



MAGDALEN COLLEGE SCHOOL

16+ Entrance Exam: **Economics**

Time allowed: 45 minutes

Name:

Current school:

Instructions

- Use **black** ink or ball-point pen.
- Answer **both** section A and section B.
- Answer the questions in the spaces provided – there may be more space than you need.

Information

- The total mark for this paper is 40.
- The marks for each question are shown in brackets – use this as a guide as to how much time to spend on each question.

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Write your answers neatly and in good English.
- Try to answer every question.
- Check your answers if you have time at the end.

Total _____ /40 _____ %

Section A:

Graphic detail | Daily chart

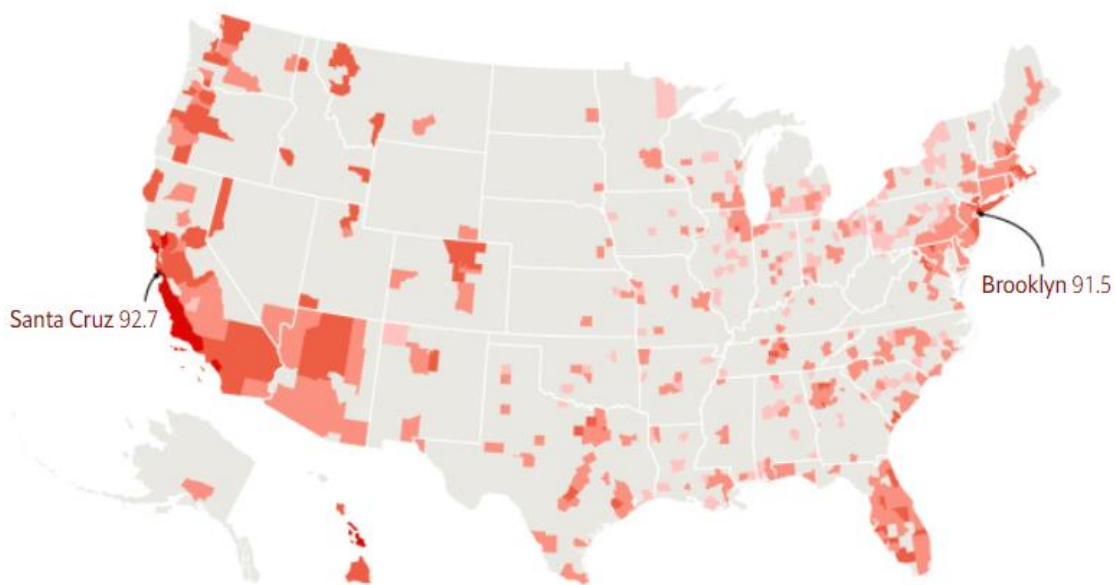
Housing in America has become much harder to afford

Seeing red

United States, monthly mortgage payment as a share of income*, %

By county, Q1 2022

7 20 40 60 80 No data



Source: ATTOM Data Solutions

*New homebuyers assuming median-priced house with a 30-year fixed-rate mortgage and a 3% down payment

MAY IS TRADITIONALLY one of the best months to sell a house in America. But this year it could prove disappointing. Applications for mortgages to buy homes have fallen by 8% compared with a year ago, according to the Mortgage Bankers Association (MBA), a trade organisation. The number of houses on the market, meanwhile, increased by 8.9% between February and April, reckons Realtor.com, a property website. Some fret that the recent slowdown in America's red-hot property market could be a sign of an imminent crash. In fact, the market is just returning to normal after a pandemic-driven boom. House prices are expected to keep rising for some time yet.

