

Pearson Edexcel International Advanced Level

Friday 10 October 2025

Morning (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 Booklet

Turn over ►

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SECTION A

Answer ALL questions in this section in the Answer Booklet.

- 1** Which **one** of the following combinations best describes the basic economic problem?

	Wants	Resources
A	Unlimited	Infinite
B	Unlimited	Finite
C	Finite	Infinite
D	Finite	Finite

(Total for Question 1 = 1 mark)

- 2** Which **one** of the following is an external benefit when children receive the measles vaccination?

- A** The manufacturer of the measles vaccine gains more revenue from selling the vaccine
- B** Children who are vaccinated against measles will be protected from getting measles
- C** Children around those vaccinated against measles will be less likely to get measles
- D** The manufacturer of the measles vaccine must pay the cost of producing the vaccine

(Total for Question 2 = 1 mark)

3 The chart shows the price elasticity of demand for selected products.

Product	Price elasticity of demand
Luxury cars	-2.5
Bread	-0.3
Smartphones	-1.0
Electricity	-0.7

For which **one** of the following products is demand the most price inelastic?

- A Luxury cars
- B Bread
- C Smartphones
- D Electricity

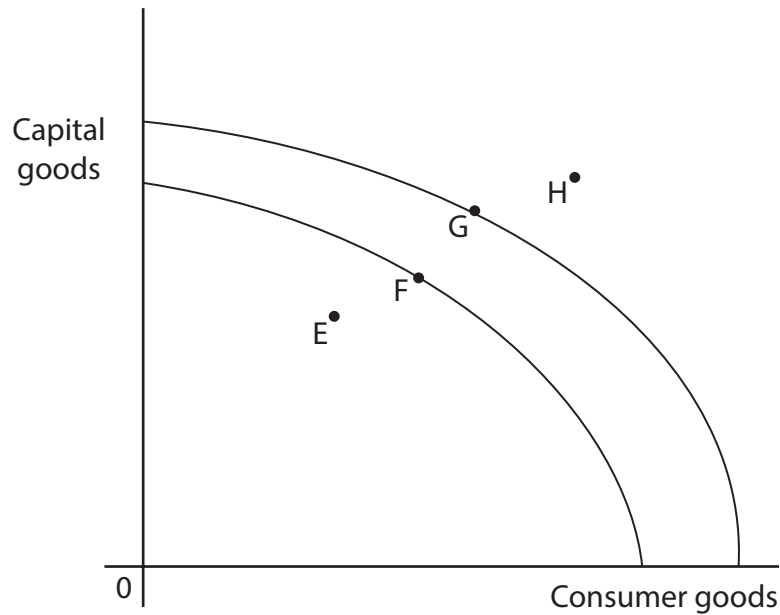
(Total for Question 3 = 1 mark)

4 *Ceteris paribus*, which **one** of the following is most likely to result in an increase in producer surplus for the manufacturers of electric cars?

- A An increase in indirect tax on electric cars
- B An increase in the cost of batteries for electric cars
- C An increase in the number of people cycling rather than driving cars
- D An increase in the price of petrol

(Total for Question 4 = 1 mark)

