

Candidate 5 evidence

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10		
a	<p>[One economic consequence is that of aging population is it is a financial burden on the UK tax payer as there would be an increase in pensions and welfare costs[✓] as [pensions currently make up 55%^{✓S} of welfare costs] so the people of the UK could see increased taxes in the future to cover for this.^{✓REP}</p>	<p>1 1</p>
	<p>[Another economic consequence is the government will have to invest more on education health care[✓] [as over the age of 85 health care is three times as expensive as people aged 65 between 65-75^{✓S} and] so the government will be able to invest less in education for the future generation[✓]</p>	<p>1 1</p>
	<p>[A further economic consequence is that people may have to work longer as the UK government will not be able to afford public pensions anymore[✓] [currently you receive them at 67.^{✓FMS} This will mean more</p>	<p>1</p>
}	<p>people will slip below the poverty line as it is all some people rely on. Furthermore could mean the UK is less productive</p>	<p>1 MAX</p>

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	<p>due to older workers, showing the economic consequences. Further economic consequence is many people might migrate away from the UK due to higher taxes to cover the an older population, this may result in a falling population with labour shortages which could push up cost-push inflation, this would be detrimental to the UK economy. Final economic consequence is that the UK government could see a fall in FDI investment due to a lack of workers in the labour market and because of older workers, and so this would mean the UK would fall behind for international competitiveness.</p>	10/9
B	<p>One economic implication is that a fall in the pound would increase the costs of imports, as the UK is a high wage economy many consumers purchase from abroad and so many consumers will not be able to afford as many goods and services, lowering</p>	1

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	<p> Their standard of living. [Another economic implication is that a fall in the pound would increase imports inflation, like we're seeing now, and so the costs of many raw materials would rise which firms may have to charge more for consumers (depending on the elasticity of the product) leaving consumers with less disposable income. [Furthermore many firms might not be able to keep up with the costs of production and go bankrupt causing a negative multiplier and increasing redundancy in the UK economy. [Further economic implication is that a fall in the pound will mean the prices of oil and gas will rise as it is a commodity, all commodities are priced in dollars and so this could cause an increase in ^{oil} gas costs for consumers shipping it ^{many} it below the poverty line. [Another economic implication is that many people might not be able to go abroad and so due to the lower value of pound, this will lower their standard of living and could could decrease revenue for UK airlines such as </p>

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EASY FEE ✓	1
A Final economic implication is that the UK will see a net money flow move away from the pound as it has lost value, therefore not it could fall even more, bringing more imported costs and less euros in the currency. ✓	1
	$\frac{6}{8}$
C	
The UK government could introduce tax breaks for firms to invest more in R&D and efficiency, as the UK has the lowest investment in the G7 for R&D ✓	1
Only 17% GDP compared to 25% for Japan.	
Many have called for a lower corporation tax like Ireland at 12.5% (UK is currently at 19%) ✓ ^{S FM} This would mean UK firms could	IMAX
produce more and be more internationally competitive with more profits reinvested into efficiency and R&D. ✓ Furthermore Another way	1
The UK government could improve productivity is by investing more in infrastructure. This would reduce regional disparities, and improve connectivity through things such as 5G ✓ and improve geographic mobility [which improve productivity as it	1

ENTER NUMBER OF QUESTION		DO NOT WRITE IN THIS MARGIN
1	take on more workers, This would	
2	reduce unemployment, increase international	
3	competitiveness and productivity.	6
		8
		18
		25