IGCSE ECONOMICS · 1.2 BUSINESS ECONOMICS · CHAPTER 15 · PAPER 1

# Productivity and the Division of Labour

**Topic question sheet L15** | **Total: 30 marks** | **Time: 35 minutes** | **Student Book pp. 108–116**

**Instructions:** answer **all** questions. Write your answers on lined paper. The marks for each question are shown in brackets: use them as a guide to how much to write.

Calculators may be used. Show your working. Draw diagrams in pencil and label them fully. The mark scheme starts on a new page: do not look at it until you have finished.

## Section A: Multiple choice

One mark each. Choose **one** answer: A, B, C or D.

**1** Which of the following is a non-financial method of motivating workers? **(1)**

**A** Job rotation
**B** Profit sharing
**C** Piece rates
**D** Performance-related pay

**2** Which of the following is a reason why specialist workers might get bored? **(1)**

**A** Training is too long
**B** Tasks can be very repetitive
**C** Pay is low
**D** There is no social contact

**3** A factory produces 6000 units with 30 workers. Labour productivity is: **(1)**

**A** 20
**B** 200
**C** 180 000
**D** 2000

**4** Creating new farmland from the sea is called: **(1)**

**A** irrigation
**B** drainage
**C** reclamation
**D** fertilisation

## Section B: Short answers

Define, state, calculate, draw and explain. Show your working for calculations.

**5** Define the term **productivity**. **(1)**

**6** Calculate the labour productivity at Lakeside Furniture in 2024 and 2025. You are advised to show your working. **(2)**

**7** Calculate the percentage increase in labour productivity. **(2)**

**8** Explain **one** way in which new technology can raise productivity in the tertiary sector. **(3)**


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## Section C: Data response

Read the extract, then answer the questions. Use evidence from the extract in every answer.

### Extract: Lakeside Furniture

Lakeside Furniture makes wooden chairs in Ghana. In 2024 it employed 40 workers and produced 12 000 chairs. Each worker made whole chairs from start to finish.

In 2025 the owner reorganised production so that each worker does one task only: cutting, shaping, assembling or finishing. Output rose to 15 600 chairs with the same 40 workers. However, absence rates have risen and two workers have complained that the work is boring.

Fictional case, written for this sheet.

**9** With reference to the extract, analyse why the division of labour increased output at Lakeside Furniture. **(6)**

**10** With reference to the extract, evaluate whether Lakeside Furniture should keep its new method of production. **(12)**


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# Mark scheme: Productivity and the Division of Labour

**How to mark: Multiple choice, Define, State**: 1 mark. **What is meant by** (2): two separate parts to the definition. **Calculate**: working and answer (with units). **Draw** (3): one mark per correct labelled feature. **Explain** (3): 1 for a point, 2 for developing it in context. **Analyse** (6): knowledge 2, application 2, analysis 2. **Assess** (9) and **Evaluate** (12) are marked by levels: choose the level that best fits the whole answer. Indicative content is a guide: credit other valid points.

## Section A

**1** *Which of the following is a non-financial method of motivating workers? (1 mark)*

**Answer: A** (Job rotation). Job rotation gives variety rather than money.

**2** *Which of the following is a reason why specialist workers might get bored? (1 mark)*

**Answer: B** (Tasks can be very repetitive). Repetition is the main cause.

**3** *A factory produces 6000 units with 30 workers. Labour productivity is: (1 mark)*

**Answer: B** (200). 6000 ÷ 30 = 200.

**4** *Creating new farmland from the sea is called: (1 mark)*

**Answer: C** (reclamation). Definition.

## Section B

**5** *Define the term productivity. (1 mark)*

Output per unit of input (1).

**6** *Calculate the labour productivity at Lakeside Furniture in 2024 and 2025. You are advised to show your working. (2 marks)*

**Working:** 12 000 ÷ 40 and 15 600 ÷ 40 (1).

**Answer:** 300 chairs per worker in 2024; 390 in 2025 (1).

**7** *Calculate the percentage increase in labour productivity. (2 marks)*

**Working:** (390 − 300) ÷ 300 × 100 (1).

**Answer:** 30% (1).

**8** *Explain one way in which new technology can raise productivity in the tertiary sector. (3 marks)*

**Point:** technology lets services be delivered with fewer workers or faster (1).

**Development:** e.g. self-service checkouts or internet shopping (1) serve more customers per worker (1).


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## Section C

**9** *With reference to the extract, analyse why the division of labour increased output at Lakeside Furniture. (6 marks · K2 · Ap2 · An2)*

**Knowledge (2):** specialisation lets workers become skilled and faster; no time lost changing tasks.

**Application (2):** output up from 12 000 to 15 600 with the same 40 workers; one task each.

**Analysis (2):** repeating one task means fewer mistakes and faster work; tools stay at one station; so output per worker rises 30%.

Knowledge 2 · Application 2 · Analysis 2.

**10** *With reference to the extract, evaluate whether Lakeside Furniture should keep its new method of production. (12 marks · levels)*

Keep: productivity up 30%; lower cost per chair; more competitive.

Problems: rising absence and boredom could cut quality and output; interdependence (if cutting stops, all stop); loss of flexibility; staff turnover costs.

**Judgement:** keep it but add job rotation, training in more than one task or piece rates to motivate; depends on whether absence keeps rising.

Levels: L1 1–3 · L2 4–6 · L3 7–9 · L4 10–12 (balanced, well-developed arguments using the data throughout, and a justified conclusion that answers the question).

Original practice questions written in the style of the Pearson Edexcel International GCSE Economics (4EC1) papers. This is not an official paper. Unless a source is given, the firms, countries and figures are fictional and made up for practice.


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