

International GCSE

Economics (9–1) (Modular)

Getting Started Guide

Pearson Edexcel International GCSE in Economics (Modular) (4XEC1)

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Issue 1



Through initiatives such as onscreen marking and administration, Pearson is leading the way in using technology to modernise educational assessment, and to support teachers and learners.

This guide is Issue 1. We will inform centres of any changes to this issue. The latest issue can be found on the Pearson Edexcel website:

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1. Introduction

This Getting Started Guide provides an overview of our new International GCSE in Economics (Modular) (4XEC1) qualification, to help you get to grips with the content and assessment, and to help you understand what these mean for you and your students.

Our package of support to help you plan and implement the specification includes:

Planning

We will provide a course planner and an editable scheme of work that you can adapt to suit your department. We also provide face-to-face and online training for international schools.

Teaching and learning

To support you in delivering the new specification, we will provide suggested activities.

Understanding the standard

Sample Assessment Materials will be provided.

Tracking learner progress

ResultsPlus provides the most detailed analysis available of your students' examination performance. It can help you identify topics and skills where students could benefit from further learning. We also offer **examWizard**, which 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.

Support

Our subject advisor service ensures you receive help and guidance from us when you need it. Email our subject advisor at teachingeconomics@pearson.com. You can sign up to receive subject advisor updates at <https://qualifications.pearson.com/en/forms/subject-advisor-updates-for-teachers-and-tutors.html> or contact us using the [support portal](#).



2. Key features of the qualification

Our new International GCSE in Economics (Modular) is designed to closely align to our existing International GCSE in Economics (4EC1). It covers the same content and is assessed in the same way as our existing qualification. The modular qualification breaks the journey into units with an exam at the end of each unit, so students can sit their exams when they feel prepared and ready. It also allows learners to take advantage of multiple re-sit opportunities if needed.

The modular route provides learners with a sensible and authentic form of assessment that reflects how today's students sit other high stakes assessments in their lives, (i.e., when they are ready), such as driving tests, or tests of English proficiency. Spreading their examination load across exam series provides more opportunities to demonstrate their skills and abilities and to receive feedback to help improve their performance and secure the overall grades they need to progress.

How modular International GCSEs work

- **Units can be assessed in any exam series:** In the modular route, there are no restrictions on students taking units together; all units can be treated separately, and they can be taken in any International GCSE exam series.
- **No time limits on the qualification:** Students can take and re-sit individual unit assessments in any series. This means students have more opportunities to get feedback to improve their performance and get the grades they need to progress.
- **Students 'cash in' unit results when ready:** Once a student has all their unit results for the qualification they are taking, they 'swap' those for a grade – this is called 'cashing in'. To cash in, all units must have been entered.

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Benefits of a modular approach

Students	Educators and Parents
Reduces students' mental load and stress by allowing them to focus on one year of curriculum at a time and spreads out their exams over two years.	Provides teachers with rich mid-cycle data on learner performance via post-exam analysis support tools such as Results Plus.
Provides more opportunities to demonstrate their skills and abilities and optimise feedback to improve their performance.	Eases the pressures faced by exam officers as it allows international schools to spread the exam admin burden.
Allows them to take exams when they're ready, like they do with other tests, such as driving tests and take advantage of multiple re-sit opportunities if needed.	Where parents pay exam fees, it helps with budgeting by enabling families to spread their child's exam fees over two years.

Why choose Pearson Edexcel International GCSE in Economics (Modular)?

The Pearson Edexcel International GCSE in Economics (Modular) will engage international learners and give them skills that will support progression to further study of economics and enhance future educational or employment prospects.

The content and assessment approach for this qualification has been designed to maintain the rigorous standards of all Pearson Edexcel qualifications and meet learner needs.

Modular structure

The modular assessment structure offers learners the flexibility to sit examinations when they are ready and provides opportunities to resit individual unit assessments before receiving an overall qualification grade.

Two-unit assessment

A two-unit model gives learners good opportunities to prepare for and focus on different aspects of economics. We will test knowledge, understanding, analytical

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and evaluation skills around two themes: Unit 1: Microeconomics and Business Economics, and Unit 2: Macroeconomics and the Global Economy.

Concepts and content

The content in both Unit 1: Microeconomics and Business Economics and Unit 2: Macroeconomics and the Global Economy is engaging and accessible for all learners. The content is appropriate and relevant for progression, building understanding and awareness of economic theory and testing concepts in realistic contexts. It develops learners' ability to participate effectively in global society as citizens, producers and consumers.

Clear and straightforward question papers

Our question papers are clear and accessible for learners of all ability ranges. Our mark schemes are straightforward so that the assessment requirements are clear.

Broad and deep development of skills

The design of this International GCSE (Modular) aims to extend learners' knowledge and understanding by broadening and deepening their skills; for example, learners develop the ability to:

- read sources to interpret and evaluate economic information
- write extended responses
- respond appropriately to a range of question types, including multiple-choice
- short open-response, data response and extended open-response questions
- develop an understanding of economic concepts and apply these concepts to real-life situations.

Progression

International GCSE Economics (Modular) enables successful progression to Level 3 qualifications (such as the International A Level in Economics) and beyond, in economics and other subjects. We have consulted International A Level and GCE A Level teachers as well as higher education professionals to validate this qualification, including its content, skills development and assessment structure.



3. Qualification overview

Content summary

In Unit 1 students will start by learning about the basic economic problem – the idea that resources are scarce meaning consumers, firms and governments must make choices. Making these choices creates the issue of opportunity cost.

