

# Examiners' Report

January 2016

Pearson Edexcel International GCSE  
Economics (4EC0)  
Paper 1

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January 2016

Publications Code UG043167

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## General comments

This paper proved to be accessible for the majority of students and produced a wide range of answers. Some responses were very good indeed, showing high levels of economic understanding and analysis.

Unfortunately, some candidates made careless mistakes which cost them marks. In general these mistakes involved responses where candidates misinterpreted data or misread the question. Teachers should read through this report and make a note of the common mistakes made by students.

Particular areas of the specification which appeared to cause the most serious problems for students included:

- Government regulation to promote competition
- Supply-side policies
- Exchange rates
- Balance of payments on current account.

However these areas of the specification were generally answered well:

- Minimum wage
- Privatisation
- Protection of the environment
- Consumers and competition.

## Question 1

1a (i) - (ii) Most candidates were able to correctly draw and label the equilibrium price and quantity. However, many failed to work out the position of the new equilibrium with either a completely wrong answer or, a partially wrong response based on a correct interpretation of one curve's movement but not the other.

1a (iii) Those who made a mistake in 1a (ii) inevitably failed to gain full marks here.

1a (v-vi) Candidates were able to identify appropriate methods but dealt very poorly with the 'effectiveness' element of the question. The majority simply rehearsed their reasons for proposing the solution and failed to address the question itself.

1b (i) - (ii) Most managed to correctly work out the percentage total but rather surprisingly many students lost marks by not expressing the answer to (ii) in the correct units – 60 tonnes rather than the correct 60,000 tonnes was a common mistake.

1 (c) Candidates appeared to find it relatively easy to pick up four marks but neglected to address the 'extent' and 'depends' element implicit in the question. Inevitably, judgement marks were lost but it did enable the better candidates to shine.

## **Question 2**

2a Mostly well answered with a wide range of responses for a (iii), but it enabled candidates to access marks in different ways.

2b (i) - (ii) Defining a cartel did cause some problems with vague or even wrong answers. Surprisingly many struggled with the second part with often completely unrealistic suggestions as to how competition could be encouraged.

2b (iii) Candidates were often quick to voice one side of the argument, but a substantial number were also able to put forward points for both sides. Fewer found evaluative comment possible, but sufficient nonetheless to show distinction from lesser able students.

2c (i) - (ii) A range of definitions were offered not all of which were accurate. For the second part, many candidates wrote that privatisation occurred to make profits so were confused between potential benefits for the new company and reasons why the privatisation occurred.

2c (iii) This was perhaps one of the better answered six mark questions with many candidates appreciating the impact on both consumers, the government and the wider economy. Judgement was often attempted and at times was perceptive and thoughtful.

## **Question 3**

3a (i) There appeared to be quite a split between those who were able to define unemployment correctly for both marks, and those who struggled to say anything of value.

3a (iii) Although most candidates were able to describe the changes in unemployment not all went on to compare the changes as per the question.

3a (iv) Generally not well answered with many misunderstanding the definition of unemployment and stating being in education as a reason for higher youth unemployment.

3a (v) Not all candidates showed a good understanding of supply side policies, those that did were often good at citing the extent of success and gained the evaluation marks. For many though, moving beyond a basic description of the policies was difficult.

3b (ii) Only the more able candidates were able to move beyond four marks and make a judgement on the extent of the impact.

3c (i) (ii) Nearly all candidates were able to identify two types of pollution and most went on to identify a method of reducing pollution although developing this for the full four marks often proved difficult.

## Question 4

4a (iii) Not everyone came up with two realistic ways of encouraging FDI.

4b (ii) Many candidates resorted to a list of the disadvantages of MNCs and failed to make a judgement as to whether not paying enough tax was the *main* disadvantage. Some were able to identify potential government solutions as sources of evaluation marks.

4c (ii) Despite the bold lettering used on the required dates, a number of students misread the dates on the graph and unfortunately failed to gain the marks.

4c (v) A high number of students appeared to struggle with the concept of the balance of payments on current account, therefore scoring low marks on this question. Others, perhaps struggling a bit towards the end of the paper, got their movements mixed up and failed to score any marks.

For many candidates though it was the same story as on previous six mark questions. A clear awareness was present of the two sides to the story, but evaluation marks were missed through poor examination technique.

## Conclusion

Based on observations from this exam series, students are advised to:

- Learn definitions
- Use the appropriate economic terminology
- Read the questions carefully
- Take care when interpreting diagrams, graphs and tables
- Look for the command words
- On the six mark questions make a reasoned judgement or conclusion.

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