

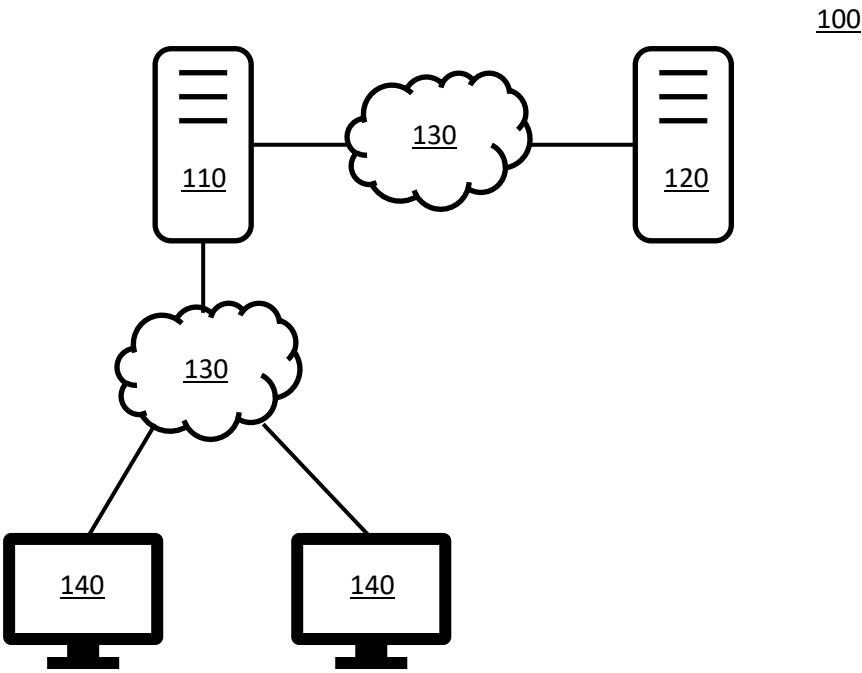


Fig. 1

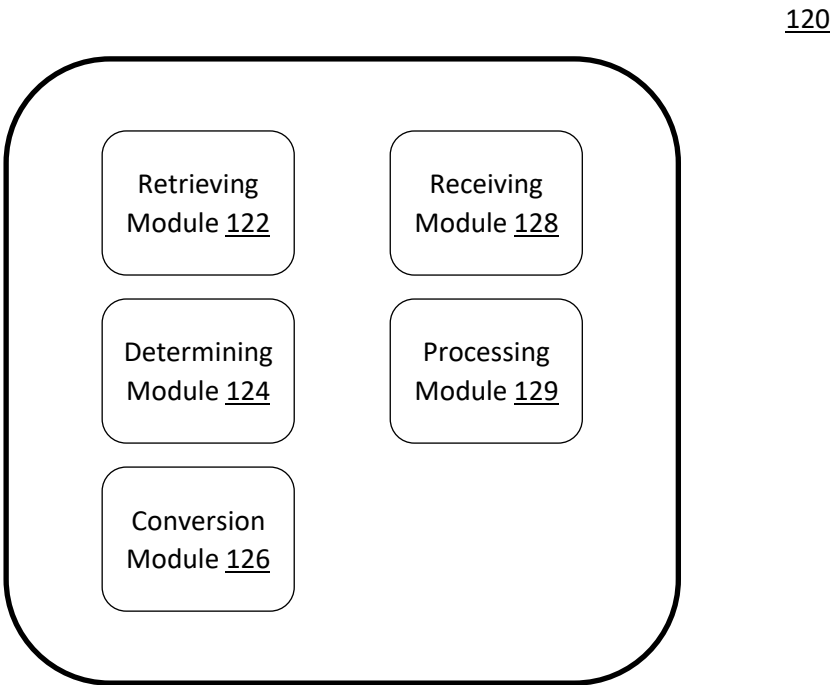


Fig. 2

Assignment: 401501

Teacher: 184leveys

Student: tom2

302

Question: 1401501

Process: 1/1

Time: 0/238

Explain why governments should intervene to encourage participants in vaccination programmes during a threatened influenza epidemic. (10 marks)

Guidance

1. Explanation that vaccinations are a merit good.
2. Explanation of market failure.
3. Explanation of positive externalities with respect to vaccinations and how it constitutes to market failure
4. Using a labelled diagram, explain the market failure in terms of the marginal private and social cost and benefit curves.
5. Explanation of how the positive externality can be internalized via subsidies or education.