Microeconomics is the study of individual markets. Students will learn about the supply and demand model, to look at how changes in the economy will affect supply, demand, price and quantity. The model will help to explain why prices rise and fall. Students will look at elasticities considering how much the quantity supplied and demanded will respond to changes in price or income, which will help students to understand why some price changes see large or small changes in quantity.

Having looked at how markets work, students will look at how they sometimes fail. In some cases, we overconsume as we ignore negative impacts on others, for example pollution. In other cases, we underconsume as we might undervalue the benefits our education could bring to others.

Students will then study business economics. Students will look at what is needed to produce goods and services, including land, labour, capital and enterprise. Students will look at how businesses can organise production to improve the output per worker, which we call productivity. Next, students study business costs, revenues and profits. Students will then explore different types of businesses, from those that are competitive to single firms that we call monopolies, and those industries with several large firms, which we call oligopolies. In each case students will consider the advantages of the types of business that exist.

Sometimes markets and businesses do not give the best outcome for people and so governments must enter the market. Students will look at the alternative ways in which governments can affect markets, considering the benefits and drawbacks of each.



Unit 1: Microeconomics and Business Economics

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

In Unit 2 students look at macroeconomics, looking at all the markets combined in a country. Students will look at their own country and other countries' economies. Students will look at the different objectives that governments are concerned about. These include trying to achieve:

- low inflation
- low unemployment
- increases in economic growth
- surpluses or equilibrium on the current account of the balance of payments
- redistribution of income
- environmental protection.

For each objective, students will look at the issues and problems involved and how the government acts to improve the outcomes. Students will then look at the global economy. This will involve looking at the benefits and problems of increased integration between economies of the globe. Next, students will look at international trade and how countries come together as trading partners to boost growth. Exchange rates will also be looked at to consider how changes can affect an economy. Students will study both developing and developed economies.



Unit 2: Macroeconomics and the Global Economy

Government and the economy:

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

The global economy:

- Globalisation
- International trade
- Exchange rates

Assessment summary

Pearson Edexcel International GCSE in Economics (Modular) comprises two mandatory units of equal weighting. The unit assessments can be sat and resat in any order. Assessments must be cashed in to obtain a final grade for the qualification.

Unit 1: Microeconomics and Business Economics	Unit code: 4WEC1/01
Externally assessed Written examination: 1 hour and 30 minutes Availability: June and November 80 marks	50% of the total International GCSE (Modular)
The examination consists of four compulsory questions, each worth 20 marks. The questions in Unit 1 assessment are a combination of multiple-choice, data-response, short open-response and extended open-response questions. Students may use a calculator. This unit is available as a paper-based or onscreen assessment.	



Unit 2: Macroeconomics and the Global Economy	Unit code: 4WEC2/01
Externally assessed Written examination: 1 hour and 30 minutes Availability: June and November 80 marks	50% of the total International GCSE (Modular)
The examination consists of four compulsory questions, each worth 20 marks. The questions in Unit 2 assessment are a combination of multiple-choice, data-response, short open-response and extended open-response questions. Students may use a calculator. This unit is available as a paper-based or onscreen assessment.	

Assessment objectives

Assessment objectives describe the types of thinking skills required of learners when answering the questions in the examinations. There are **four** assessment objectives for this qualification and the table below summarises these, along with the weightings for each.

Assessment objective	Definition	% in International GCSE (Modular)
AO1	Recall, select and communicate knowledge of economic terms, concepts and issues.	14-15
AO2	Demonstrate understanding and apply economic knowledge using appropriate terms, concepts, theories and calculations effectively in specific contexts.	48-49
AO3	Select, organise and interpret information from sources to investigate and analyse economic issues.	23-24
AO4	Evaluate economic information to make reasoned judgements and draw conclusions.	12-13



Relationship of assessment objectives to units

Unit	Assessment objective			
	AO1	AO2	AO3	AO4
Unit 1	7.5%	24.4%	11.8%	6.3%
Unit 2	7.5%	24.4%	11.8%	6.3%
Total for International GCSE (Modular)	14-15%	48-49%	23-24%	12-13%

Codes

Type of code	Use of code	Code
Cash-in codes	Cash-in codes are used in combination with entry codes to aggregate the learner's unit scores to obtain the overall grade for the qualification.	4XEC1
Entry codes	To enter the learner for their examination, unit codes are used as entry codes. To obtain the overall grade for the qualification, entry codes are used in combination with cash-in codes.	Please refer to the Pearson Edexcel <i>Information Manual</i> , available on the Pearson qualifications website .
Unit codes	Each unit is assigned a unit code. This unit code is used as an entry code to indicate that a learner wishes to take the assessment for a particular unit.	Unit 1: 4WEC1/01 Unit 2: 4WEC2/01



Command word taxonomy

There are several key words that will be used consistently in the assessments. These are typically called **command words** and are used to signal to learners how to structure their responses and ensure they are rewarded for demonstrating the necessary skills required in the question. Each question will only have **one** command word.

The International GCSE in Economics (Modular) qualification has a consistent command word taxonomy and mark tariff to help students. The table below lists the command words that may be used in the question papers, the mark associated with each command word and a description of the type of response required for each command word.

