Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International GCSE
In Economics (4EC0/01) Paper 1

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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. Some candidates did not have enough knowledge and either wrote answers of little merit or left the page blank

Particular areas of the specification which appeared to cause the most serious problems for students included:
- PED
- Interest rates and the economy
- Exchange rates

On the other hand these areas of the specification were generally answered well:
- Primary, secondary and tertiary sectors
- Privatisation
- Economic growth
- Free trade

Question 1

1a (i) Most candidates were able to offer some explanation of an ageing population but not many made full use of the information in figure 1a.

1a (ii) (iii) Most candidates offered some good examples here.

1a (iv) Some candidates were able to develop the concept of derived demand and link it to the question but only a few were able to make a judgement about its relative importance in determining wage rates compared to the supply of labour

1b (ii) & (iii) Those that had learnt the concept of linking PED and TR did well here, predictably those that had not failed to do well. (ii) Better understanding here with either correct definitions or the formula.

1 b (iv) A lot of confusion with some candidates discussing the demand and/or elasticity of demand for French fries and potatoes. Those that did use elasticity of supply found it relatively easy to pick up three or four marks but often stopped there rather than offer some kind of evaluation or judgement.

1 c (ii) Many failed to link a recession to falling incomes and therefore a shift of the demand curve to the left. A significant number tried to bring in supply.

Question 2

2a (iii) Mostly well answered but a significant number went with secondary production.

2a (iv) Most candidates could suggest two different methods but failed to explain how or why they would increase productivity in the primary sector. Some just offered a generic method such as training which could be applied to all sectors and so did not get any marks.

2a (v) This was perhaps one of the better answered 6 mark questions with many candidates appreciating the different ways in which productivity could be improved in both the secondary and tertiary sectors and offering some kind of judgement.

2b (i) This question did cause problems for most candidates, few seemed able to get beyond repeating statistics from figure 2b without meaningful comment.

2b (ii) A surprising number of candidates struggled to identify a non-financial method, often adding a second financial method.

2b (iii) As with 2 a (v) this was a generally well answered question with candidates offering both sides of the issue but again only a few were able to go to achieve five or six marks with a considered judgement. This is perhaps something centres need to work on.

Question 3

3a (i) Many errors here with candidates using the wrong symbol e.g. + $2bn when it should have been - $2bn. Candidates should also take care to use the full annotation in their answers e.g. -$2bn and not just – 2.

3a (iii) Some unrealistic ways of increasing exports were suggested, but most came up with at least one suggestion such as subsidies.

3a (iv) Generally not well answered with many misunderstanding the relationship between GDP and economic growth

3b (iii) Economic growth by itself was usually well understood and many candidates were well prepared with answers that looked at both the advantages and disadvantages.

3c (ii) & (iii) Although most candidates were able to offer at least one valid function of money, many resorted to everyday language for the second such as 'to buy things with'. Most struggled to explain the effects of inflation on a function of money in part (iii).

3c (v) A high number of students appeared to struggle with the linkage between the rate of interest and employment levels in Brazil and generally this was a poorly answered question.

Question 4

4a (i) Most came up with two developments that have led to globalisation but many were able to develop their suggestions and show how or why.

4a (ii) Mostly well answered and good interpretation of the data in Figure 4a

4a (iv) Once again movements in exchange rates proved to be a difficult topic for many students, this question probably had the highest number of blank scripts. Many got their movements mixed up and described the impact of an appreciation and so failed to score any marks.

4b (i) (ii) & (iii) Many well answered responses with correct diagrams, although the explanation often just described the diagram without explaining why the changes had taken place. (ii) Candidates either knew this and gained two marks or attempted a vague definition for no marks. (iii) Most could suggest a reason even though they may not have managed the definition.

4b (iv) For many candidates this response was similar to previous 6 mark questions. A clear awareness was present of the two sides to the benefits of free trade, but evaluation marks were often missed. Those responses that did provide a judgement were often perceptive and thoughtful.

Conclusion
Based on observations from this exam series, candidates 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 6 mark questions make a reasoned judgement or conclusion