

Candidate 1 evidence

Purpose: 'to investigate the impact of an increase in interest rates on the agents of the UK economy'

INTRODUCTION

The purpose of this report is to investigate the impact of an increase in interest rates on the agents of the UK economy.

The interest rates in the UK are controlled by the Bank of England, who meet every 6 weeks to discuss and make changes to the interest rates. The current interest rate in the UK is 4.75%, changed on 7th November 2024. This was a decrease from the last rate of 5.00%, which came about on 2nd August 2024.

Candidate 2 evidence

Title: 'how does low unemployment have an impact on the UK Economy'

Purpose: 'to investigate the benefits and drawbacks of low unemployment on individuals, businesses and the UK's global position'

Introduction

In 2022, the UK recorded one of its lowest ever unemployment rates at 3.8%. By January 2025, this had risen slightly to 4.3%, but it remains low by historical standards. Low unemployment is often a sign of economic strength, as more people in jobs means higher incomes and spending. However, it also presents challenges, such as inflation and business costs. This essay explores what unemployment is and examines both the benefits and drawbacks of low unemployment for individuals, businesses, and the UK's global position.

Unemployment is defined by the UK's Office for National Statistics as being without a job, actively seeking work in the past four weeks, and available to start within the next two. However, this definition excludes groups such as students, stay at home parents, unpaid carers, and retirees. It also does not account for underemployment, where individuals work fewer hours than they would like or take roles below their skill level. For example, someone working part time but seeking full time work is not considered unemployed. Furthermore, some people choose further education because they can't find a job, which adds to hidden unemployment. This means the official unemployment rate might not tell the full story of job issues in the UK.