Examiners' Report
Principal Examiner Feedback

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Introduction

All questions were accessible to the candidates, although inevitably candidates were scoring more highly on some questions than others. Candidates' responses to the questions have largely been of an expected standard.

Section A highlights the need for candidates to be accurate in their definitions. Many candidates are losing marks because they cannot clearly define economic concepts such as price level. Quantitative skills are also an important skill and, whilst there appears to have been some progress in this area compared to last year's paper, there is still an opportunity for improvement here. It is vital that the candidates can calculate key quantitative measures such as percentage change as well as being able to correctly interpret data presented in a variety of forms.

In section B it is essential that the candidates read the question carefully. Many have evaluated questions which do not necessitate them to do so. This meant they were unable to devote the right amount of time for higher mark questions. Candidates must ensure they are answering the precise question set. For example, for Q6(d) they had to explain two influences, and for Q6(c), candidates needed to explain only one impact. Several candidates have spent time explaining one additional factor for each of these questions; hence they were not able to maximise their efficiency in terms of managing their time.

For the questions where candidates had a choice; Q6(g) was more popular then Q6(f). In Q6(f) many candidates failed to focus on influences on net trade balance and, as such, lacked context required to access the top level. This was an issue in general, with candidates writing answers that were too generic or where they clearly had not fully read and understood the data they had been provided with. In Q6(g) candidates who focused their answer convincingly on interest rates were likely to achieve more highly as they offered a clear perspective to their answer. Another point to recall in Q6(f) and Q6(g) is, to quote the Level 4 Knowledge, Application and Analysis criteria, there needs to be 'logical and coherent chains of reasoning'. This contrasts to the Level 2 criteria which describes a 'two-stage chain of reasoning only'.

Question 1 (a)

In this question the marks are split as 1 for knowledge, 1 for application, and 1 for analysis. The knowledge comes from identifying one impact, the application for explaining the data, and analysis for development building on the knowledge. Most candidates were able to access application marks.

Question 2 (a)

This question requires a precise definition of GDP per capita. It is important that candidates are clear in their answers. Candidates could access marks through a range of approaches.

Question 2 (c)

This question requires candidates to explain why PPPs are used. Candidates were able to answer this question relatively easily. However, some candidates lost all marks because they selected the wrong two pieces of data.

Question 3 (b)

In this question the marks are split as 1 for knowledge, 1 for application, and 1 for analysis. This is a budget balance question that candidates were able to answer relatively easily and the majority were able to do this. Candidates also need to be careful to read the question and the data carefully, as some candidates lost marks because they did not understand the requirements of the question.

Question 4 (a)

This question requires a clear definition of the term investment. Many provided accurate definitions and hence attained the one mark available for this question.

Question 4 (c)

This question requires candidates to show/draw the likely impact of a fall in business investment in the context of an AD/AS diagram. Marks were awarded as 1 mark for leftward shift in AD/AS and 1 mark for equilibrium showing new price level and new real output. Most candidates achieved the 2 marks on this question.

Question 5 (b)

This question asked candidates to explain one benefit of economic growth to firms. Many candidates found this question a little challenging to answer. However, some candidates lost application marks because they did not use the data provided.

Question 6 (a)

The four marks for this question are split in half between knowledge and application. Candidates achieved 2 marks for explanation of the term balance of trade in goods and services and 2 marks for relevant application from Figure 1 only.

Question 6 (b)

This question asked candidates to explain how the CPI inflation rate is measured. Therefore, it is important for candidates to make the most of their time in the exam and not explain the limitations of CPI. Several possibilities could be explained here. Application required use of Figure 2 to explain answers. Candidates should remember that in these shorter questions examiners are looking for two specific pieces of application.

Question 6 (c)

This question required candidates to assess likely impact of a rise in the value of exports on the UK economy. In these longer questions the focus for a candidate needs to be on the quality of their answer, bearing in mind the levels mark scheme. They should ensure they are clearly giving step-by-step explanations of the impact. This would cover the exam skills of knowledge, application, and analysis. There are 4 marks available here for evaluation.

Question 6 (d)

This question asks candidates to explain two reasons for the increase in the rate of UK inflation. It is important that candidates focus specifically on reasons and answer the question in terms of rising rates of inflation. Too much time was spent on explaining the effects of inflation, which was not the requirement of the question. Each reason needed to be identified and analysed. There are marks available for application, which most candidates attained through the use of data from Extract A.

Question 6 (e)

This question required the candidates to discuss the economic effects of the high rate of UK inflation on consumers **and** workers. Candidates needed to ensure they answered the question being asked, as there were a few answers which listed their impacts and did not develop their arguments. They were not able to receive higher analysis marks. Evaluation was relatively weak, and most points were only listed. Many did not make any use of data and often found it hard to access application.

Question 6 (f)

This question required candidates to evaluate main influences on the UK's net trade balance. Many candidates were not able to effectively answer this question and only identified the influences. One of the key issues was that many candidates discussed solutions to solving the net trade balance as evaluation and this was not credited. Those who effectively answered this question explained their arguments in context of recent UK trends.

Question 6 (g)

This question required candidates to evaluate how interest rates are used to control UK inflation. Although candidates were able to analyse their arguments, they were not able to analyse its impact on inflation. They linked this to an AD/AS diagram in context of their explanations. Some candidates discussed the opposite approach for evaluation as this was also seen as analysis. There were several evaluative comments, but they lacked chains of reasoning to access higher levels.

Paper summary

Based on their performance in this exam, candidates are offered the following advice:

- Ensure you manage your time effectively: it does say in the exam paper to spend 25 minutes on section A and 1 hour 5 minutes on section B. If candidates spend too long on section A, they are in danger of running out of time for the 15- and 20-mark questions at the end of the exam paper.
- A multiple-choice question is worth 1 mark whereas Q6(f) and Q6(g) are worth 20 marks, so bear this in mind in terms of how long you are spending on individual questions – especially those in Section A.
- Ensure you are aware of key definitions. Be aware of all formulae and quantitative skills as explained in the specification. Practise calculation questions.
- Ensure you carefully study and understand the figure and extracts provided in section B. These form the context for the questions, and answers should be related to this context and not be entirely theoretical.
- Do not spend too much time on long introductions when a question has only asked to, for example, 'Explain two reasons...'. Here, marks will only be awarded for your explanation of your reasons so you should start immediately with your first reason.
- Finally, remember to keep your answers within the space provided. If you run out of space, you should ask for additional paper and clearly indicate which question you are writing about. It is indicated on the front of the exam paper that 'there may be more space than you need'.