Competitive and concentrated markets – GCSE Economics

1. No.16

State **two** features of a non-competitive market.

[2 marks]

1 - Few Sellers
- Many buyers

2 - High barriers to entry
- High barriers to exit.

2. No.19

1 9 **Figure 2** shows **monthly** pay data for Tharun, who works as a veterinary surgeon.

Figure 2

Gross pay	£2500
National Insurance contributions	£270
Income tax	£350

1 9 . 1 Using **Figure 2**, calculate Tharun's **annual** net pay.

[2 marks]

Monthly Net pay = £ 2500 − (£270 + £350) = £1880

Annual net Pay = £ 1880 x 12 = £ 22560

1 9 . 2 Explain **one** reason why Tharun may earn more than a cleaner.

[2 marks]

He has more education than a Cleaner hence his skills are rewarded with higher earnings.

3. No.21

Figure 3 – Hill Green Farmers' Market

Hill Green Farmers' Market is a local village market. Many farmers come to the market to sell a wide range of fruit, vegetables, meat and other food that they have produced locally.

The Farmers' Market is well known in the region for selling high-quality, fresh food at competitive prices. It is easy for farmers to open a market stall and the set-up costs are low. In recent years, local farmers have struggled to recruit cheap labour for fruit picking and so costs of production for these farmers have begun to rise. Some customers have also complained that some market stalls have begun to look untidy.

Table 3 shows a comparison of prices of some food products between Hill Green Farmers' Market and the nearest supermarket, which is located 10 miles away.

Table 3 – Prices of selected products

	Hill Green Farmers' Market	**Supermarket**
500 g minced beef	£5.00	£5.00
12 eggs	£4.00	£4.50
1 litre of milk	£2.00	£1.75
1 kg carrots	£0.50	£1.20

Using **Figure 3** and **Table 3**, assess whether the advantages of a competitive market such as a local farmers' market outweigh the disadvantages for consumers.

[9 marks]

A Competitive Market is a Market Structure with many buyers and Sellers trading Identical Products. It has a number of benefits to Consumers, To Start With, There are low Priced Products, in Hill Green Farmers market for example Carrots and Eggs as

Compared to the Supermarket Prices. In addition, the Consumers are buying high quality Products and the Market is Convinient for the Consumers.

However, Some Products Like milk have higher Prices than it is in the Supermarket

Extra space Which Could be the inability to benefit from Economies of Scale. In addition, Some Prices are the Same as Supermarkets ~~which~~ for example beef which reduces Choice for the Consumers. Consumers also had a Complaint on the Scruffy Stalls which reduces the Quality of Services they get from the farmers Market.

The advantages of Competitive market Could Outweigh disadvantages but it depends whether Consumers value Quality over Price. On the other hand, the Competitive Market may not be more advantageous if Consumers Can get Similar Products from Supermarkets.

4. No.24

Analyse the possible impact(s) upon labour markets of the cancellation of part of Phase 2b of HS2 to Leeds.

[6 marks]

The Cancellation Of Part Of Phase 2b Will Lead to reduced geographical mobility Of People to Leeds hence low average Income for leeds workers. In addition, It will lead to reduced ~~Lab~~ demand for Labour which inturn leads to lower wages

to the available workers. The inequalities between / among regions

Extra space may become worse because of low mobility in Parts of leeds. Overall, the Cancellation will Lead to Increased unemployment and adverce effects on wage differentials between workers in Leeds and other Parts.