Pearson Edexcel International Advanced Level

Thursday 7 May 2026

Afternoon (Time: 1 hour 45 minutes)

Paper reference **WEC11/01A**

Economics

International Advanced Subsidiary
UNIT 1: Markets in action
Question Paper

You must have:
Source Booklet and Answer Book (sent separately)
Do not return this Question Paper with the Answer Book

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SECTION A

Answer ALL questions in this section in the Answer Book.

1 Which **one** of the following is an example of government failure?

A A steel manufacturer leaving the market when responding to a decrease in price

B The external costs associated with pollution of a river caused by chemicals from a factory

C Non-provision of public goods, such as streetlights and sea flood defences

D Unintended consequences, such as smuggling, following an increase in tax on luxury goods

(Total for Question 1 = 1 mark)

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2 In 2025 the Government of Colombia increased the tax on ultra-processed foods that are high in either salt, sugar or fat from 10% to 20%.

Which **one** of the following is the most likely result of this increase in tax?

A There will be a parallel shift in the supply curve

B There will be a pivot to the left of the supply curve

C The price of ultra-processed foods will decrease

D The supply of ultra-processed foods will increase

(Total for Question 2 = 1 mark)

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3 In 2021 the Government of Cuba allowed individuals to set up their own businesses for the first time. By 2024 these businesses employed 1.6 million people.

Which **one** of the following best describes a mixed economy?

A Where all resources are allocated by the price mechanism

B Where the government allocates all resources

C Where the government and the price mechanism allocate resources

D Where resources for public goods are allocated by the price mechanism

(Total for Question 3 = 1 mark)

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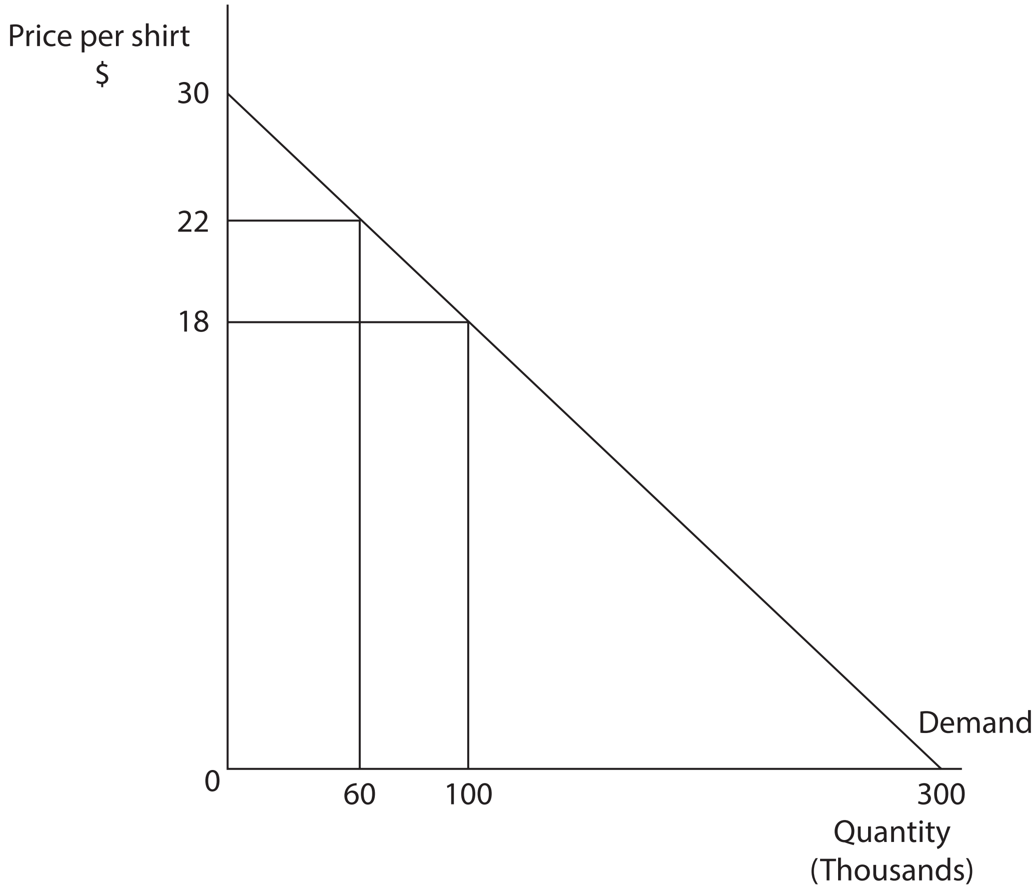
4 The diagram shows the market for shirts.