Command word	Mark tariff	Assessment objective	This type of question will require students to:
Multiple-choice question (MCQ)	1	AO1	Select the correct answer(s) from a list of possible answers. These questions test recall of knowledge from the specification content and may require a calculation to reach the correct answer.
Define	1	AO1	Define a term from the specification content.
State	1	AO2	Give an answer, no longer than a sentence, referring to a piece of information from the specification content.
What is meant by	2	AO1	Define the term x where x is a term from the specification content. There must be two separate parts to the definition.
Describe	2	AO1	Identify and briefly develop a consequence of an economic event.
Calculate	2	AO2	Use mathematical skills to reach the answer, based on given data. Calculators may be used and workings should be given.
Draw	3	AO2	Draw a diagram containing two/three separate awardable points.
Explain	3	AO2	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	6	AO2 - 3 marks AO3 - 3 marks	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	9	AO2 - 3 marks AO3 - 3 marks AO4 - 3 marks	Write an extended answer, using given information to weigh up factors and compare them in an economics context.
Evaluate	12	AO2 - 4 marks AO3 - 4 marks AO4 - 4 marks	Write an extended answer, applying knowledge of specification content, to reach a supported conclusion about an economic situation.



4. Assessment guidance

Understanding the question types

Multiple-choice questions (MCQs)

Each unit assessment will have 6 x multiple-choice questions. These will have a question or sentence to complete and will have 4 options with 1 correct answer to select. Students will always be looking for the best answer. These questions test recall of knowledge from the specification content or require a calculation to reach the correct answer.

Below are a few examples of multiple-choice questions.

The first and most common type of question will require recall and will often assess the ability to recognise definitions and match to the appropriate key word or to choose the most appropriate definition. An example from the June 2023 series is given and the answer explained below.

Example 1:

<p>2 (a) Which one of the following would occur when there are unsold goods in a market?</p> <p><input type="checkbox"/> A Excess demand</p> <p><input type="checkbox"/> B Excess supply</p> <p><input type="checkbox"/> C Higher prices</p> <p><input type="checkbox"/> D Increased productivity</p>	<p>(1)</p>
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The correct answer is **B** - Excess supply. Here, students just need to recall the definition of the key term.

Example 2:

The following question differs in that it uses given data. Students have to select which data needs using in order to calculate the correct answer.

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(b) A firm has a variable cost of €25 and charges a price of €75 per item. It sells 30 000 items. What is the total revenue for the firm?

(1)

<input type="checkbox"/>	A €400
<input type="checkbox"/>	B €30 075
<input type="checkbox"/>	C €750 000
<input type="checkbox"/>	D €2 250 000

The answer is calculated by multiplying the price by quantity $€75 \times 30\,000 = €2\,250\,000$ so **D** is the correct answer. Here, any formulas or calculations noted will get no additional credit as only the correct answer is rewarded.

Example 3:

Alternatively, students may be provided with a table of data which needs interpreting:

Young Tablet Covers is a firm based in Hong Kong. It produces colourful covers designed for children to protect their tablet computers. The quantity demanded and quantity supplied at different prices is shown in Figure 3.

Price in Hong Kong dollars (HKD)	Quantity demanded per week	Quantity supplied per week
100	900	400
110	750	500
120	600	600
130	450	700

Figure 3

With reference to the data in Figure 3, what is the equilibrium price of a tablet cover?

(1)



<input type="checkbox"/>	A 100 HKD
<input type="checkbox"/>	B 110 HKD
<input type="checkbox"/>	C 120 HKD
<input type="checkbox"/>	D 130 HKD

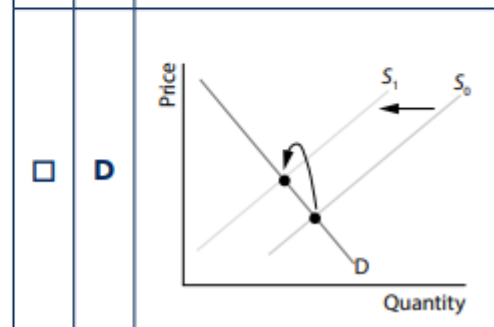
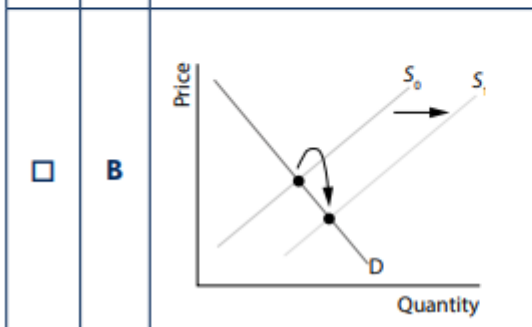
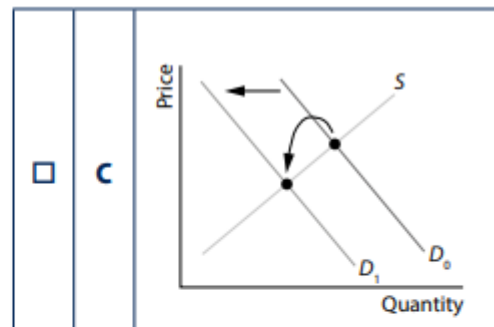
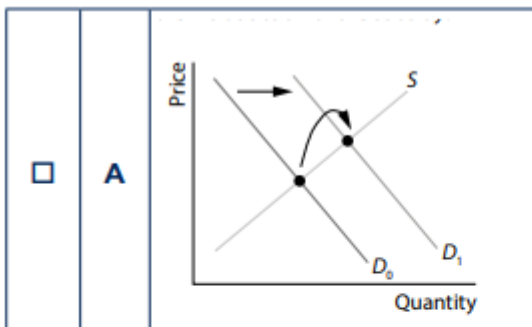
In this question students need to know that equilibrium will occur where the quantity supplied exactly matches quantity demanded. This occurs at a price of 120 HKD so **C** is correct.

