ii) .....
  - (iii) .....
- (17 marks)

9. A country is said to be **overpopulated** in the economic sense when

.....

.....

.....

(17 marks)