

EDEXCEL INTERNATIONAL GCSE (9-1) **Economics** **4EC1**

GETTING READY TO TEACH

Event code: 16IAB12

First teaching in 2017, first assessment in 2019.



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Aims and Objectives

- Consider the structure and content of the new specification
- Learn about the introduction of the new 9-1 grading
- Explore the question papers and mark schemes for Paper 1 and Paper 2
- Explore possible teaching and delivery strategies for the new qualification
- Have the opportunity to network, discuss best practice and share ideas with other teachers
- Find out more about the support available to guide you through these changes
- Have dedicated time to ask questions to our trainer.

Session Agenda

09:30 Introduction

09.45 Content and structure of assessment

10.30 9 - 1 grading scale

10.45 Break

11.00 Question Paper and Mark Scheme Papers 1 & 2

11.45 Questions & Networking

12.00 Lunch

12.30 Question Paper and Mark Scheme Papers 1 & 2 continued

13.30 Break

13.45 Teaching and Delivery Strategies

14.15 Questions & Networking

14.30 Support available

15:00 Finish

Introducing the new International GCSE (9-1) in Economics



Timeline

	2017	2018	2019	2020
Current specification 4EC0	May/June series as normal	January & May/June series	Final assessment in January.	
New specification 4EC1	First teaching		First assessment in June 2019	January and May/June series.

January 2019: last assessment for the International GCSE in Economics 4EC0.

May/June 2019: first assessment for the International GCSE (9-1) in Economics 4EC1.

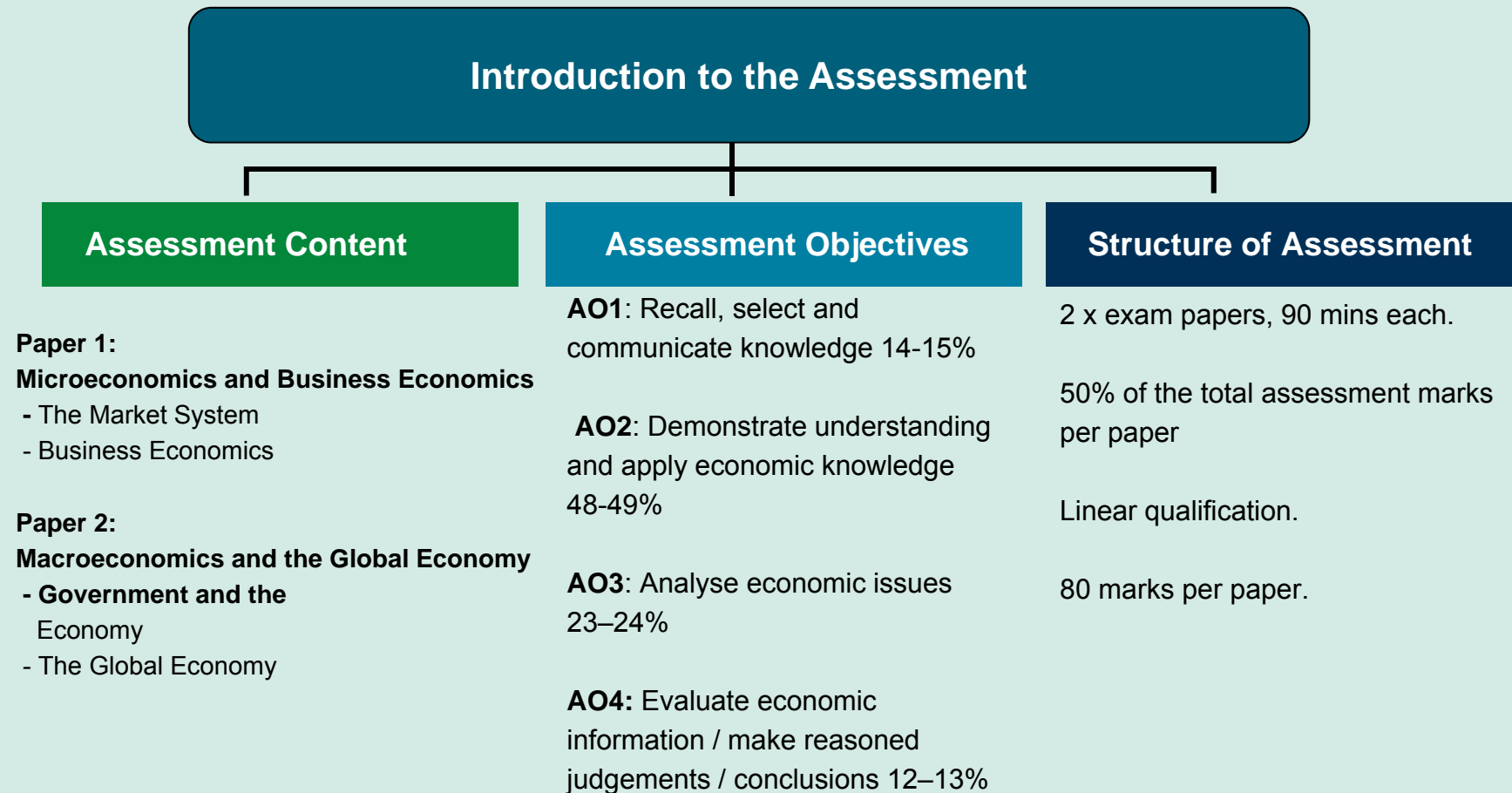
Overview of the changes

- 2 exam papers (Each paper is worth 80 marks, 90 minutes, 50% of total assessment).
- 4 questions per paper. (20 marks per question)
- 10% of the marks in each paper (8 marks) will focus on assessing quantitative skills.
- Recommended 120 guided learning hours.
- Simplified and improved question paper and specification layout.
- New 9 to 1 grading scale, with 9 being the top level.
- Content revised and updated to ensure the standards remain comparable to the new GCSEs in England.

Structure of the International GCSE (9-1) in Economics

	Content overview	Assessment overview
Paper 1: Microeconomics and Business Economics	<ul style="list-style-type: none">• This paper will draw on Topics 1 & 2 Topic 1 – The Market System Topic 2 – Business Economics• 4 compulsory questions – 20 marks each	Written examination: <ul style="list-style-type: none">• 90 minutes• 80 marks• 50% of the qualification
Paper 2: Macroeconomics and the Global Economy	<ul style="list-style-type: none">• This paper will draw on Topics 3 & 4 Topic 3 – Government and the Economy Topic 4 – The Global Economy• 4 compulsory questions –20 marks each	Written examination: <ul style="list-style-type: none">• 90 minutes• 80 marks• 50% of the qualification

Overview of the assessment



Structure and content of the assessment



Paper structure

- 2 x papers: **90 minutes, 80 marks, 4 questions**
- **Identical, consistent paper structure** in Paper 1 and 2.
- Reduced and **clearly defined command words** and mark tariff.
- **‘Ramped’ questions**. Questions start with lower mark tariff sub-questions and build to higher mark tariff sub-questions at the end of the question. This allows students to build confidence as they move through the paper, ensuring the paper is accessible for ALL students.
- Each paper ends with an extended writing question worth 12-marks,

Paper 1 Overview

Paper 1: Microeconomics and Business Economics

- Externally assessed
- Availability: January and June
- First assessment: June 2019
- 50% of the total International GCSE

Paper Overview

Paper 1: Microeconomics and Business Economics

Paper code 4EC1/01

Content summary

The market system:

- The economic problem
- Economic assumptions
- Demand, supply and market equilibrium
- Elasticity
- The mixed economy
- Externalities

Business economics:

- Production
- Productivity and division of labour
- Business costs, revenues and profit
- Business competition
- The labour market
- Government intervention

Paper Overview

Paper 1: Microeconomics and Business Economics

Paper code 4EC1/01

The market system:

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- Economic assumptions
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Paper Overview

Paper 1: Microeconomics and Business Economics

Paper code 4EC1/01

Business economics:

- Production
- Productivity and division of labour
- Business costs, revenues and profit
- Business competition
- The labour market
- Government intervention

Paper Overview

Paper 1: Microeconomics and Business Economics

Assessment

- Examination of 1 hour 30 minutes
- Consists of four compulsory questions
- Each question worth 20 marks in total
- The sub questions are a mixture of multiple-choice, short-answer, data response and open-ended questions.
- Each question will be based on a particular topic from the subject content related to microeconomics and business economics.
(Due to the nature of economics, there is some interrelation between topics).