5 The diagram shows two production possibility frontiers (PPFs) for an economy.

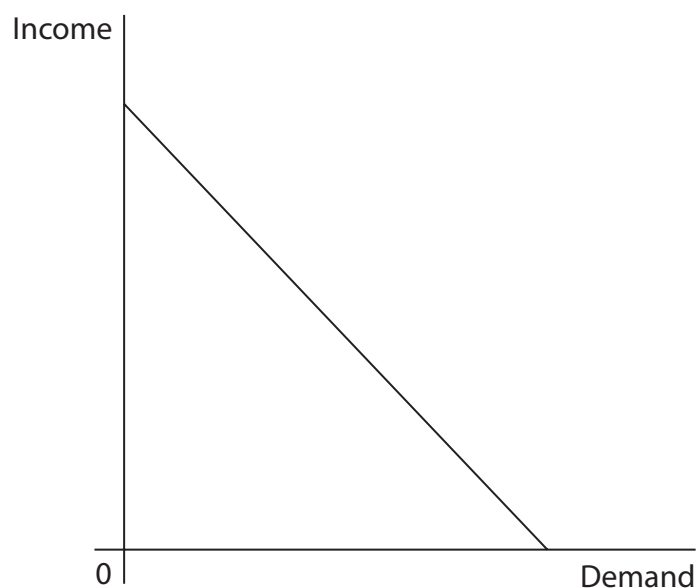


Which **one** of the following can be deduced from this diagram?

- A A movement from Point E to Point F indicates an increase in unemployment
- B A movement from Point G to Point F indicates that more consumer goods would be produced
- C A movement from Point F to Point G indicates economic growth
- D A movement from Point G to Point H indicates that resources are not being used efficiently

(Total for Question 5 = 1 mark)

- 6 The diagram shows the relationship between **income** and the demand for potatoes.



Which **one** of the following can be deduced from this diagram?

- A Potatoes are an inferior good
- B Potatoes are a normal good
- C Demand for potatoes is income inelastic
- D Demand for potatoes is income elastic

(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 Booklet.

- 7** The Government of the Philippines provides subsidies to sugarcane farmers.

Draw a diagram to illustrate the impact of this subsidy on the market for sugarcane.

Identify the increase in consumer surplus on your diagram.

(Total for Question 7 = 4 marks)

- 8** In October 2024, 475 000 consumers switched energy suppliers in the UK as they searched for the best energy deals. This was a 76% increase compared to October 2023. However, 15% of UK consumers have never switched energy suppliers.

With reference to the above information, explain the difference between rational behaviour and habitual behaviour.

(Total for Question 8 = 4 marks)

- 9** The table shows the estimated external costs of pollution per capita in selected countries.

Country	External cost of pollution per capita (\$)
Germany	950
USA	1 200
South Africa	1 300
Brazil	1 500

With reference to the table, explain **one** reason why the external costs of pollution might be different between these countries.

(Total for Question 9 = 4 marks)

- 10** The table shows the quantity of t-shirts supplied and the quantity of t-shirts demanded at different prices in India. An advertising campaign results in an increase in demand of 1 000 t-shirts at each price. At the same time, an increase in productivity causes supply to increase by 500 t-shirts at each price.

Price per t-shirt (rupees)	Original quantity demanded	Original quantity supplied	New quantity demanded	New quantity supplied
₹300	7 000	1 500		
₹325	6 000	2 500		
₹350	5 000	3 500		
₹375	4 000	4 500		
₹400	3 000	5 500		

Using the data in the table, calculate the new equilibrium price for t-shirts after the advertising campaign and the increase in productivity.

(Total for Question 10 = 4 marks)

- 11** The table shows the total utility gained by Sheena as she increases the number of vegan protein bars that she consumes in one day.

Vegan protein bars	Total utility	Marginal utility
0	0	--
1	15	
2	29	
3	40	
4	46	
5	46	

Explain how the above table may be used to illustrate the concept of diminishing marginal utility.

(Total for Question 11 = 4 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

Study Figures 1 and 2 and Extracts A, B and C in the Source Booklet before answering Question 12.

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

- 12** (a) With reference to Extract A, explain what is meant by 'excess demand'. (2)
- (b) With reference to the last paragraph of Extract A, explain the difference between elastic supply and inelastic supply. (4)
- (c) With reference to Figure 1 and Extract A, analyse **one** demand factor **and one** supply factor that explain why the price of rice increased between January 2024 and April 2025. (6)
- Illustrate your answer with a supply and demand diagram. (6)
- (d) With reference to Figure 2 and Extract B, examine **two** factors that might cause a shortage of rice in Japan in the future. (8)
- (e) With reference to Extract C, discuss the external costs associated with the production of rice. (14)
- Illustrate your answer with an externalities diagram. (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 Booklet.