Example 4:

Another type of question will give a scenario and candidates will have to select the appropriate diagram that illustrates the impact.

The United States provides a subsidy to American cotton producers.

Which **one** of the following diagrams shows the market for American cotton following the introduction of the subsidy? (1)



With costs falling due to the subsidy, supply will shift right and demand will expand so the answer is **B**.



'Define' questions

These questions require the candidate to define a term from the specification content. The definition will tend to be simple and not require development. The questions will be awarded 1 mark. An example of a define question is given below.

Define the term public sector. (1)

All the answer requires is that candidates give a simple definition that is 'Where the government provides goods or services.' No further development is required.

'State' questions

When asked to 'state' candidates need to give an answer, no longer than a sentence, referring to a piece of information from the specification content. Examples of 'state' questions are given below from the June 2023 series.

Example 1:

State **one** reason why a supply curve may shift to the left. (1)

Candidates only need to write any reason that will cause a leftwards shift of the supply curve, for example:

- Rise in the cost of production
- Rise in indirect taxes
- Fall in subsidies
- Natural factors/disasters

No further explanation is needed.

Example 2:

Alternatively, candidates might be asked to state a formula as shown below:

State the formula for price elasticity of demand. (1)

Formula required is $\% \text{ change in quantity demanded} \div \% \text{ change in price}$.

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'What is meant by' ... questions

Here candidates need to define a term from the specification content. There will be two marks available and there must be two separate parts to the definition. An example from the June 2023 series is given below:

What is meant by the term privatisation? (2)

Here candidates will be awarded 1 mark for each part of the definition. For example, 'The government sells/transfers an organisation in the public sector (1) to the private sector (1).

Candidates are awarded 1 mark for reference the public sector making the sale and then the second part of the definition referring to where the organisation is sold, gets the second mark.

'Calculate' questions

On 'calculate' questions candidates need to use mathematical skills to reach the answer, based on given data. Calculators may be used and workings should be given. These questions are worth 2 marks. An example is given below.

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

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)

Candidates will receive 1 mark for calculating the total costs and 1 mark for calculating the total profit.

e.g., $45\,000 + 58\,000 = \text{£}103\,000$ (total costs) (1)

$150\,000 - 103\,000 = \text{£}47\,000$ (total profit) (1)



Showing the working here enables candidates to gain credit even when they make a mistake at some point in calculating.

However, the candidate will be awarded 1 mark if only the correct formula is shown e.g., Profit = TR – (TFC + TVC) or TR – TC

Candidates should therefore be encouraged to include formulas that they will use in their answer.

Note that the candidate will achieve full marks if the correct profit figure is given.

'Describe' questions

These questions are worth 2 marks and require one benefit, reason or way etc., along with one point of development. There will normally be one of these questions in each unit assessment.

Describe one benefit to consumers of privatisation. (1)

Candidates will be awarded the first mark for identifying a relevant benefit and a further mark for developing the benefit. An example response could be:

Firms are likely to offer lower prices (1) because they are trying to attract custom away from competitors (1).

The response clearly gives a benefit to consumers as well as a cause of this benefit to provide development.

'Draw' questions

These questions are worth 3 marks. Candidates will need to draw a diagram containing two/three separate awardable points.

Example 1:

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)

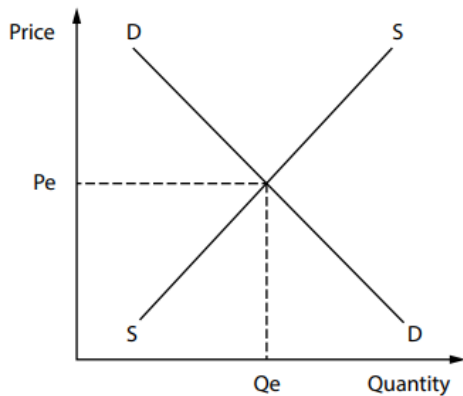
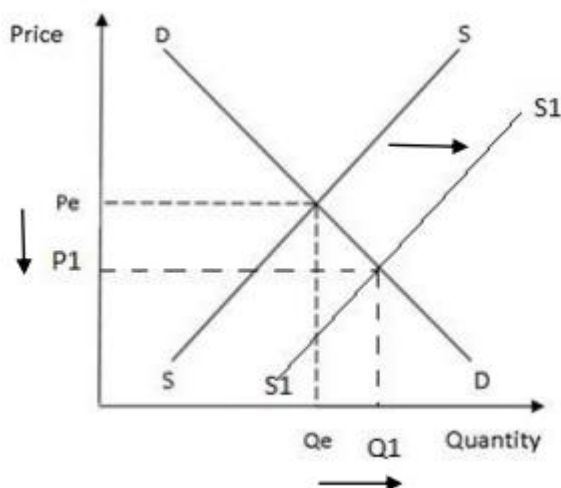


Figure 2

For this question there is 1 mark for drawing the correct shift, 1 mark for showing the new equilibrium price and 1 mark for the new quantity.