The order of presentation should follow the above points.

Fig. 3A

304

- 1 . Vaccines are considered a merit good. A merit good is a good where if left to the free market, would be under consumed or under produced. A merit good when consumed produces or gives off positive market externalities which causes markets to fail as resources have been under allocated to produce them to a level which is desired by society.
- 2 . The consumption of a positive externality like vaccination will allow the consumer to be more healthy, fall sick less and benefit the firm he works for as well as his family.
- 3 . Market failure is a situation whereby resources have not been efficiently allocated owing to the break down of the free market price mechanism.
- 4 . A positive externality is a spillover benefit realized by a third party resulting from a transaction in which they had no direct involvement.
- 5 . However, with the presence of a positive externality like vaccination, resources have not been efficiently allocated and this gives rise to a divergence between the marginal social benefit and private benefit. This can be seen in the diagram above where the MSB is to the right of the MPB.
- 6 . In a free market, where prices are used to allocate resources efficiently, the market equilibrium is indicated by E1 giving rise to P1 and output Q1. Under such a condition, the marginal private benefit will be equal to the marginal private cost. With no loss of welfare to society, we can also say that in this free market, the marginal body div

Fig. 3B

Exam Type: **Structured Question** **Multiple Choice Question** **Close Passage Question**

Assignments Assigned By Teacher

Show 10 entries

Assignment/Paper	Test Due	Teacher	Description	Status	Action
401501401501	Dec. 20, 2015, midnight	IBAAlelelecons	Market Failure - Mnt Good - Vaccination	1/1	ReTake View
A Level Essay - SOL/A Level Essay - SOL	Nov 30, 2016, midnight	IBAAlelelecons	Essay on SOL	1/1	ReTake View
Canvas Test/Canvas Test	June 30, 2015, midnight	IBAAlelelecons		1/1	ReTake View
Essay Globalization 1a/Essay Globalization 1a	Dec. 31, 2015, midnight	IBAAlelelecons	Account for the trend towards globalization (10)	1/1	ReTake View
Essay Globalization 1b (12)/Essay Globalization 1b (12)	Dec. 31, 2016, midnight	IBAAlelelecons	Essay Globalization 1b (12)	1/1	ReTake View
Essay IB Mkt Str 4 1/IB Essay - Mkt Str 4 1	Dec. 31, 2013, midnight	IBAAlelelecons	hello tom	1/1	ReTake View
Essay Inflation 1/Essay Inflation 1	Dec. 31, 2013, midnight	IBAAlelelecons	1. Explain how inflation effects the economic growth of a country (12)	1/1	ReTake View
Essay Market Str 1a/Essay Mkt Str 1a	Jan. 31, 2016, midnight	IBAAlelelecons	1a Explain how the size of firms affects the price and output decisions of various firms. (10)	0/1	Take View
Essay Mkt Fail 3/Market Failure 3a	Dec. 31, 2014, midnight	IBAAlelelecons	3a Use the above comment to explain and if how pte and soc costs differ and why the gov might want to intervene in such a situation (10)	1/1	View
Essay Mkt Fail 3b/Market Failure 3b	Dec. 31, 2014, midnight	IBAAlelelecons	3b Explain the market for the Chinese	1/1	View

Fig. 3C

Standard Answers

304

1. Price elasticity of supply measures the responsiveness of quantity supplied of a good to a change in its own price, at short period [ENDPOINT]