EITHER

- 13** The governments of many countries, including Argentina, France and Singapore, have implemented indirect taxes as a means of reducing greenhouse gas emissions.

Evaluate the advantages of indirect taxes as a means of reducing greenhouse gas emissions.

Illustrate your answer with a supply and demand diagram.

(Total for Question 13 = 20 marks)

OR

- 14** In Canada the British Columbia Chicken Marketing Board sets a minimum price that farmers receive for supplying chicken to processors.

Evaluate the advantages of setting a minimum price for chicken.

Illustrate your answer with a supply and demand diagram.

(Total for Question 14 = 20 marks)

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

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Economics

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UNIT 1: Markets in action

Source Booklet

Do not return this Booklet with the question paper.

Turn over ►

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Sources for use with Section C

The market for rice in Japan

Figure 1 The price of rice January 2024 – April 2025 (Yen per 5 kg bag)

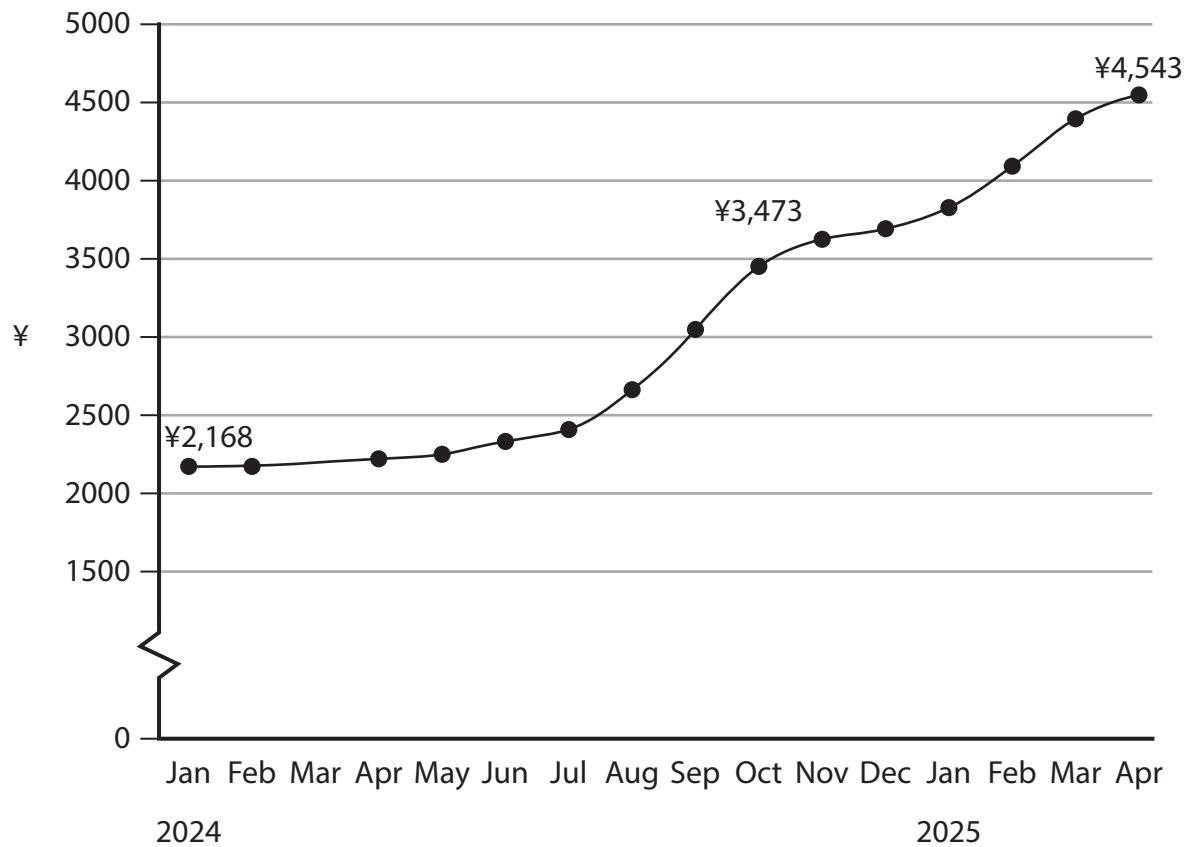


Figure 2 Land used for rice (million hectares) 2000–2023

Year	Land used for rice (million hectares)
2000	2.0
2010	1.7
2020	1.6
2023	1.5

Extract A The price of rice

Rice is a staple food in Japan and it is considered to be a necessity by consumers. After years of declining consumption of rice, demand has been rising since 2023.

Demand for rice increased by 110 000 tons to 7.02 million tons for the first time in 10 years between June 2023 and June 2024. Part of the explanation was that the demand for rice among foreign visitors to Japan rose from 19 000 tons in June 2022 to 51 000 tons in June 2024. Also, the Nankai Trough earthquake alert in August 2024 caused stockpiling by restaurants and consumers, leading to excess demand.

5

In addition, the price of rice rose because of high temperatures in 2023 that reduced the quality and quantity of rice produced. Rice production cannot be changed overnight. It takes months of planning and is significantly influenced by seasonal conditions, land use and water management. However, the Government does hold stocks of rice to prevent large price fluctuations.

10

Extract B The future of rice production in Japan

The future of rice production in Japan is uncertain. Firstly, there was a 25% decline in the number of rice farmers between 2015 and 2020. Secondly, the average age of the remaining rice farmers is increasing. Only 11.3% of rice farms are operated by farmers who are under the age of 50.

5

A further issue affecting the future of rice production is climate change. For example, in some years heatwaves have delayed growth, reduced yields, and even destroyed entire harvests.

Extract C The environmental impact of rice production