The price of a shirt was originally \$22. If the price is decreased to \$18, which **one** of the following can be deduced from the diagram?

A Total revenue would increase by \$480 000

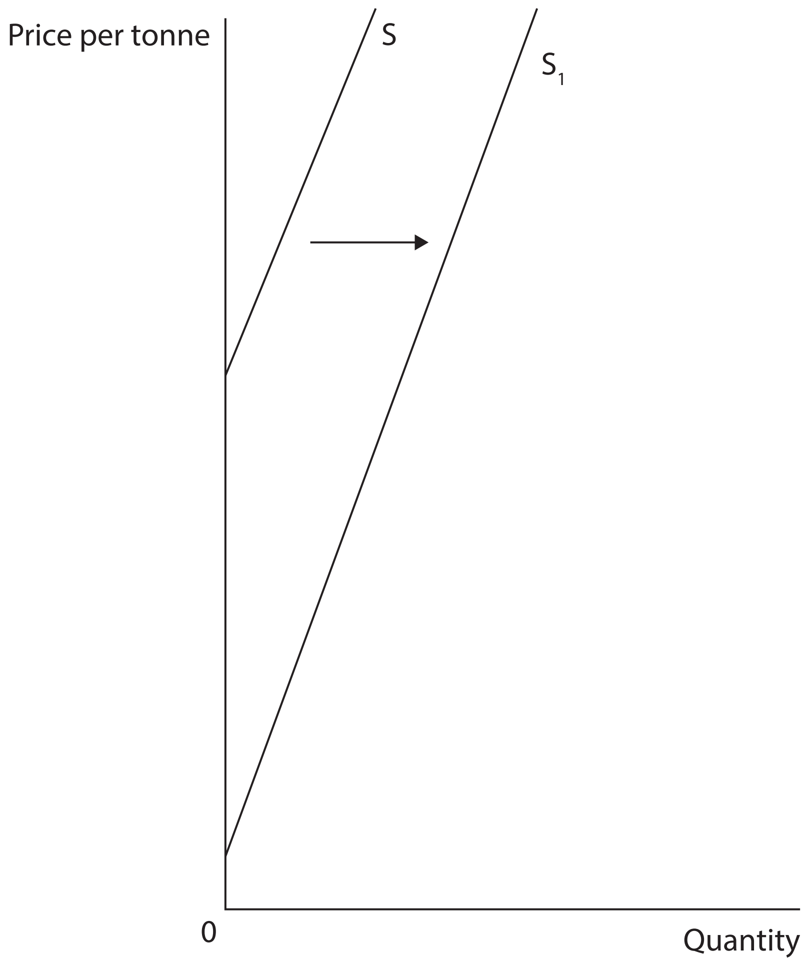
B Total revenue would decrease by \$480 000

C Total revenue before the price change was \$1 800 000

D Total revenue after the price change was \$1 320 000

(Total for Question 4 = 1 mark)

5 The diagram shows the supply of oranges in Spain.



Which **one** of the following is most likely to have caused this shift in supply?

A The introduction of an indirect tax on oranges

B The introduction of new harvesting technology for oranges

C The removal of a government subsidy for oranges

D The removal of orange trees following a natural disaster

(Total for Question 5 = 1 mark)

6 The table shows the estimated price elasticity of demand for selected foods.

Food type	Price elasticity of demand
Bakery items	–0.9
Biscuits	–0.7
Dairy	–0.6
Frozen ready meals	–1.2

Ceteris paribus, which **one** of the following can be deduced from this information?

A The demand for bakery items is relatively price elastic

B Biscuits are an inferior good

C A 5% increase in the price of dairy products will result in a 3% increase in the quantity demanded

D A 5% increase in the price of frozen ready meals will result in a 6% decrease in the quantity demanded

(Total for Question 6 = 1 mark)

TOTAL FOR SECTION A = 6 MARKS

SECTION B

Answer ALL questions in this section in the spaces provided in the Answer Book.

7 Between quarter 4 of 2024 and quarter 1 of 2025 the unemployment rate in South Africa increased from 31.9% to 32.9%.

Draw a production possibility frontier diagram to illustrate the likely impact of this increase in the unemployment rate on production.