Paper Overview

Paper 2: Macroeconomics and the Global Economy

Paper code 4EC1/02

- Externally assessed
- Availability: January and June
- First assessment: June 2019
- 50% of the total International GCSE

Paper Overview

Paper 2: Macroeconomics and the Global Economy

Paper code 4EC1/02

Content summary

Government and the Economy:

- Macroeconomic objectives
- Government policies
- Relationships between objectives and policies

The Global Economy:

- Globalisation
- International trade
- Exchange rates

Paper Overview

Paper 2: Macroeconomics and the Global Economy

Paper code 4EC1/02

Government and the Economy:

- Macroeconomic objectives
- Government policies
- Relationships between objectives and policies

Paper Overview

Paper 2: Macroeconomics and the Global Economy

Paper code 4EC1/02

The Global Economy:

- Globalisation
- International trade
- Exchange rates

Paper Overview

Paper 2: Macroeconomics and the Global Economy

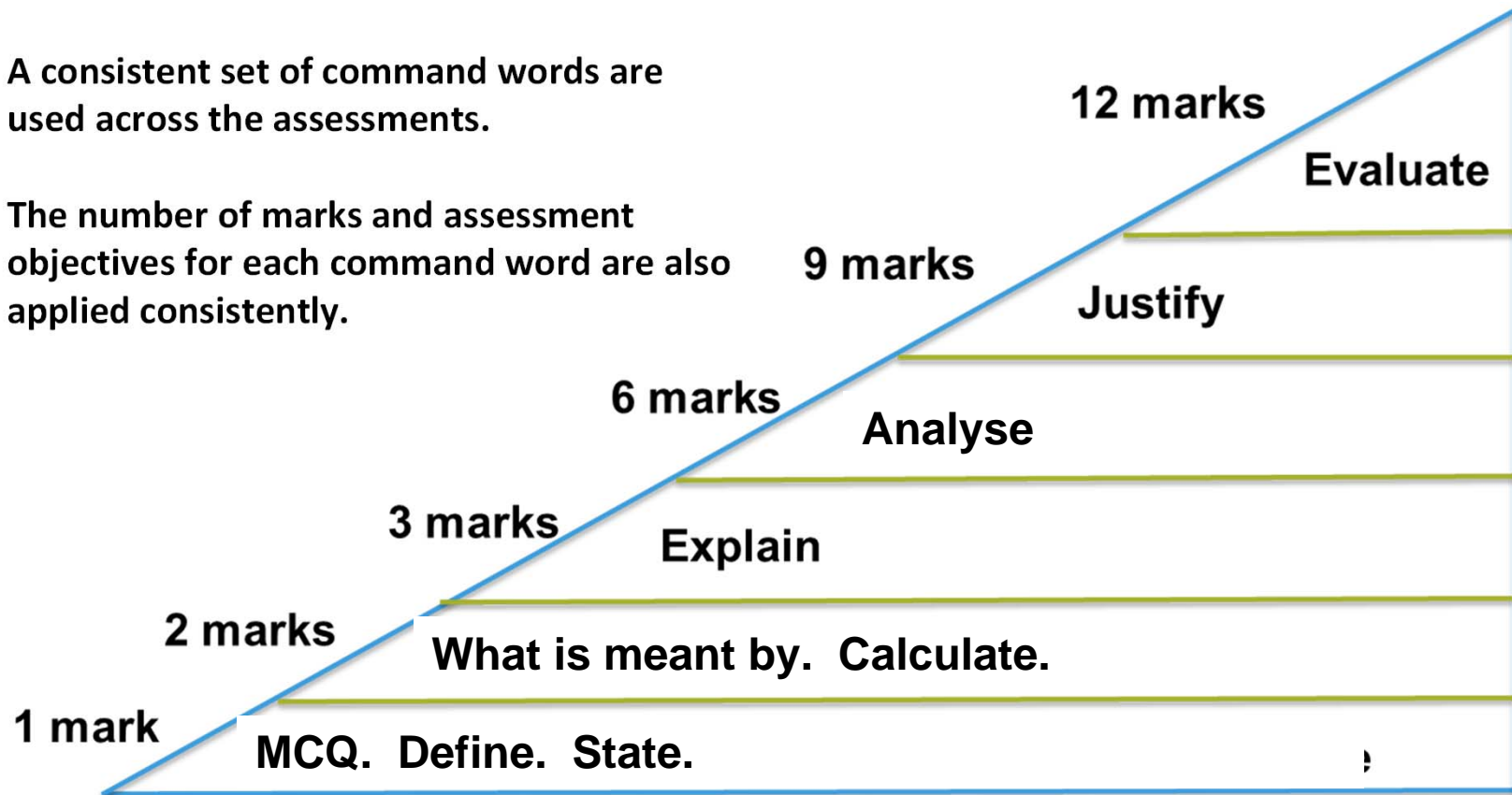
Paper code 4EC1/02

Assessment

- Examination of 1 hour 30 minutes
- Consists of four compulsory questions
- Each question worth 20 marks in total
- The sub questions are a mixture of multiple-choice, short-answer, data response and open-ended questions.
- Each question will be based on a particular topic from the subject content related to macroeconomics and the global economy
(Due to the nature of economics, there is some interrelation between topics).

Command words used in each paper

- A consistent set of command words are used across the assessments.
- The number of marks and assessment objectives for each command word are also applied consistently.



Points-based marking

- Multiple Choice (1 mark)
- Define (1 mark)
- State (1 mark)
- What is meant by (2 marks)
- Calculate (2 marks)
- Draw (3 marks)
- Explain (3 marks)

Levels-based marking

- Analyse (6 marks)
- Assess (9 marks)
- Evaluate (12 marks)
- These questions are assessed using level descriptors rather than according to individual marks
- Indicative content in the mark scheme gives examples of appropriate content.
- Examiners will initially decide the right level and then the most appropriate mark within that level.

Quantitative Skills



Quantitative Skills

Calculations

- Calculation of percentages and percentage changes, including interest on savings.
- Calculation of averages, including cost.
- Calculation of totals, *including revenue, costs and profit.*
- *Calculation of income, including gross and net pay.*

Construction of graphs

- Construction of graphs from data, including supply and demand curves.

Interpretation and use of quantitative data to support and justify economic decisions

- Interpretation and use of information from graphs and charts.
- Interpretation and use of economic data, such as unemployment figures, exports and imports.

New 9-1 grading scale



New 9-1 grading scale

	NEW GRADING STRUCTURE	CURRENT GRADING STRUCTURE
<p>The new grade 9 represents a new level of attainment and has been introduced to differentiate your top performing students.</p> <p>The bottom of the grade 7 aligns with the bottom of the grade A.</p>	9	A*
	8	
	7	A
<p>There's greater differentiation in the middle of the scale, with grades 6, 5 and 4 being equivalent to the old grades B and C.</p> <p>The bottom of the grade 4 aligns with the bottom of the grade C.</p>	6	B
	5	C
	4	
<p>The bottom of the grade 1 aligns with the bottom of the grade G.</p>	3	D
	2	E
		F
	1	G
	U	U

Click [here](#) for the latest information on the 9-1 grading scale.