2. Extent of spare capacity or factors of production or resources. Firms and industries with spare productive capacity will tend to have higher price elasticity of supply. However, shortages of factor of production will often lead to price inelastic supply [ENDPOINT]

3. Availability of stocks. Where a product can be stored cheaply with minimum loss of quality, supply will tend to be price elastic while stocks last. This explains why supply of processed food will tend to be more price elastic than supply of fresh food [ENDPOINT]

4. Factor mobility. The higher the factor mobility, the more price elastic the supply is when it is easy to divert or convert the resources into the production of a good, the supply will be relatively elastic. Example if labour is able to convert from making computer note books to making cellphone with little loss in productivity, then the labour is highly mobile and as such the firm's supply curve would be elastic in supply [ENDPOINT]

5. The shorter the time period taken to make a good the more price elastic is supply. An example is the case with agricultural products such as rubber, palm oil, etc, which require a long gestation period hence, supply is perfectly inelastic during each harvest. The supply of most minerals is also price inelastic because it takes a long time to extract them from the ground [ENDPOINT]

502

Fig. 5A

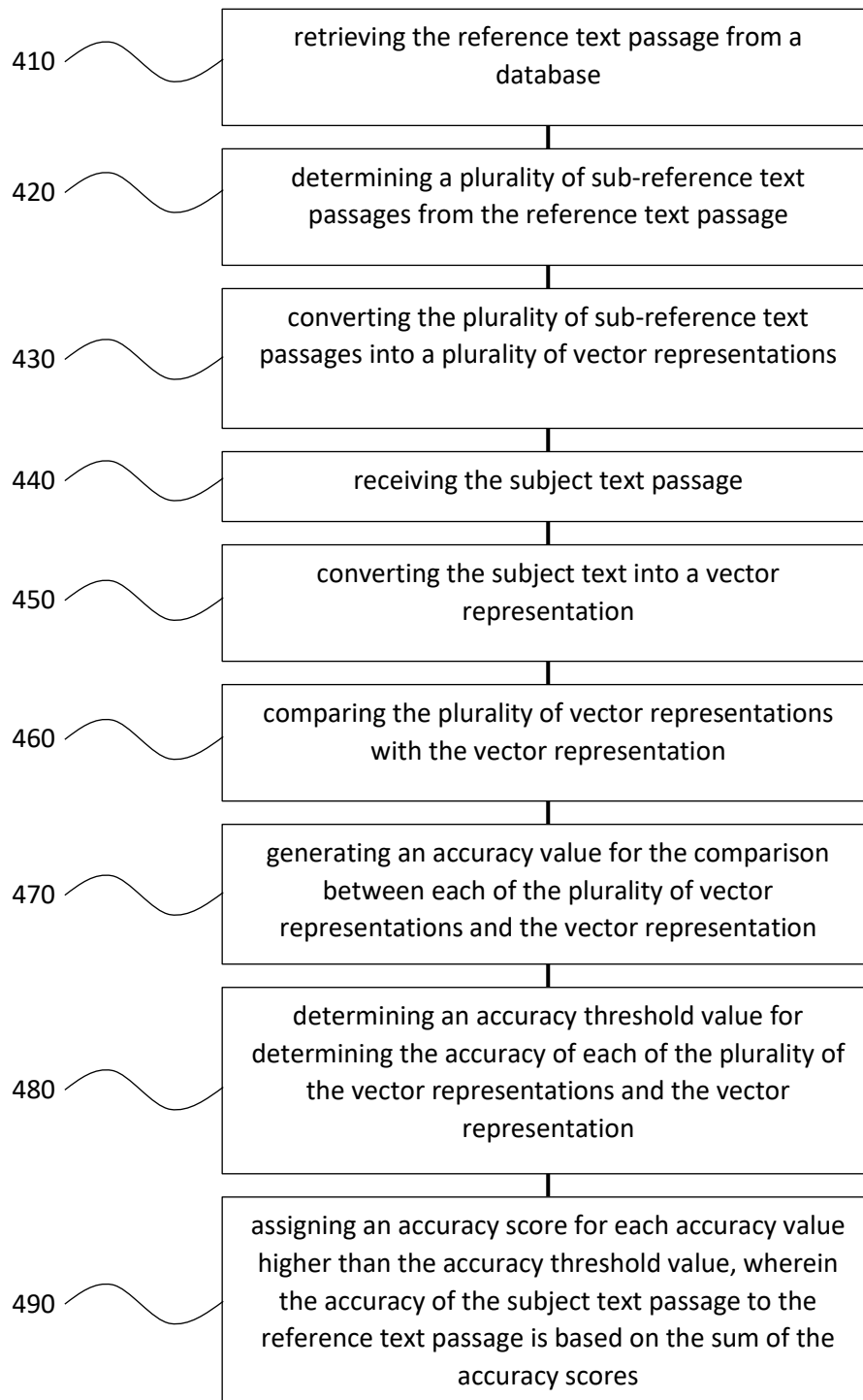


Fig. 4

304AS

Attained Mark: 12**Standard Answer**

Note: Red colored points are points which student has left out in his/her answer script. Green colored points are points the student has included. Some green points may not appear as exactly as in student's script but may have been edited or amended for clarity of explanation.

- 1 . Vaccines are considered a merit good. A merit good is a good where if left to the free market, would be under consumed or under produced. A merit good when consumed produces or gives off positive market externalities which causes markets to fail as resources have been under allocated to produce them to a level which is desired by society.
- 2 . The consumption of a positive externality like vaccination will allow the consumer to be more healthy, fall sick less and benefit the firm he works for as well as his family.