Include an arrow in your diagram to show the impact of this change on production.

(Total for Question 7 = 4 marks)

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8 Between 2015 and 2020 the average real price of a house increased by 30% in Paris. However, by 2024 the average real price of a house in Paris decreased by 20%.

Explain **one** impact of a housing market bubble on consumers.

(Total for Question 8 = 4 marks)

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9 $531bn of new equity was sold globally in 2024. In the same year global savings were 22% of global GDP.

With reference to this information, explain the difference between the market for equities and the market for savings.

(Total for Question 9 = 4 marks)

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10 The table shows the average monthly income and total concert tickets sold in the USA in 2019 and 2024.

	Average monthly income	**Total concert tickets sold**
2019	$3 980	116.2m
2024	$5 040	145.8m

Ceteris paribus, calculate the income elasticity of demand for concert tickets in the USA. Show your workings.

(Total for Question 10 = 4 marks)

11 Between July 2024 and July 2025 there were above average sugar harvests in Brazil and India, two of the world's largest producers. This resulted in a decrease in the global price of sugar.

Explain the likely impact on consumer surplus of these above average sugar harvests.

Illustrate your answer with a supply and demand diagram.

(Total for Question 11 = 4 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

Study Figure 1 and Extracts A, B and C in the Source Booklet before answering Question 12.

Write your answers in the spaces provided in the Answer Book.

12 (a) Define the term 'renewable resources.' (Extract A, Line 5)

(2)

(b) With reference to Figure 1 and the first two paragraphs of Extract A, analyse **two** factors that caused the average global price of copper to increase between January 2024 and June 2025.

Illustrate your answer with a supply and demand diagram.

(6)

(c) With reference to the third and fourth paragraphs of Extract A, explain the difference between price inelastic supply and price elastic supply.

(4)

(d) With reference to Extract B and your own knowledge, examine **one** private benefit and **one** external benefit of running an electric vehicle.

(8)

(e) With reference to Extract C and your own knowledge, discuss **two** government policies that could be used to encourage electricity generation using solar energy.

(14)

(Total for Question 12 = 34 marks)

TOTAL FOR SECTION C = 34 MARKS

SECTION D

Answer ONE question from this section.

Write your answer in the space provided in the Answer Book.

EITHER

13 Research by the Central Bank of Ireland found that consumers in Ireland lost €800m of interest in 2024 by not switching their savings from easy-access accounts to higher-interest accounts.

Evaluate the reasons why some consumers do **not** switch their savings to higher-interest accounts.

(Total for Question 13 = 20 marks)

OR

14 The table shows the percentage of total government expenditure that was spent on healthcare and education in selected countries in 2024.

Country	Healthcare spending	Education spending
South Korea	15%	13%
Greece	11%	7%
USA	26%	14%

Evaluate reasons why governments provide healthcare and education.

(Total for Question 14 = 20 marks)

TOTAL FOR SECTION D = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

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Sources for use with Section C

Copper, electric cars and solar power

Figure 1 Global price of copper, dollars per lb (pound), July 2022 to June 2025

Extract A The global market for copper

Between January 2024 and June 2025 the global price of copper increased as more copper was required for the production of goods in various industries. Between 2005 and 2024 member countries of the European Union (EU) increased electricity produced using renewable resources from 10% to 47%. The EU has set a target of 55% for the production of electricity using renewable resources by 2030. EU countries continue to install more wind turbines and solar panels in order to move towards this target. The manufacture of these products requires significant amounts of copper.

Globally, sales of electric vehicles were expected to increase by 25% to 22 million between January 2024 and June 2025. Each electric vehicle contains, on average, 83 kg of copper.

56% of global copper production is sourced from just 5 countries: Chile, Australia, Peru, the Democratic Republic of the Congo and the Russian Federation. The quality of some of the copper is declining. The development of a new copper mine can take up to 25 years.

With difficulties in obtaining copper, there has been a rapid rise in the market for recycled copper. This is now providing 20% of the supply in the market.

Extract B Electric vehicles

Buying an electric vehicle can initially cost more than buying a petrol or diesel vehicle. However, running an electric vehicle can be much cheaper. For example, in the UK, it costs, on average, £0.12 per mile to fuel a petrol vehicle. However, it costs just £0.06 per mile to run an electric vehicle. Servicing costs are, on average, £174 per year for a petrol vehicle. However, they are only, on average, £143 per year for an electric vehicle.