To produce one kilogram of rice requires an average of 2 500 litres of water. Rice production uses over a third of the world's irrigated water. Rice production also contributes to climate change, with methane (a greenhouse gas) emitted by flooded paddy fields. This factor is responsible for 10% of total global methane emissions. Further, the impact of climate change is expected to reduce the output and nutritional value of rice as average temperatures rise.

5

To meet future demand, global rice production will need to grow by 25% over the next 25 years. However, changes in production methods are helping to limit climate change and conserve water. For example, direct seeding reduces water use by up to 20% and greenhouse gas emissions by up to 50%.

10



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Acknowledgements

Figure 1 adapted from: <https://www.belongingjapan.com/how-to-guide/daily-life/rice-in-japan-price-surge-explained/>

Figure 2 adapted from: <https://economy.ac/research/2025/06/20250651983>

Extract A adapted from: <https://ricenewstoday.com/price-of-rice-in-japan-reaches-11-year-high/>

Extract B adapted from: <https://www.belongingjapan.com/how-to-guide/daily-life/rice-in-japan-price-surge-explained/>

Extract C adapted from:

<https://www.fitpaa.com/blog/the-environmental-impact-of-rice-production-challenges-and-solutions/>

<https://www.unep.org/news-and-stories/story/rice-may-be-cheap-production-comes-cost>

<https://www.belongingjapan.com/how-to-guide/daily-life/rice-in-japan-price-surge-explained/>



Please check the examination details below before entering your candidate information

Candidate surname					Other names				
Centre Number					Candidate Number				

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Economics

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UNIT 1: Markets in action

Answer Booklet

You must have:
Question Paper and Source Booklet

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.

Turn over ►

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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)

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Question 4

- ☐ A
- ☐ B
- ☐ C
- ☐ D

(Total for Question 4 = 1 mark)

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



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(Total for Question 7 = 4 marks)



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SECTION C

Study Figures 1 and 2 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) in the space provided.

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

(6)

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Question 12(c) continued

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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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TOTAL FOR SECTION C = 34 MARKS



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



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Section D continued

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Section D continued

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Section D continued

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Section D continued

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



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