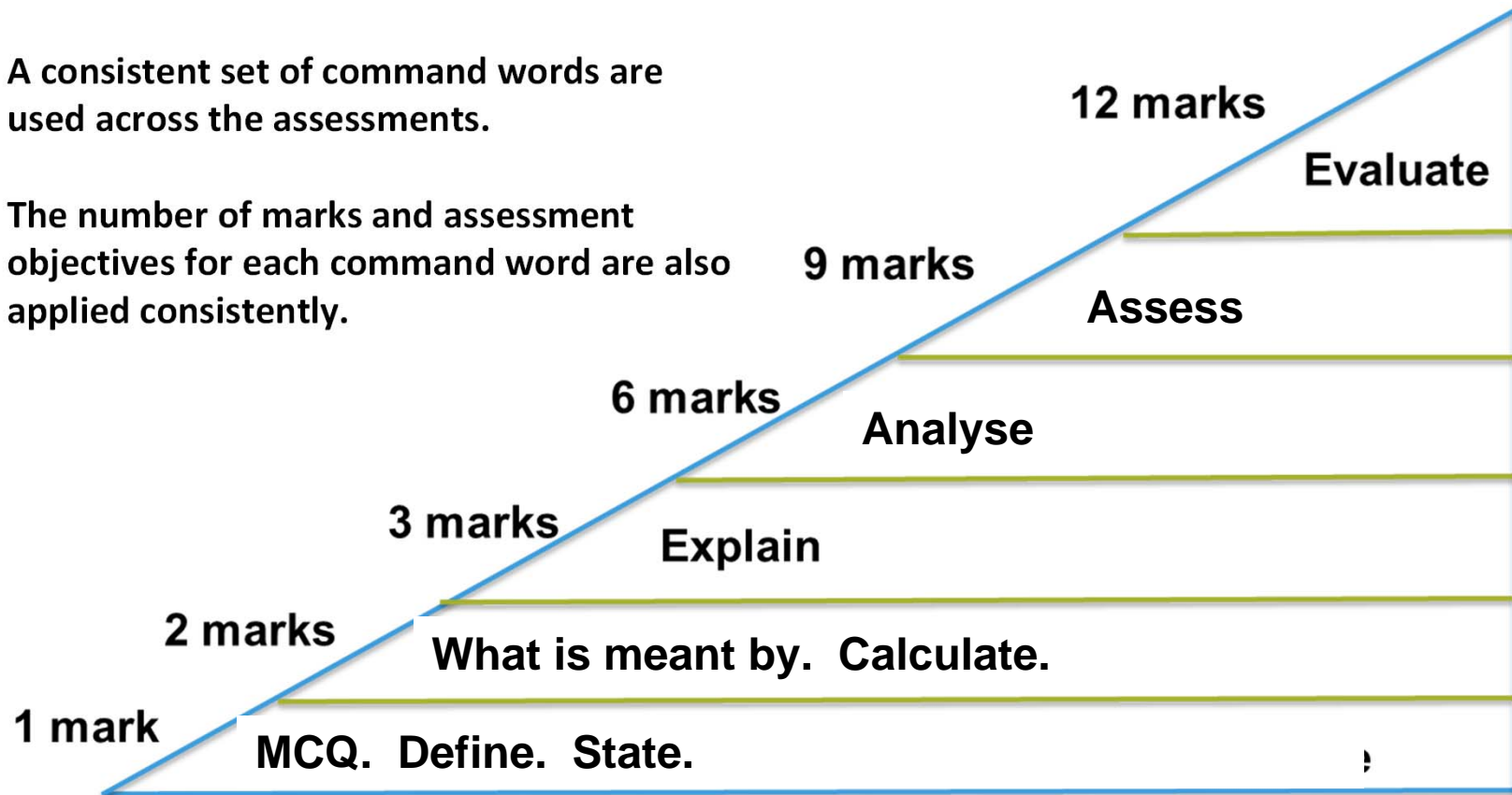
Question Papers & Mark Schemes

Papers 1 & 2



Command words used in each paper

- A consistent set of command words are used across the assessments.
- The number of marks and assessment objectives for each command word are also applied consistently.



Command word taxonomy

Command word	This type of question will require students to:
(Multiple-choice question)	Select one or more correct answer from a choice of answers. These questions test recall of knowledge from the specification content or require a calculation to reach the correct answer.
Define	Define a term from the specification content.
State	Give an answer, no longer than a sentence, referring to a piece of information from the specification content.
What is meant by	Define the term x where x is a term from the specification content. There must be two separate parts to the definition.
Calculate	Use mathematical skills to reach the answer, based on given data. Calculators may be used and workings should be given.

Command word taxonomy

Command word **This type of question will require students to:**

Draw Draw a diagram containing two/three separate awardable points.

Explain Give a statement of fact, with two further expansion points. These may expand on each other, or both from the same fact. The answer will be placed in context by the question.

Analyse Write an extended answer, requiring the expansion and exploration of an economic concept or issue. The answer will be placed in context by the question.

Assess Write an extended answer, using given information to weigh up factors and compare them in an economics context.

Evaluate Write an extended answer, applying knowledge of specification content, to reach a supported conclusion about an economic situation.

Multiple Choice Question

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

Answer ALL questions. Write your answers in the spaces provided.

1 (a) What is the name given to a firm that dominates a market?

(1)

<input type="checkbox"/>	A A monopoly firm
<input type="checkbox"/>	B An oligopoly firm
<input type="checkbox"/>	C A primary sector firm
<input type="checkbox"/>	D A secondary sector firm

Multiple Choice Question

Question number	Answer	Mark
1(a)	AO1 1 mark A A monopoly firm	(1)

- Do NOT leave questions without a cross.
- No cross = 0% chance of getting it right
- Cross in a box = 25% chance of getting it right

Define

(e) Define the term profit.

(1)

Question number	Answer	Mark
1(e)	AO1 1 mark Award 1 mark for reference to revenue being greater than costs. Profit is where total revenue is greater than total costs.	(1)

State

(c) State **one** cause of globalisation.

(1)

Question number	Answer	Mark
2(c)	<p>AO1 1 mark</p> <p>Award 1 mark for one correct cause.</p> <ul style="list-style-type: none">• Improved communications.• Improved transport.• The internet. <p>Accept any other appropriate responses.</p>	<p>(1)</p>

What is meant by

(c) What is meant by inflation?

(2)

Question number	Answer	Mark
1(c)	<p style="text-align: center;">AO1 2 marks</p> <p>Award 1 mark for reference to rise in general price level and 1 mark for reference to time period.</p> <p>A sustained increase in the general price level of goods and services in an economy (1) over a period of time (1).</p>	<p style="text-align: center;">(2)</p>

Calculate

A firm makes 1000 items. Its total revenue, total costs and total variable costs are given in Figure 1.

Quantity	Total revenue	Total fixed costs	Total variable costs
1000	£150 000	£45 000	£58 000

Figure 1

- (f) Using the data in Figure 1, calculate the profit earned by the firm when it makes 1000 items. You are advised to show your working.

(2)

Calculate

Question number	Answer	Mark
1(f)	<p>A02 2 marks</p> <p>Award 1 mark for calculating the total costs and 1 mark for calculating the total profit.</p> <p>$45\,000 + 58\,000 = \text{£}103\,000$ (total costs) (1) $150\,000 - 103\,000 = \text{£}47\,000$ (total profit) (1)</p> <p>Award 1 mark if only the correct formula is shown: Profit = $TR - (TFC + TVC)$ or $TR - TC$</p> <p>Award 2 marks if total profit is accurately calculated, even if total costs not explicitly calculated.</p>	(2)

Draw

- (f) Using the diagram below, draw the effects of the introduction of a tariff on the equilibrium price and quantity of a good. Label the new curve, the new equilibrium price and quantity.

(3)

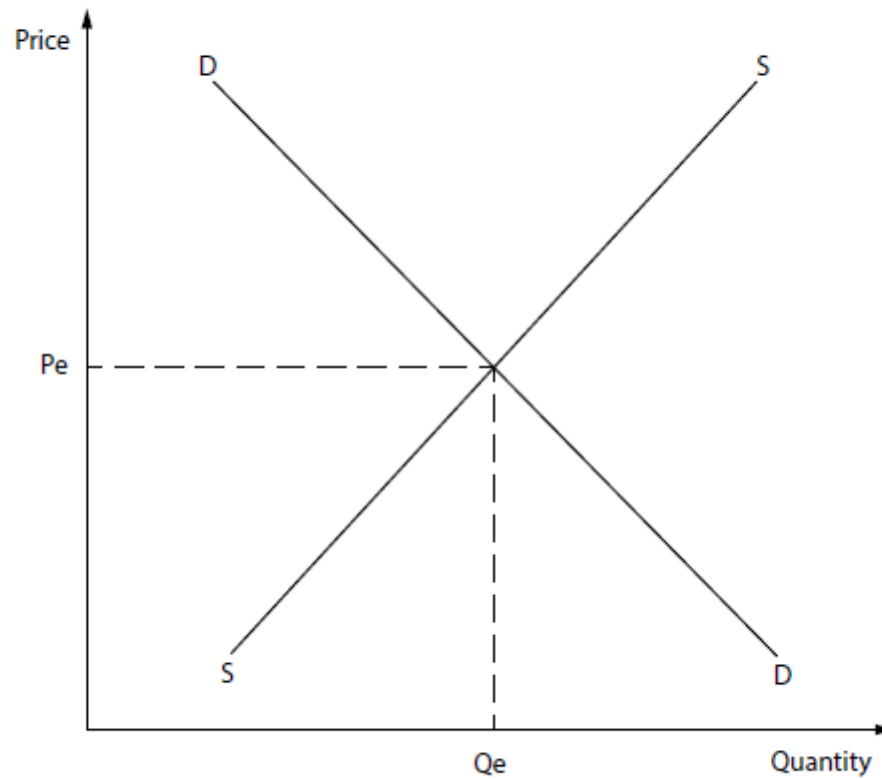
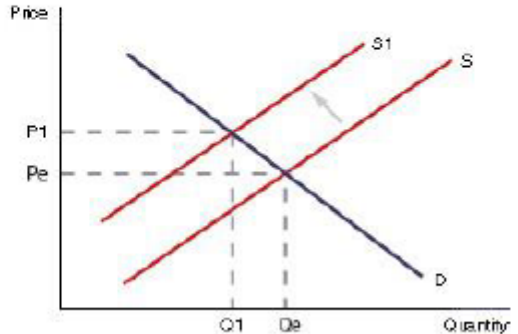