- 3 . Market failure is a situation whereby resources have not been efficiently allocated owing to the break down of the free market price mechanism.
- 4 . A positive externality is a spillover benefit realized by a third party resulting from a transaction in which they had no direct involvement.
- 5 . However, with the presence of a positive externality like vaccination, resources have not been efficiently allocated and this gives rise to a divergence between the marginal social benefit and private benefit. This can be seen in the diagram above where the MSB is to the right of the MPB.
- 6 . In a free market, where prices are used to allocate resources efficiently, the market equilibrium is indicated by E1 giving rise to P1 and output Q1. Under such a condition, the marginal private benefit will be equal to the marginal private cost. With

Summarization: 98.5% overlap (Band 10 of 10)

305

Fig. 5B

304AI

Standard Answer

Note: Red colored points are points which student has left out in his/her answer script. Green colored points are points the student has included. Some green points may not appear as exactly as in student's script but may have been edited or amended for clarity of explanation.

- 1 . Globalization refers to the intergration of world economies in the area of trade, labour and capital flows. Globalization takes the form of rising volume of world trade, rising volume of capital flows including short term financial capital and Foreign Direct Investment FDI and rising international mobility of labour
- 2 . The trend towards globalisation is driven by the greater awareness of governments that enabling the free movement of goods and services investment capital and labour, across national borders raises the standard of living over time more quickly than to restrict their movements. The trend towards globalization has led to the opening of China and India and the emergence of other large and fast growing economies such as Brazil and South Africa.
- 3 . Globalization brings about opportunities as well as problems for both developing as well as developed countries. A major difference between a developed country and

Fig. 5C

STUDENTS ASSIGNMENT RECORD

Year: Subject: Level:

Please Select

Show 10 entries

Search:

YEAR	SUBJECT	LEVEL	STUDENT	ASSIGNMENT	MARK	CLOSE	VIEW	FEEDBACK
JC2	Econs	H2	tom2	/Essay Elasticities	11	0.987615036891	View	Feedback
JC2	Econs	H2	tom2	Essay Unemployment 2/Essay Unemployment 2	10	0.9951390356	View	Feedback
JC2	Econs	H2	tom2	Essay Mkt Fail 3/Market Failure 3a	4	0.321951022705	View	Feedback
JC2	Econs	H2	tom2	401501/401501	12	0.984687125358	View	Feedback
JC2	Econs	H1	tom2	H1CSQ22013/H1P1Q2 Taking the Pulse of Eur	30	0.984217604092	View	Feedback
JC2	Econs	H2	tom2	Essay Mkt Fail 3b/Market Failure 3b	15	0.963945102587	View	Feedback
JC2	Econs	HL	tom2	Essay Globalization 1b (12)/Essay Globalization 1b (12)	0	0.152698125405	View	Feedback
Year6	Econs	H2	tom2	Essay Inflation 1/Essay Inflation 1	1	0.226012375114	View	Feedback
Year6	Econs	H2	tom2	Essay IB Mkt Str 4.1/IB Essay - Mkt Str 4.1	0	0.0	View	Feedback
Year6	Econs	H2	tom2	Q1-Elasticities/Essay PED, XED, YED	11	0.987615036891	View	Feedback

Showing 1 to 10 of 16 entries

Fig. 5D

520A							
520B							
520C							
520D							
Student Index Number : tom2							
No.	Question	Student Answer	Actual Answer	Max. Marks	Scored	Teacher's Feedback	Answer Explanation
401501	Explain why governments should intervene to encourage participants in vaccination programmes during a threatened influenza epidemic. (10 marks) Guidance 1. Explanation that	1. Vaccines are considered a merit good. A merit good is a good where if left to the free market, would be under consumed or under produced. A merit good when consumed produces or gives off positive market externalities which causes markets to fail as resources have been under allocated to produce them to a level which is desired by society. 2. The consumption of a positive externality like vaccination will allow the consumer to be more healthy, fall sick less and benefit the firm he works for as well as his family. 3. Market failure is a situation where resources have not been	1. Vaccines are considered a merit good. A merit good is a good where if left to the free market, would be under consumed or under produced. A merit good when consumed produces or gives off positive market externalities which causes markets to fail as resources have been under allocated to produce them to a level which is desired by society. 2. The consumption of a positive externality like vaccination will allow the consumer to be more healthy, fall sick less and benefit the firm he works for as well as his family. 3. Market failure is a situation whereby	13	12	520E	520F

Fig. 5E

Content	Mark	Delete
All	4	Delete
any 2 combination of 1.0;2.0;3.0;4.0	2	Delete
any 3 combination of 1.0;2.0;3.0;4.0	3	Delete
only 1.0 or 2.0 or 3.0 or 4.0	1	Delete

Fig. 6A

Content	Mark
P1,P2,P3,P4	4
P1,P2	2
P1,P3	2
P1,P4	2
P2,P3	2
P2,P4	2
P3,P4	2
P1,P2,P3	3
P1,P2,,P4	3
P1,P3,P4	3
P2,P3,P4	3
P1	1
P2	1
P3	1
P4	1

Fig. 6B

production is variable [ENDPOINT] Your Diagram 722	2 . The long run is a period of time were all factors of production is variable. ☐ Reassessment Request Standard Diagram					
1.n the short run, as the firm keeps increasing the quantity of variable factors while the quantity of fixed factors remains constant, it is combining fixed and variable factors in such a way that its beginning to use the capital more efficiently thereby producing more and lowering the marginal cost or the additional cost of producing a good.. [ENDPOINT] 2. Initially, total cost , TC, rises less and less rapidly as each additional variable factor is used. This refers to the case of a firm with a certain amount of fixed factors like machinery , and when more and more variable factors like	1 . In the short run, as the firm keeps increasing the quantity of variable factors while the quantity of fixed factors remains constant, it is combining fixed and variable factors in such a way that its beginning to use the capital more efficiently thereby producing more and lowering the marginal cost or the additional cost of producing a good . ☐ Reassessment Request 2 . Initially, total cost , TC, rises less and less rapidly as	9	8	0.75171		