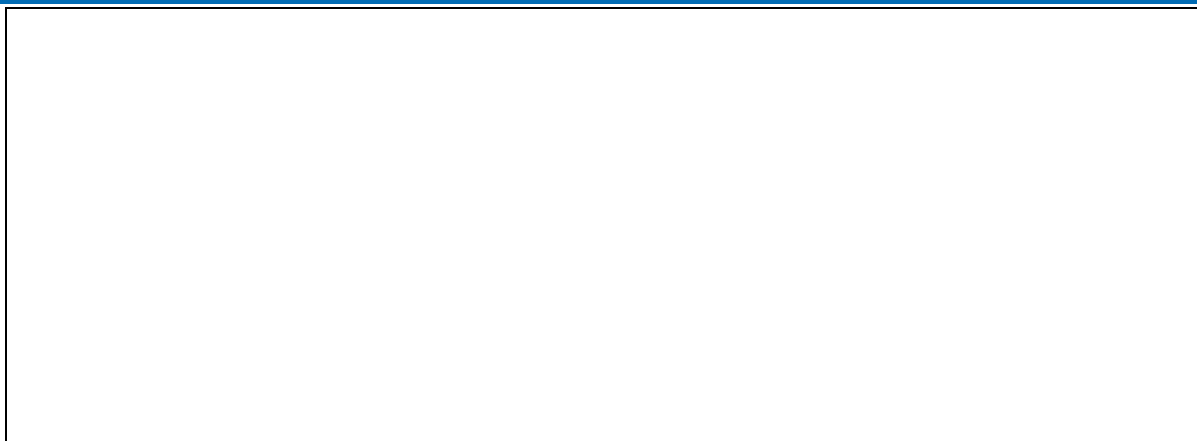
- 1 mark for rightward shift of supply labelled.
- 1 mark for lower equilibrium price labelled.
- 1 mark for higher equilibrium quantity labelled.

Example 2:

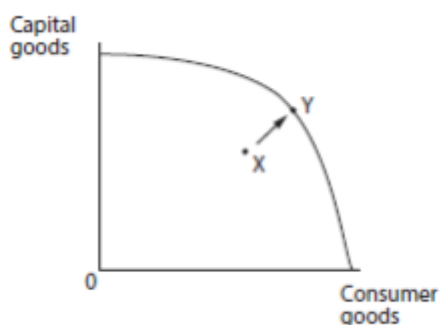
Sometimes the diagram will need to be drawn.

An economy produces capital and consumer goods. This economy starts with unemployed resources at **point X** and then shifts to **point Y** where resources are fully employed.

In the box below, draw a production possibility curve (PPC) to show an economy moving from **point X** with unemployed resources to **point Y** where resources are fully employed. (3)



The students will need to produce the diagram below. Although the axis can be swapped.



Candidates will be awarded 1 mark for drawing a production possibility curve (PPC) with correctly labelled axes. 1 mark for drawing point X below PPC, and 1 mark for drawing point Y on the PPC.

'Explain' questions

The response will normally 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. These answers are worth 3 marks and will normally be found two or three times in each unit assessment, such as this example from the June 2023 series.

A firm produces tennis balls. There are a number of stages in the process of producing tennis balls. The firm uses division of labour in its factory.

Explain one advantage of using division of labour for the firm.

(3)



Candidates will be awarded the first mark for identifying a relevant advantage and a further mark for developing the advantage. The final mark here is for the response being in the context of the tennis ball factory.

An example response could be:

- Workers specialising in one task become better at that task (1) making them more productive (1) and helping to lower the average costs of producing each tennis ball (1)

As you can see, the response clearly identified an advantage and then explained why it is a benefit and made sure that it had links to the tennis factory.

'Analyse' questions

There are typically three 'analyse' questions in each unit assessment, requiring students to develop a response to be able to access 6 marks. An analyse response will require an extended answer, requiring the expansion and exploration of an economic concept or issue. The answer will be placed in context by the question. These responses do not require a two-sided response but a developed analysis.

The UK government has introduced an indirect tax on drinks that contain high levels of sugar. The tax should reduce the consumption of high sugar drinks. Some argue that brands like Coca-Cola® and Pepsi® have price inelastic demand because customers are loyal to these brands.

With reference to the data above and your knowledge of economics, analyse the impact of the introduction of an indirect tax on the consumption of Coca-Cola and Pepsi. (6)

This question is marked by levelling the quality of the response. They can achieve Level 1, 2 or 3.

A **Level 1** response will achieve 1 or 2 marks.

Candidates will demonstrate basic knowledge and understanding by developing relevant points. There will be limited application of economic terms, concepts, theories and calculations. Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues.



A **Level 2** response will achieve 3 or 4 marks.

Candidates will demonstrate partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations. Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues.

A **Level 3** response will achieve 5 or 6 marks.

Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations. Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues.

A typical response that achieves Level 3/full marks is given below:

Indirect tax is a charge on expenditure. This will reduce the supply of both drinks and increase the price and reduce the quantity of the drinks consumed. Despite lower consumption, the inelastic demand caused by people being loyal to the brands means government tax revenue earned will rise. The increased tax revenue can be used to support the treatment of obesity/campaigns for information.

The above response starts by defining accurately and goes through the process of how the tax affects supply and demand and therefore the price and quantity. This is accurate showing clear understanding of the supply and demand model. Candidates then move themselves to level 3 through showing an understanding of elasticity and linking this to how it will affect total tax revenue. Candidates offer a response in the context of the question by linking the tax to how it can fund the treatment of obesity and provide information.

The following response also achieves the top score:

The sugar tax is an indirect tax which is a tax on consumption. The impact of the tax will be small as Coca-Cola and Pepsi have brand loyalty, which means people may be addicted to these brands of drink. When the tax is introduced and the price for these products goes up, the response in reduced quantity will be smaller. Therefore, the sugar tax on these products will not reduce consumption



by much. This will make it an ineffective way of reducing consumption although tax revenues will be generated.