Figure 1

Draw

Question number	Answer	Mark
1(f)	<p>A02 3 marks</p> <p>Award 1 mark for leftward shift of supply labelled. Award 1 mark for higher equilibrium price labelled. Award 1 mark for lower equilibrium quantity labelled.</p> 	(3)

Explain

Some farmers have seen the price they receive for their crop fall. This means the income they earn has fallen. To support farmers the government pays them a subsidy.

(h) Explain **one** disadvantage of the government introducing subsidies to support farmers.

(3)

Question number	Answer	Mark
1(h)	<p>A02 3 marks</p> <p>Award 1 mark for identifying a relevant disadvantage and a further mark for developing the disadvantage. Award 1 mark for the response being in the context of farming.</p> <ul style="list-style-type: none">• One problem is that the government will experience an opportunity cost (1) as they will not be able to spend the money on other areas of the economy, such as healthcare and education (1), as the money will have been directed to supporting the income of farmers (1).• Farmers may become complacent (1) as they will receive the money from the government regardless (1), and may not see the need to cut costs through using more efficient farming methods (1). <p>Accept any other appropriate responses.</p>	<p>(3)</p>

Analyse

Sri Lanka's average tariff is 6.3%. However, agricultural imports have higher tariffs. Dairy products, meat products, fruit and vegetables have a 30% tariff.

(b) Analyse why Sri Lanka might impose higher tariffs on agricultural imports.

(6)

Question number	Indicative content
4(b)	<p>A02 (3 marks)/A03 (3 marks)</p> <p>A02 and A03</p> <ul style="list-style-type: none"> • Tariffs are taxes placed on imports. • They increase the price of the imports. • Sri Lanka may have placed high tariffs of 30% on agricultural imports for several reasons: <ul style="list-style-type: none"> ◦ to protect its own farmers from cheaper competition ◦ if imports are more expensive, Sri Lankan consumers will buy local produce and preserve the livelihood of Sri Lankan farmers ◦ this keeps people employed and prevents the problem of rising unemployment in the primary sector ◦ it may also be to raise revenue. • Sri Lanka is a developing economy and may lack sufficient government revenue to fund areas such as education and healthcare. • High tariffs mean increased tax revenue, which enables the government to spend more in these areas and aid Sri Lanka's economic development.

Analyse

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	<ul style="list-style-type: none">• Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2).• Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3).
Level 2	3–4	<ul style="list-style-type: none">• Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2).• Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3).
Level 3	5–6	<ul style="list-style-type: none">• Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2).• Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3).

Assess

Bangladesh increased the minimum wage for clothing workers by 77% to 5,300 taka (\$68) per month. The government in Bangladesh argued that the minimum wage would help workers earn enough money to meet their basic needs. The higher wage would encourage workers to be more productive. Businesses worry that the large increase in wages will mean that they cannot afford to employ as many staff. There are also concerns that higher wages will increase production costs.

(Source: adapted from 'Bangladesh poised to hike garment wages, but may not end strikes', by Shyamantha Asokan, October 2013 <http://www.reuters.com/article/us-bangladesh-garments-wage-idUSBRE99K02M20131021>)

- (g) With reference to the data above and your knowledge of economics, assess the impact of an increase in the minimum wage for clothing workers in Bangladesh.

(9)

Assess

Question number	Indicative content
2(g)	<p style="text-align: center;">A02 (3 marks)/A03 (3 marks)/A04 (3 marks)</p> <p>A02 and A03</p> <ul style="list-style-type: none"> • The minimum wage will help employees meet their basic needs, as they will be able to earn enough to buy the clothes, food and shelter they need. • This will improve their quality of life, being less likely to get ill as they are able to buy the food they need to survive. • More pay for workers means they will be more motivated and their productivity is likely to rise, helping to cut average costs for the business (own knowledge). <p>A04</p> <ul style="list-style-type: none"> • However, higher wages will be a problem for business owners as production costs will rise and they may not be able to employ as many people, which could cause increased unemployment for clothing workers in Bangladesh. <p>OR</p> <ul style="list-style-type: none"> • However, the minimum wage could have a big impact on the price of goods, as wage increases will be large (77%), which could lead to unemployment as demand for the goods fall.

Assess

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	<ul style="list-style-type: none"> • Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	<ul style="list-style-type: none"> • Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7–9	<ul style="list-style-type: none"> • Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).

Evaluate

Sri Lanka signed agreements for foreign direct investment (FDI) worth \$1.6bn in 2015, up from 2014's total of \$1.5bn. New projects include a \$26.5m assembly plant from Volkswagen and a \$100m investment in the sugar industry by companies from Singapore. Other multinationals already operating in Sri Lanka include Unilever®, Nestlé®, Holcim®, Coca-Cola® and Reckitt Benckiser®.

- (c) Evaluate the impact that FDI might have on a developing economy such as Sri Lanka.

(12)

Evaluate

Question number	Indicative content
4(c)	<p>AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • FDI – investment in one country that is made by a business, organisation or a government from another country. • FDI flows have both direct and indirect benefits: <ul style="list-style-type: none"> ◦ the initial investment creates employment. Buildings and equipment may be needed. Once operations commence, a workforce will be needed ◦ local businesses may be involved in supplying or servicing the multinational corporation (MNC), seeing an increase in business and therefore taking on more workers ◦ those with new employment will spend some of their income with local businesses. This increases demand and, in turn, creates more jobs. There is a positive local multiplier effect ◦ GDP is likely to increase and Sri Lanka will develop economically ◦ MNCs may train up the local workforce who may acquire useful skills. MNCs often bring new technologies, techniques and methods. New work practices and technology help the host country to become more competitive and grow ◦ Increased employment and wages should lead to an increased tax base and government revenue. Exports may increase improving the balance of payments ◦ Corporate Social Responsibility (CSR) policies can greatly benefit the local communities and environment. <p>AO4</p> <ul style="list-style-type: none"> • However, wages can be low and working conditions may be poor. • MNCs may not train local workers to a high level. Research and development facilities may be kept in the home country, with little opportunity for skills or technology. • Local businesses suffer at the hands of the MNCs who take away their market share/customers. • MNCs can cause great damage to the environment by their processes and the transportation of their products. This damage can be short or long term and is usually unsustainable. • Profits may be sent home and taxation can be reduced or avoided. • MNCs may move from one country to the next, taking whatever incentives are on offer, before moving on to the next and newest low-cost location, leaving behind unemployed workers and a weakened economy.

Evaluate

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<ul style="list-style-type: none"> • Demonstrates isolated elements of relevant knowledge and understanding and may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Chain of reasoning may be attempted. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted (AO4).
Level 2	5–8	<ul style="list-style-type: none"> • Demonstrates partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Chain of reasoning will be present, but may be limited. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness. A judgement or conclusion is attempted, but may not be fully supported (AO4).
Level 3	9–12	<ul style="list-style-type: none"> • Demonstrates specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Chain of reasoning will be coherent and logical. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion is present (AO4).

Question Paper & Mark Schemes

- Your ideas!



Multiple Choice Question

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1** (a) What type of unemployment is caused by a recession?