Fig. 7

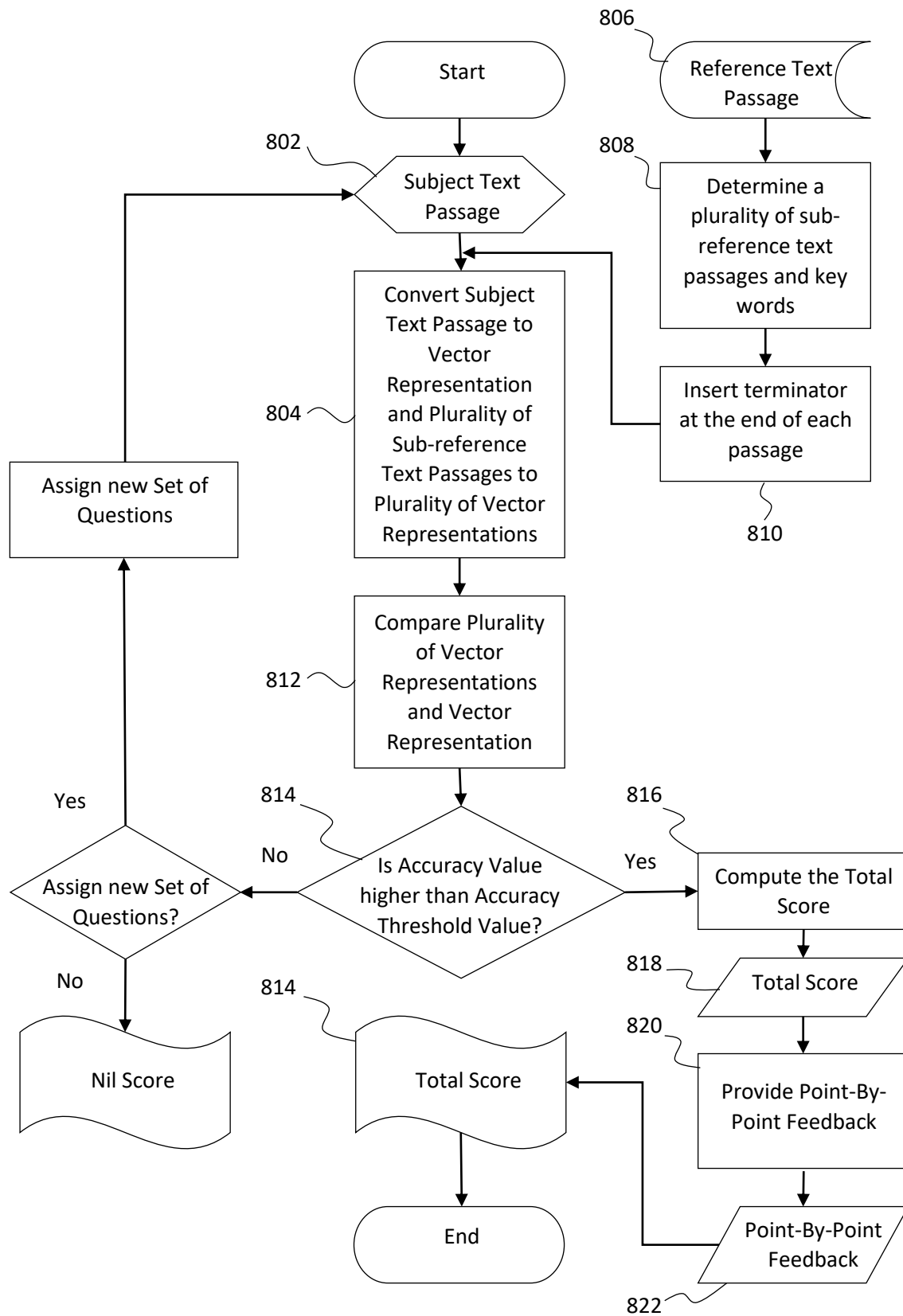


Fig. 8