The response shows sound understanding of what indirect tax is. Again, candidates have an idea of the loyalty to the brand and look at how this will affect price elasticity of demand and therefore the likely small change in quantity. Again, the response is applied to the specific context. A thorough response.

'Assess' questions

The command word 'assess' will require candidates to write an extended answer. Candidates will need to use given information to weigh up factors and compare them in an economics context. This question will normally require a two-sided response, but no conclusion is needed. There are two assess questions in each unit assessment. An example from the June 2023 series is given and the answer explained below.

Rail travel in Poland is considered to be a monopoly. Polskie Koleje Państwowe (PKP) is the main firm that operates the trains and the rail network in Poland. Both passenger and freight trains run on PKP's network. It has over 18,510 km of track. Its main aims are to meet the transport needs of the state and the interests of its consumers.

With reference to the data above and your knowledge of economics, assess whether a monopoly such as PKP is likely to benefit consumers. (9)

'Assess' questions are also levelled in terms of the quality of the response.

A **Level 1** response will demonstrate basic knowledge and understanding by developing relevant points. There will be limited application of economic terms, concepts and theories. Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues. The response will normally only offer one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness.

Level 1 will achieve 1-3 marks.

A **Level 2** response will demonstrate partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts and



theories. Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues. The response will refer to more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness.

Level 2 will achieve 4-6 marks.

A **Level 3** response demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts and theories. Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues. The response will offer more than one viewpoint. The argument will be well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness.

Level 3 will achieve 7-9 marks.

An example response that achieves full marks (Level 3/9 marks) is below:

A monopoly is a firm which has more than 25% market share. PKP is likely to benefit consumers as the firm would benefit from economies of scale which would therefore reduce their average costs. This is beneficial to consumers because PKP may reduce their costs for trains on the rail network in Poland, so tickets may be cheaper.

Also, PKP is able to produce enough profit to be able to invest in research and development in order to make the railways more efficient, which is beneficial to consumers because they are able to get to their destination quicker and experience more efficient travel.

In addition to this point the improvement of the railways would decrease the time goods are transported using the freight trains, which therefore allows consumers to benefit from lower waiting times.

However, PKP may not benefit consumers as they may provide poor quality seating and unhygienic train carriages because they wouldn't care to invest money and reduce their profit because consumers don't have other alternatives or substitutes, which means consumers have to settle for an unpleasant train journey.



Also, consumers may be victim to higher prices once PKP decides to undertake this decision. This is negative because consumers are forced to pay these high prices as there is very little choice.

Finally, consumers may experience a lack of innovation and improvement because PKP would want to maximise profit so their R&D would halt. This could lead to inefficiency and longer, more unreliable journey times, which could inconvenience the consumer. Furthermore, PKP is able to stop investing in research because it is a monopoly and has very little competition.

'Evaluate' questions

These questions are worth 12 marks. There will be one question in Unit 1 and one question in Unit 2 that will use the command word 'evaluate'. These require candidates to write an extended answer. Candidates will need to apply knowledge of the specification content, to reach a supported conclusion about an economic situation.

Vietnam is struggling with high levels of air pollution. Its two biggest cities, Hanoi and Ho Chi Minh City, are now among the 15 most polluted cities in Southeast Asia. Air pollution is particularly harmful to human health causing diseases including strokes, heart disease and respiratory infections. Up to 60,000 deaths in Vietnam in 2018 were related to air pollution. On average, poor air quality reduces life expectancy by one year and costs the country about 5% of GDP per year.

Among the main causes of this pollution is transportation. Vietnam now has 3.6 million automobiles and 58 million motorbikes, mostly found in big cities. Many of these vehicles are old, with limited emission control technology. They cause daily traffic jams and are responsible for a large amount of air pollution.

The Vietnamese Government is considering whether to increase the environmental tax on petrol and diesel by 33%. The proposed tax will generate \$2.4 bn each year, an annual increase of \$650.2m from current tax revenues on fuels.

(Source adapted from: <https://thediplomat.com/2020/03/vietnams-big-air-pollution-challenge/>)

With reference to the data above and your knowledge of economics, evaluate the effectiveness of increasing taxation on petrol and diesel to protect the environment in a country such as Vietnam. (12)



To achieve **Level 1** students will need to demonstrate isolated elements of relevant knowledge and understanding and may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations. 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. Students will only offer one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted.

Level 1 will achieve 1-4 marks.

To achieve **Level 2** students will demonstrate partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations. 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. Students will offer 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 will be attempted but may not be fully supported.

Level 2 will achieve 5-8 marks.

To achieve **Level 3** students will demonstrate specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations. 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. Students will offer more than one viewpoint. The argument will be well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion will be present.

Level 3 will achieve 9-12 marks.



An example response that achieves full marks (Level 3/12 marks) is below:

Increasing taxation on petrol and diesel to protect the environment is effective to a certain extent. As an environmental tax on petrol and diesel is increased by 33%, the price of petrol and diesel will significantly increase. This will cause a decrease in demand and therefore in sales. Less petrol and diesel will be bought and so the level of pollution will fall. This is important as the pollution poses health threats such as strokes and heart disease, causing up to 60,000 deaths due to the pollution in 2018.

This is detrimental to the nation as the economic impact of the death rate is massive due to the decrease in the labour force, economic growth and GDP, as also shown by the 5% decrease in GDP per year due to poor air quality caused by pollution from transportation.

A decrease in the usage of transportation relying on petrol or diesel would decrease pollution levels. However, this may not always be as effective. The price increase may not affect some people as much as it affects others due to income inequality. Therefore, a large portion of the population may continue to purchase same amounts of petrol and diesel.