(1)

- ☐ **A** Cyclical
- ☐ **B** Structural
- ☐ **C** Voluntary
- ☐ **D** Seasonal

Multiple Choice Question

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 (a) What type of unemployment is caused by a recession? (1)

☐ A Cyclical

☐ B Structural

☐ C Voluntary

☐ D Seasonal

- Always cross a box. If you mark nothing, you have NO CHANCE of getting a mark
- If you make a mistake, clearly put a line through it then put a cross through ONE other box (as it shows you at the start of the question paper)
- DO NOT put a cross through 2 or more boxes without clearly showing you have crossed mistakes out

Define

(d) Define the term public sector.

(1)

Define

(d) Define the term public sector.

(1)

Question number	Answer	Mark
1(d)	<p>AO1 1 mark</p> <p>Award 1 mark for reference to government provides or pays for goods or service.</p> <ul style="list-style-type: none">• Where the government provides goods or services. <p>OR</p> <ul style="list-style-type: none">• Where the government funds the provision of goods and services.	(1)

- There is only 1 mark so don't continue writing after stating the definition
- There may be more than one way to get the mark
- There are a lot of key terms to learn so revise throughout the course, not just at the end

State

(c) (i) State the formula for price elasticity of demand.

(1)

State

(c) (i) State the formula for price elasticity of demand.

(1)

Question number	Answer	Mark
2(c)(i)	<p>AO1 1 mark</p> <p>Award 1 mark for correct formula in words/as an equation.</p> <p>% change in quantity demanded ÷ % change in price</p>	<p>(1)</p>

- There is only 1 mark so ONLY do as the question asks
- You may be able to gain the mark in more than one way
- Be precise: missing part of an equation could lose you the mark

What is meant by

(d) What is meant by monetary policy?

(2)

What is meant by

(d) What is meant by monetary policy?

(2)

Question number	Answer	Mark
2(d)	<p style="text-align: center;">AO1 2 marks</p> <p>Award 1 mark for reference to nature of policy and 1 mark for reference to aim of policy.</p> <p>Using interest rates (1) to influence the level of overall demand in the economy (1).</p>	<p style="text-align: center;">(2)</p>

- You can treat this question in the same way as giving a definition
- There are 2 marks so there must be TWO aspects to your answer
- Do not give additional information about something that is not asked by the question

Calculate

- (ii) Calculate the price elasticity of demand for a tablet cover when price increases by 10% and quantity demanded falls by 20%. You are advised to show your working.

(2)

Calculate

- (ii) Calculate the price elasticity of demand for a tablet cover when price increases by 10% and quantity demanded falls by 20%. You are advised to show your working.

Question number	Answer	Mark
2(c)(ii)	<p>AO2 2 marks</p> <p>Award 1 mark for showing correct calculation. Award 1 mark for correct price elasticity of demand (PED).</p> <p>$-20 \div 10 (1) = -2 (1)$</p> <p>Award 2 marks if PED is correctly calculated, even if no calculations are shown.</p> <p>Award 2 marks if students show calculation and put 2 without the minus sign.</p> <p>Award 1 mark if students do not show calculation but identify that it is price elastic.</p> <p>Do not award marks for the formula.</p>	<p>(2)</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(2)</p>

- Show your workings as marks can still be gained by doing this if you get the answer wrong (that can also be true of the formula)
- Be careful to include units if there are any (\$, %) or none if there aren't
- If the answer is negative, clearly show this

Draw

- (g) Using the diagram below, draw the effects of the introduction of a subsidy paid to producers on equilibrium price and quantity. Label the new curve, the new equilibrium price and quantity.

(3)

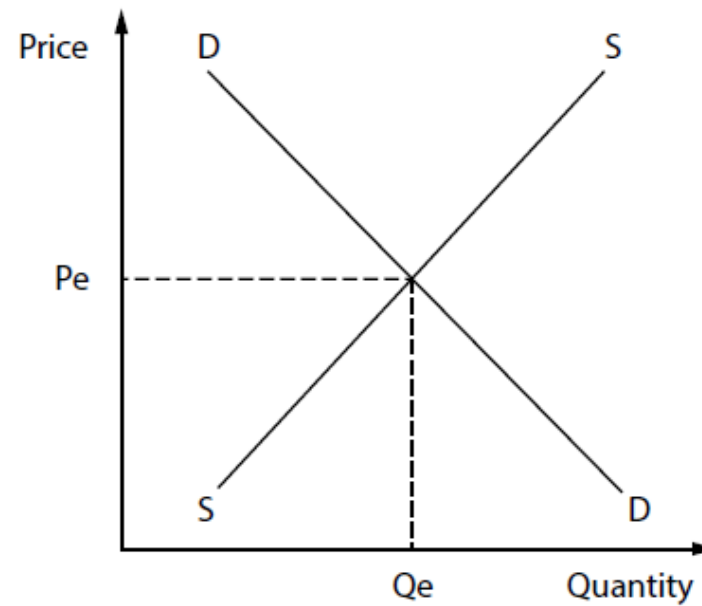


Figure 2

Draw

(g) Using the diagram below, draw the effects of the introduction of a subsidy paid to producers on equilibrium price and quantity. Label the new curve, the new equilibrium price and quantity.

(3)

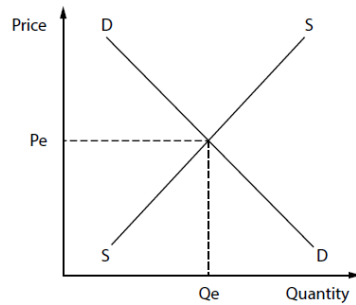
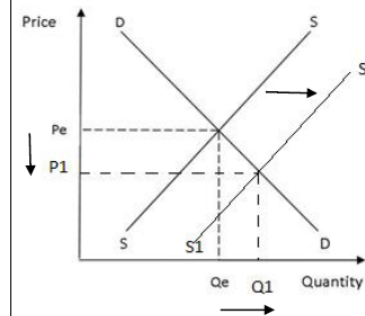


Figure 2

1(g)

A02 3 marks

Award 1 mark for rightward shift of supply labelled.
Award 1 mark for lower equilibrium price labelled.
Award 1 mark for higher equilibrium quantity labelled.



(3)

- There are 3 marks and the question asks for 3 things
- Keep your diagram clear and easy to read
- Make sure you label the new equilibrium price and quantity ON THE AXES

Explain

In 2015 Vietnam's economic growth was 6.68%.

(g) Explain **one** disadvantage of economic growth.

(3)

Explain

In 2015 Vietnam's economic growth was 6.68%.

(g) Explain **one** disadvantage of economic growth.

(3)

1(g)

A02 3 marks

Award 1 mark for identifying a relevant disadvantage and 2 marks for developing the explanation.

- One problem is that of environmental damage (1). As GDP increases, so does the demand for cars and transport (1). Increased car use causes air and noise pollution, with external costs (1).
- One problem is that of unsustainable growth (1). Economic growth means increased output of goods and services (1). This may mean using non-renewable resources such as oil and metals, which is unsustainable (1).

Accept any other appropriate responses.

(3)

- Only ONE disadvantage is asked for, so giving others will NOT gain additional marks
- The other two marks come from developing the explanation
- As there is more than one disadvantage, there are several possible routes this answer could take BUT it must be relevant to the stimulus

Analyse

In 2015, the UK pound (£) appreciated against the euro (€), reaching a high of £1 = €1.44.

(d) Analyse the impact this appreciation may have had on the UK's current account of the balance of payments.

(6)

Analyse

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(d) Analyse the impact this appreciation may have had on the UK's current account of the balance of payments.

(6)

Question number	Indicative content
3(d)	<p>A02 (3 marks)/A03 (3 marks)</p> <p>A02 and A03</p> <ul style="list-style-type: none"> • Appreciation of the pound means that more euros can be obtained for the same number of pounds. • UK exports will become more expensive as foreign buyers in France or Germany have to give up more euros to buy the same number of pounds. • Fewer UK exports will be demanded as price increases. • UK imports will become cheaper as the pound now buys more euros. • More imports, such as BMW cars and French perfumes, will be demanded as price falls. • The current account shows the value of all imports and exports over a period of time. • The result will be a worsening of the current account on the balance of payments as exports decline and imports rise.

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	<ul style="list-style-type: none"> • Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (A02). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (A03).
Level 2	3–4	<ul style="list-style-type: none"> • Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (A02). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (A03).
Level 3	5–6	<ul style="list-style-type: none"> • Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (A02). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (A03).