According to a recent report, switching to 100% electric vehicles would save 110 000 lives in the United States alone. The improvement in air quality would significantly reduce the number of people dying from pollution-related illnesses. The same report stated that 2.7 million asthma attacks could be avoided.

Electric vehicles emit 66% less carbon dioxide compared to vehicles running on petrol.

Extract C Global generation of solar power

Between 2021 and 2024 the generation of electricity using solar energy doubled. In 2024 there was a 29% growth in the use of solar energy to generate electricity. This growth was faster than that of any other source of electricity. Replacing fossil fuels with solar energy saves between 0.5 and 1 tonne of carbon dioxide emissions per megawatt hour of electricity produced. The cost to produce energy using solar power decreased by 85% between 2009 and 2020.

Acknowledgements

Figure 1 adapted from:

https://tradingeconomics.com/commodity/copper

Extract A adapted from:

https://www.eea.europa.eu/en/analysis/indicators/share-of-energy-consumption-from

https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20250319-1

https://www.energymonitor.ai/power/live-eu-electricity-generation-map/?cf-view

https://about.bnef.com/insights/clean-transport/global-electric-vehicle-sales-set-for-record-breaking-year-even-as-us-market-slows-sharply-bloombergnef-finds/

https://unctad.org/news/copper-supply-crunch-threatens-energy-and-digital-transitions

Extract B adapted from:

https://freepricecompare.com/car-insurance/guides/electric-vs-petrol-car-cost-comparison/

https://powerni.co.uk/help/energy-guides/electric-car-benefits/

Extract C adapted from:

https://ember-energy.org/latest-insights/global-electricity-review-2025/

https://www.sunollo.com/blog/the-rise-of-solar-energy---a-global-perspective

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

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You must have:
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Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **ALL** questions in Sections A, B and C.
- Answer **ONE** question in Section D.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Check your answers if you have time at the end.

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SECTION A

Answer ALL questions in this section.

Questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

Question 1

☐ **A**

☐ **B**

☐ **C**

☐ **D**

(Total for Question 1 = 1 mark)

Question 2

☐ **A**

☐ **B**

☐ **C**

☐ **D**

(Total for Question 2 = 1 mark)

Question 3

☐ **A**

☐ **B**

☐ **C**

☐ **D**

(Total for Question 3 = 1 mark)

Question 4

☐ **A**

☐ **B**

☐ **C**

☐ **D**

(Total for Question 4 = 1 mark)

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Question 5

☒ **A**

☒ **B**

☒ **C**

☒ **D**

(Total for Question 5 = 1 mark)

Question 6

☒ **A**

☒ **B**

☒ **C**

☒ **D**

(Total for Question 6 = 1 mark)

TOTAL FOR SECTION A = 6 MARKS

SECTION B

Answer ALL questions in this section in the spaces provided.

Question 7

Write the answer to Question 7 in the space provided.

(Total for Question 7 = 4 marks)

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Question 8

Write the answer to Question 8 in the space provided.

(Total for Question 8 = 4 marks)

Question 9

Write the answer to Question 9 in the space provided.

(Total for Question 9 = 4 marks)

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Question 10

Write the answer to Question 10 in the space provided.

(Total for Question 10 = 4 marks)

Question 11

Write the answer to Question 11 in the space provided.

(Total for Question 11 = 4 marks)

TOTAL FOR SECTION B = 20 MARKS

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SECTION C

Study Figure 1 and Extracts A, B and C in the Source Booklet before answering Question 12.

Write your answers in the spaces provided.

Question 12

Write the answer to Question 12(a) in the space provided.

(2)

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Write the answer to Question 12(b) on the two pages provided.

(6)

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Question 12(b) continued

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Write the answer to Question 12(c) in the space provided.

(4)

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Write the answer to Question 12(d) on the two pages provided.

(8)

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Question 12(d) continued

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Write the answer to Question 12(e) on the three pages provided.

(14)

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Question 12(e) continued

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Question 12(e) continued

(Total for Question 12 = 34 marks)

TOTAL FOR SECTION C = 34 MARKS

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SECTION D

Answer ONE question from this section.

Write your answer on the five pages provided.

Indicate which question you are answering by marking a cross in the box ☒. If you change your mind, put a line through the box ☒ and then indicate your new question with a cross ☒.

Chosen question number: **Question 13** ☒ **Question 14** ☒

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Section D continued

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Section D continued

TOTAL FOR SECTION D = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

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