It may also be that public transportation and other forms of getting around are lacking, causing the demand for petrol and diesel to be inelastic as it may be necessary for people to transport. Additionally, in the long term, the consumers might get used to the higher price by adjusting their budgets, causing little change in the amounts of petrol and diesel used.

One thing the government might do to decrease pollution more effectively is providing subsidies to more environmentally friendly options, such as electric cars, e.g., Tesla. This would cause the price of the alternatives to decrease and therefore demand to increase, allowing for more sales and usage.

These subsidies may be used alongside taxation and the tax revenue may be used to provide subsidies. Additionally, the government can also implement other protection methods such as regulation, pollution permits and quotas. These would all work to limit the pollution as it would limit the amount of harmful substances used, as well as promote environmentally friendly methods. Since pollution permits are tradeable, firms may come up with innovative ways to reduce their pollution and sell their pollution permit.

Economics (Modular) (4XEC1)

Getting Started Guide



Understanding the assessment objectives

AO1	Recall, select and communicate knowledge of economic terms, concepts and issues	14–15%
<p>This assessment objective will be tested through multiple-choice questions that require students to match a definition with the correct key word(s). Questions that ask ‘what is meant by...’ and those that require a ‘definition’ all test the ability of candidates to recall knowledge. Equally candidates may have this AO tested by asking them to write down the correct formula.</p> <p>Students may also be asked to ‘state’ or ‘identify’ factors, causes, consequences, advantages or disadvantages related to an economic issue.</p> <p>Describe one impact of inflation on a firm. (2)</p> <p>Students will be awarded 1-mark for reference to the impact and 1-mark for development of the impact. For example: Increase in cost of supplies (1) reduces profitability (1).</p> <p>All the marks available here are for recall of knowledge of economic issues related to inflation.</p> <p>Within each unit, 12 out of the 80 marks available are for AO1.</p> <p>To help deliver AO1 it is important that you define the terms identified in the specification explicitly and clearly. It is useful in material delivered that you highlight key terms perhaps by highlighting a specific colour or emboldening. This helps students to note the key words they need to be able to define.</p> <p>Students may benefit from regular activities that get them to explain to other learners in the class how key words can be defined. You could have key words from the subject added to a bag or list, then within each lesson students select these words and have to define them to the rest of the group. It is however important that the teacher focuses on the precision of these definitions to ensure they are suitable and would be awarded marks in the exam.</p> <p>To ensure students are able to state or identify factors, causes, consequences, advantages or disadvantages related to an economic issue it is useful to test regularly their ability to recall them. It might be useful to regularly ask students to quickly identify two factors, causes, consequences, advantages or disadvantages</p>		



as relevant to the topic being studied. Getting the class to share is often helpful in helping others to remember possible responses.

AO2	Demonstrate understanding and apply economic knowledge using appropriate terms, concepts, theories and calculations effectively in specific contexts	48–49%
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Marks are still available here for demonstrating knowledge and understanding but this will now be in a specific context as set out in the question.

Questions that require candidates to use data to calculate an answer will be testing this assessment objective.

Calculate the price in euros of goods priced at £12 when the exchange rate is £1 = €1.30. You are advised to show your working. (2)

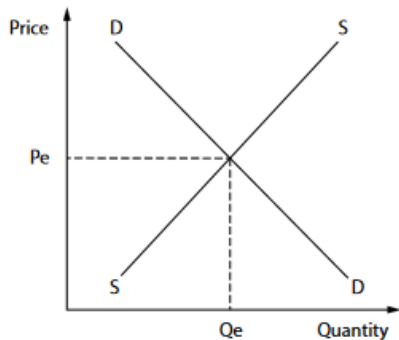
As can be seen in the mark scheme below there are 2 x AO2 marks available for showing the calculation and the correct answer.

Answer	Mark
AO2 2 marks	
Award 1 mark for showing the calculation and 1 mark for the correct answer.	
$12 \times \text{€}1.30 (1) = \text{€}15.60 (1)$	
Award 2 marks if the correct answer is shown, with euro symbol, even if no calculations are shown.	
Award 1 mark if correct answer is shown, but with no euro symbol, even if no calculations are shown.	(2)



Likewise, questions that require drawing or annotating a diagram will assess AO2. For example:

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)



As can be seen in the mark scheme below all marks are awarded for AO2.

Answer	Mark
<p>AO2 3 marks</p> <p>Award 1 mark for leftward shift of supply labelled.</p> <p>Award 1 mark for higher equilibrium price labelled.</p> <p>Award 1 mark for lower equilibrium quantity labelled.</p>	<p>(3)</p>

Questions asking students to 'explain' will also require them to show knowledge and understanding but it must be in the context of the question to access full range of marks.



An example from the June 2023 series is given below.

The UK's annual inflation rate was 5.1% in December 2021, its highest rate in a decade. The rise was due to higher prices for transport, food, clothing and footwear.

Explain **one** effect of rising inflation on menu costs in the UK. (3)

As can be seen in the mark scheme below, the 'explain' question here is getting students to show knowledge of a concept from the specification, but students will need to apply it to the specific business/market to access full marks.

Answer	Mark
<p style="text-align: center;">AO2 3 marks</p> <p>One effect is that menu costs may increase (1). When inflation is high, prices need changing frequently (1). Firms have to spend money to print new brochures/update websites with the higher prices (1)</p> <p>Accept any other appropriate responses.</p>	(3)

On the larger 6 and 9-mark questions, there are 3 marks for AO2, but on the 12-mark questions, 4 marks will be available for AO2. The key is the need to demonstrate knowledge and understanding by putting answers in the context of the questions.