- Analysis questions require you to answer the question **IN CONTEXT** using the stimulus material
- To attain the highest level, answers must contain a thorough analysis of the issues
- This is a “levels of response” question meaning it is the quality of the answer that is important

Assess

Fiat is a car maker that grew in size by joining with another car maker, Chrysler, to become Fiat Chrysler®. Fiat hoped to cut costs by bulk buying and reducing research and development costs. Fiat could secure better financial terms as banks are more willing to lend at lower interest rates to bigger businesses. There was a concern that the business could become too large. Communication with more staff might be a problem and language difficulties might emerge between the Italian Fiat company and its English-speaking American company, Chrysler.

- (e) With reference to the data above and your knowledge of economics, assess whether Fiat, joining with Chrysler, is likely to result in economies of scale or diseconomies of scale.

(9)

Assess

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(e) With reference to the data above and your knowledge of economics, assess whether Fiat, joining with Chrysler, is likely to result in economies of scale or diseconomies of scale.

Question number	Indicative content
3(e)	<p>AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> When Fiat joined with Chrysler, the joint output was higher. By making more cars the company would order more parts. This meant it could bulk buy, helping it achieve discounts and better terms. As both businesses would have a research and development team developing new cars, information could be combined. Fewer researchers would save money. As a larger business, Fiat Chrysler would be seen by banks as lower risk. Therefore banks would lend money at lower interest rates, lowering the cost of the business. <p>AO4</p> <ul style="list-style-type: none"> Diseconomies of scale occur when average costs rise as business output grows. Communication problems emerge as there are more staff to communicate with. One part of the business is Italian and the other English so language problems may emerge. Cultural differences may exist between the two businesses causing potential conflict. A larger business may require more paperwork to help make decisions and this may make the business bureaucratic. Operating a business across two continents may mean the Chief Executive lacks control. The distance between top management and the workers at bottom of the organisation may be large. Average costs would rise as the business grows.

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	<ul style="list-style-type: none"> Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	<ul style="list-style-type: none"> Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).

(9)

- The question says ‘With reference to the data above and your knowledge of economics’ so you **MUST** do this effectively in order to reach the top level
- Assess means a **TWO** sided argument is needed
- A balanced two sided argument is needed to reach level 3

Evaluate

External costs in T-shirt production

According to the World Wildlife Fund (WWF), it takes 2700 litres of water to produce one T-shirt. Water is used not only to grow cotton but also to dye clothing. Cotton growers use pesticides and chemicals that pollute the water. The pesticides and chemicals that remain in the environment harm animals and plant life. The WWF has been working with governments to help reduce this pollution. It advises them to introduce more regulation and to fine companies that pollute. Clothing manufacturers argue that this will add to their costs and mean they will supply less. This may mean they employ fewer people and will help reduce water pollution as less clothing is being manufactured. Fines will punish those that pollute while also earning the government revenue it can use to clean up the pollution. The fines must also be large enough to persuade firms to stop polluting.

- (c) With reference to the information given in '**External costs in T-shirt production**' and your knowledge of economics, evaluate the impact of the government introducing regulation and fines to reduce the external costs of clothing production in its country.

(12)

Evaluate

External costs in T-shirt production

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- (c) With reference to the information given in 'External costs in T-shirt production' and your knowledge of economics, evaluate the impact of the government introducing regulation and fines to reduce the external costs of clothing production in its country.

4(c)

AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks)

AO2 and AO3

- Regulation.
- Rules and limits on what firms can do.
- This will add to the costs of the clothing manufacturers.
- This will reduce supply.
- A lower supply will cause demand to contract.
- A lower supply will cause the price to rise.
- A lower supply will reduce the quantity consumed.
- This will help to reduce water pollution as less clothing is being manufactured.
- Fines are charged for those firms that pollute or break regulations.
- This will earn revenue for the government.
- This revenue can be used to compensate those that are affected by water pollution.
- Clothing manufacturers have an incentive to switch to organic farming/use less fertiliser.
- Less fertiliser reduces the quantity of pollution and chemicals/water use.
- It reduces external costs.

AO4

- One disadvantage is that the clothing industry would make less profit.
- Also it may have to cut costs.
- It may do this by employing fewer people.
- This may lead to unemployment.
- Any gains the government might get in revenue from the fines may be lost as they have to support the unemployed.
- The impact of the fines might be small if the fine is only small.
- The impact of the fines might be limited (as people may still buy as they will always need clothes regardless of price).

(12)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<ul style="list-style-type: none"> • Demonstrates isolated elements of relevant knowledge and understanding and may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Chain of reasoning may be attempted. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted (AO4).
Level 2	5–8	<ul style="list-style-type: none"> • Demonstrates partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Chain of reasoning will be present, but may be limited. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness. A judgement or conclusion is attempted, but may not be fully supported (AO4).
Level 3	9–12	<ul style="list-style-type: none"> • Demonstrates specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Chain of reasoning will be coherent and logical. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion is present (AO4).

- Reference to the information given is a REQUIREMENT to answer the question
- A TWO sided, balanced argument is needed to reach Level 3
- A supported judgement or conclusion is needed to reach Level 3

Teaching and delivery strategies



Teaching ideas: Externalities

- Show images related to external costs and benefits
- Get them to identify the problem or benefit
- Who is affected by this (e.g. which third party) and how



Teaching ideas: Specialisation



Resources needed: paper, scissors and glue

Working as individual:

- Produce paper chains for 10 minutes
- Measure the total distance that of all the paper chains in that time

Working in teams of 3:

- Do not explain about division of labour or the idea that each should specialise
- Produce paper chains for 10 minutes
- Measure the total distance of the paper chain now
- Discuss the benefits of division of labour BUT also problems e.g. boredom etc.

Teaching ideas: Price Elasticity of Supply

Look at the products listed below and tick the relevant box

Item	Easy to change supply as price changes (elastic) over a period of 6 months	Difficult to change supply as price changes (inelastic) over a period of 6 months
Fresh flowers		
Bread		
Rice		
Cars		
Coffee		
Mobile phones		

Teaching ideas: Price Elasticity of Supply

Get candidates to complete table below after a discussion of previous table then feedback answers

Item	Reasons for elasticity of supply identified in previous slide	Apart from time, what else can help the producer of this item change the amount supplied as price changes?
Bread		
Rice		
Cars		

Teaching ideas: Scarcity

- Basic Economic Problem = **resources** are **scarce/finite** (SUPPLY) but people's wants are **infinite** (DEMAND).
- To resolve the economic problem individuals, firms and governments have to make choices.
- When a choice is made then a **sacrifice** has to be made (something else that was wanted has to be **foregone**). This is called opportunity cost.
 - e.g. if you choose to buy a cup of coffee rather than a chocolate bar, the opportunity cost is the chocolate bar.
- Opportunity cost relates to the item not chosen. It is NOT the monetary value of the item.

Teaching ideas: Opportunity Cost

Give **two** examples of opportunity cost to:

An Individual

- 1.
- 2.

A Firm

- 1.
- 2.

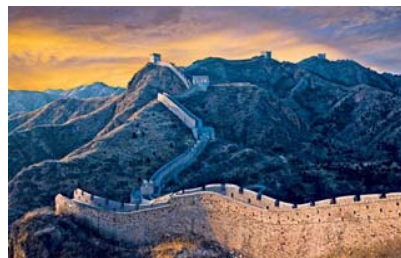
The Government of a country

- 1.
- 2.

Teaching ideas:

Introducing Real Macroeconomic Data

- Students choose a country from a range of options. (Have images relevant to different countries; see next slide)
- Get them to choose a country without explaining the exercise
- Work through macroeconomic data which can be researched on the internet
Students are awarded points according to the rank of their country.
E.g. if country X had highest economic growth they would get 1 point
If country X had lowest unemployment they would get 1 point
If country X had lowest inflation they would get 1 point, etc.
- The student with the lowest score wins



Teaching ideas: Inflation

- This will take a little forward planning
- Save receipts/invoices/bills from a selection of goods and services
- Collect the same information a period of time later (e.g. 1 month or 1 year if possible)
- Use the receipts etc. to question the students and demonstrate 'a basket of goods' and potential reasons for inflation or even deflation, as well as the links to aggregate demand.

