

Quick Answers

Question 1

Analyse the evidence that shows the market for flowers is sometimes in disequilibrium.

Coherent analysis which might include:

- Demand exceeding supply/shortages occurring (1) price being too low (1) the market not clearing (1)
- Supply exceeding demand/surplus occurring (1) price being too high (1) the market not clearing (1)

Question 2

Explain, using information from the extract, whether the market for driverless cars is expected to be in equilibrium in 2030.

- No (1) supply is expected to exceed demand (1)

Question 3

Explain how market forces will eliminate a surplus and a shortage.

- A surplus will be eliminated by a fall in price (1) demand will rise / supply will fall (1)
- A shortage will be eliminated by a rise in price (1) demand will fall / supply will rise (1)

Guidance

- 2 marks could be awarded for an accurately drawn demand and supply diagram showing changes in price

Question 4

When is a market in equilibrium?

- When demand equals supply / when there is no pressure for price to change (2)
- When it is in balance (1)

Guidance

- 2 marks could be awarded for an accurately drawn demand and supply diagram showing equilibrium.

Question 5

Explain how market forces would respond to a shortage of drinking water.

- A shortage means demand exceeds supply (1) price would rise (1) more would be supplied (1) due to the profit motive (1) price signal sent to producers (1) demand would also contract (1)
- Demand likely to be price inelastic (1) leading to large rise in price (1)

Guidance

- Up to 2 marks for a relevant diagram, showing demand being greater than supply (1) and price below equilibrium (1)