RECEIPT		RECEIPT	
	2007		2008
BREAD (5 LOAVES)	4.00	BREAD (5 LOAVES)	4.40
MILK (7 LITRES)	5.60	MILK (7 LITRES)	5.40
LAMB (2 JOINTS)	13.70	LAMB (2 JOINTS)	14.10
CHICKENS (2 FREE RANGE)	10.00	CHICKENS (2 FREE RANGE)	11.80
RICE (1 KILO)	2.40	RICE (1 KILO)	2.80
CHEESE (2 KILOS)	12.60	CHEESE (2 KILOS)	11.90
BUTTER (1 KILO)	1.80	BUTTER (1 KILO)	1.70
TEA (250G)	0.85	TEA (250G)	0.85
BRAN FLAKES (750G)	1.35	BRAN FLAKES (750G)	1.50
BAKED BEANS (4 TINS)	1.40	BAKED BEANS (4 TINS)	1.50
COLA (4 LITRES)	2.20	COLA (4 LITRES)	2.30
TOTAL	£55.90	TOTAL	£58.25
THANK YOU!		THANK YOU!	

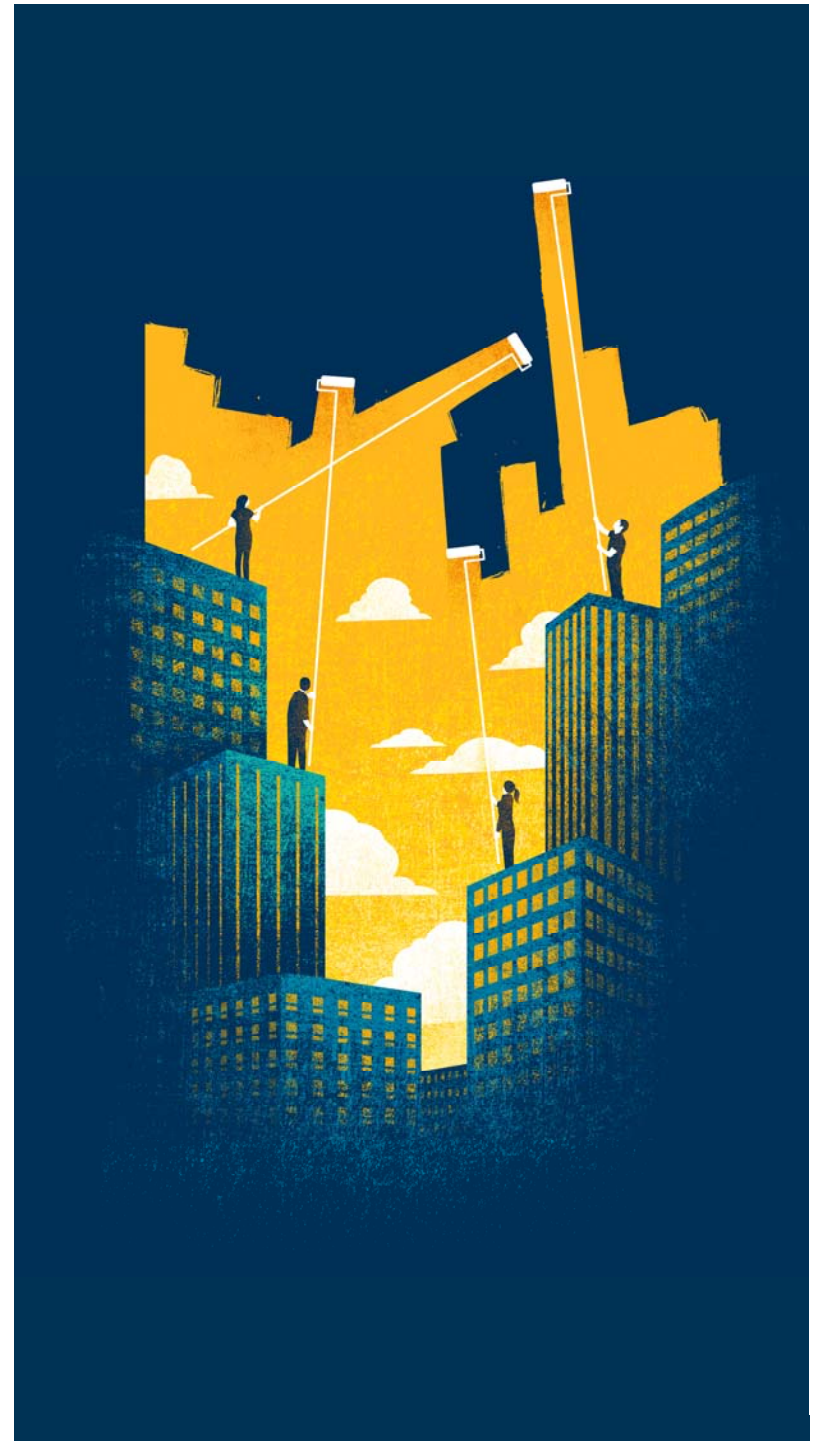
Teaching ideas: Eco Bingo

‘Define’ and ‘What is meant by’ questions require **precise definitions**. To prepare for this have a bucket/bag in the classroom:

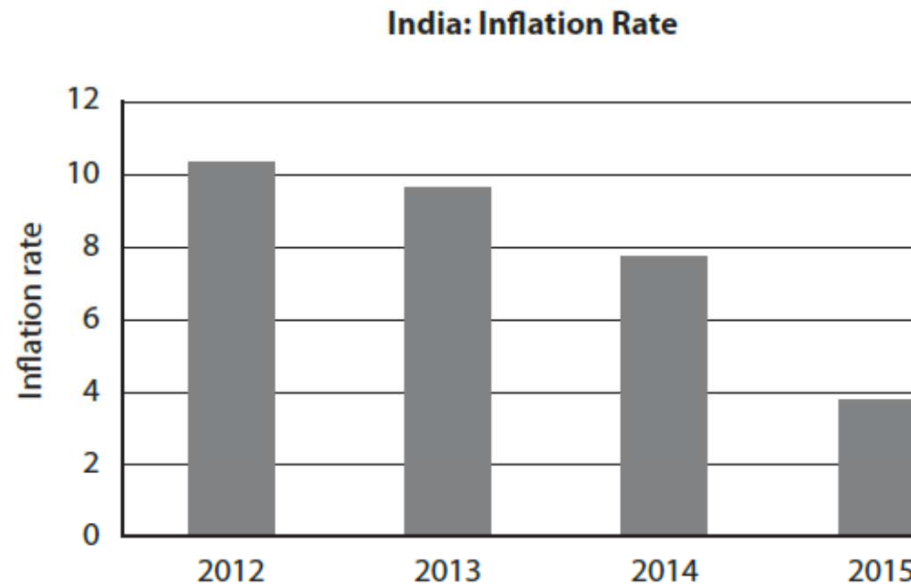
1. Each time a new economic term is identified add the word to the bucket/ bag
2. Every week a selected number of students pick a word out of the bucket
3. The student then has to give the definition of the word
4. The others have to identify the key word they have just defined.

Common Issues

1. Students not answering the question being asked.
2. Not using the data when the question requires it.
3. Missing off \$ or % etc. in answers.
4. Not showing workings in calculations.



Common Mistakes 1



(Source: <http://www.tradingeconomics.com/india/inflation-cpi>)

Figure 3

(b) (i) Using the data in Figure 3, describe what happened to prices in India from 2014 to 2015.

(3)

Common Mistakes 1

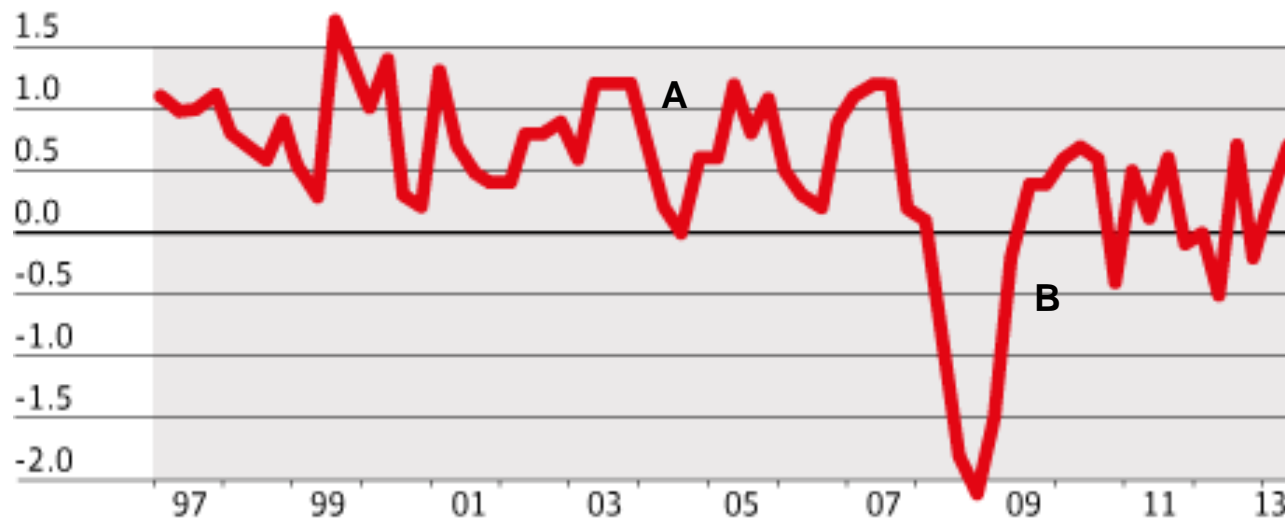
- Too many students frequently write that prices were falling
- This is of course wrong as it is the rate of increase in prices that is falling
- Understanding the difference between when there is deflation and disinflation would be useful
- Also looking at each time period and getting students to identify whether prices are rising or falling and whether the rate of change is growing or shrinking

Common Mistakes 2

Look at the data below. What is happening at A and B?

GDP growth

Quarterly percentage change in UK GDP



SOURCE: ONS

Common Mistakes 2

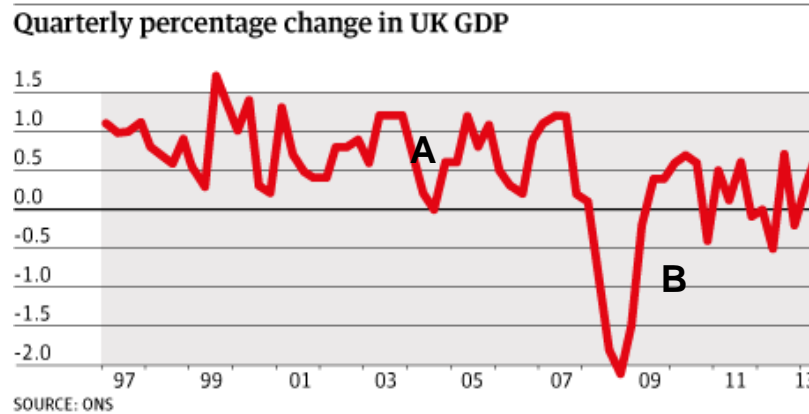
What is happening at A and B?

A - note the falling growth rates; make sure students understand this is a slowdown and not recession

B - note that the growth rate is still negative but the rate of decline is falling

Make sure students understand that it is only a recession when below the line for 2 or more consecutive quarters

GDP growth



Considering delivery strategies and preparing best practice



Support and Resources



Complete support from Pearson

Plan

- Specification & SAMs
- Scheme of Work
- Getting Started Guide
- Course Planner
- Mapping documents
- Getting Ready to Teach events

Develop

- Getting Ready to Teach events
- Mocks Marking events
- Feedback events

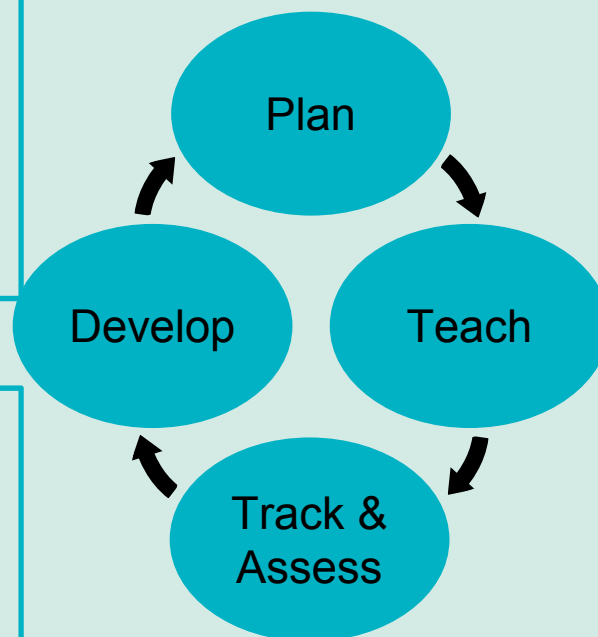
Teach

Paid-for

- Student Book
- ActiveBook

Track & Assess

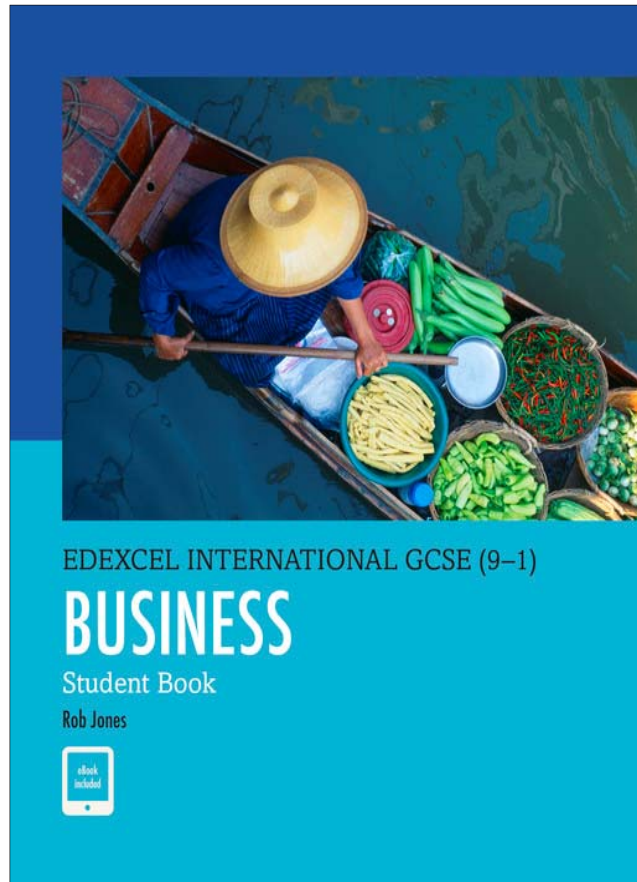
- ResultsPlus
- Mock Analysis
- ExamWizard
- SAMs
- Additional sample assessment papers
- Marked student exemplars



Free support for Pearson

- Getting Started Guide
- Editable Scheme of Work
- One further set of Extra Assessment Materials (Specimen Papers)
– *available Feb/Mar 2018*
- Marked student responses to the SAMs with examiner commentary
– *available April/May 2018*
- Subject Advisor support – Colin Leith

Published resources - Paid-for support



Textbook from Pearson

- Engaging contemporary contexts with plenty of real case studies.
- Transferable skills are explicitly signposted, allowing students to understand the skills they are gaining.
- Exam style questions and practice tests to support revision.
- Content is mapped to the specification to provide comprehensive coverage.

Student Book, eBook and Teacher materials (ALDS)

** Pearson's published resources, as well as other endorsed resources, are not a prerequisite for the delivery of our specification.*

Free support: ResultsPlus and ExamWizard

ResultsPlus

Provides the most detailed analysis available of your students' exam performance. This free online service:

- helps you identify topics and skills where students could benefit from further learning, helping them gain a deeper understanding
- see actual scores for each exam question for a student, class or group
- understand how your students' performance compares with class and Edexcel national averages
- acquire data that may support effective learning and teaching approaches.

examWizard

examWizard is a free exam preparation tool containing a bank of past Edexcel exam questions, mark schemes and examiners' reports for a range of GCSE and GCE subjects.

- examWizard saves you time by allowing you to create your own mock exams, topic tests, homework or revision activities in minutes linking directly to associated examiner reports and mark schemes.

Dedicated subject support

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International GCSE Economics subject page:

<http://qualifications.pearson.com/en/qualifications/edexcel-international-gcses-and-edexcel-certificates/international-gcse-economics-2017.html>



Questions?
Thank you.
Evaluation Form...



ALWAYS LEARNING