To support students in developing the required skills for AO2, it would be useful to get students to practice calculations. Encourage students to show workings and emphasise the importance of including the relevant currency, percentage, units, as appropriate, to access the higher marks.

It is also useful to regularly get students to draw diagrams and to be very precise over the labelling and annotations on these. A useful activity is to get students to use pre-drawn supply and demand diagrams and provide scenarios, asking students to sketch the impact.

With 'explain' questions it is worth explaining what examiners look for. For example, ask students to identify advantages, develop them and ensure they put their answers in context. If you keep going over this, particularly emphasising the



need for students to put their answers in context, they will be better prepared for the exam.

AO3	Select, organise and interpret information from sources to investigate and analyse economic issues	23–24%
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Marks for this AO will only be found in the larger 6, 9 and 12-mark questions.

AO3 is essentially assessing the ability to select appropriate information to help analyse issues. This is all about developing detailed responses.

An example of an analysis question which will have 3 x AO3 marks available is given below.

Analyse how a government might use fiscal policy to stimulate economic growth. (6)

Indicative content		
AO2 (3 marks)/AO3 (3 marks)		
<p>AO2 and AO3</p> <ul style="list-style-type: none"> • Fiscal policy is the use of government spending and taxation to affect the economy. • Increased government spending and/or reduced taxation should cause the economy to expand. • Increased government spending may create jobs and income, e.g., more road building means more people needed to build the roads and supply the materials. • Reduced taxes mean more income left over to spend. • Both will increase demand in the economy. • More demand will mean that more needs to be produced to meet that demand. • Increased production means more goods and services being produced therefore GDP increases. 		
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



		<p>economic terms, concepts, theories and calculations (AO2).</p> <ul style="list-style-type: none">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).

In the indicative content given above, the parts of the response which show more detailed or developed points are where students are developing their analysis and therefore accessing the 3 marks available for AO3. As can be seen students have been selective and have interpreted information to offer a thorough analysis.

On the 9 and 12-mark questions, it is this level of detail that is required to enable students to access the range of AO3 marks. If students work on breadth, by talking briefly about lots of relevant points, they will struggle to access the 'analysis' marks. Students really need to look at a smaller number of relevant points, in more detail, to offer the required depth to access the analysis marks.

Developing analysis skills is all about getting students to be able to develop a chain of argument in detail. Students need lots of practice at developing the various knock-on effects of a change. Again, giving students a scenario, then listing the different factors it may affect will help students to consider the impact, for example, of a policy change.



For example, take an increase in indirect taxation. Give students a list so they can look at the impact on each: e.g., costs, supply, demand, price, quantity, tax revenue, government spending, external costs, profits. This will help them to realise the need to look in detail at economic issues.

AO4	Evaluate economic information to make reasoned judgements and draw conclusions	12–13%
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The questions assessing evaluation skills are the 9 and 12-mark questions. 9-mark questions will have 3 marks allocated to evaluation and 12-mark questions will have 4 marks allocated to evaluation. Essentially the need here is for them to be able to offer another viewpoint. When the viewpoints have a degree of balance, they will tend to be better. It is also important on the larger 12-mark questions that present a justified conclusion.

A question with 4 marks allocated to evaluation is below.

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®.

Evaluate the impact that FDI might have on a developing economy such as Sri Lanka. (12)

	Indicative content
	AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks)
	<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.

AO4

- 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.

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



		<p>points. Limited application of economic terms, concepts, theories and calculations (AO2).</p> <ul style="list-style-type: none"> 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).



5. Planning

We have provided a course planner and an editable scheme of work to support you in delivering this qualification.

Course Planner

The below 2-year course planner is an example of one possible model to teach each of the units within this qualification. It follows the specification in topic order.

The course planner summarises what can be covered in each term to enable completion of the content and preparation for assessment at the end of each year. It assumes that each year is split into 3 terms.

This is only a suggested course planner with suggested timings, and it does not need to be followed.



Year	Term	Unit/Topic	Notes	GLH*
1	1	Unit 1: Microeconomics and Business Economics The market system	<ul style="list-style-type: none"> • The economic problem • Economic assumptions • Demand, supply and market equilibrium • Elasticity • The mixed economy • Externalities 	25
1	2	Unit 1: Microeconomics and Business Economics Business economics	<ul style="list-style-type: none"> • Production • Productivity and division of labour • Business costs, revenues and profit • Business competition • The labour market • Government intervention 	20
1	1 st half of term 3	Revision of Unit 1: Microeconomics and Business Economics The market system Business economics	<ul style="list-style-type: none"> • Revision of topics and practice of examination questions 	10
1	2 nd half of term 3	Unit 2: Macroeconomics and the Global Economy Government and the economy	<ul style="list-style-type: none"> • Macroeconomic objectives 	10

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Year	Term	Unit/Topic	Notes	GLH*
2	1	Unit 2: Macroeconomics and the Global Economy Government and the economy	<ul style="list-style-type: none"> • Government policies • Relationships between objectives and policies 	25
2	2	Unit 2: Macroeconomics and the Global Economy The global economy	<ul style="list-style-type: none"> • Globalisation • International trade • Exchange rates 	20
2	3	Revision of Unit 2: Macroeconomics and the Global Economy Government and the economy The global economy	<ul style="list-style-type: none"> • Revision of topics and practice of examination questions 	10

***GLH = Guided Learning Hours**

Scheme of Work

Our dedicated Scheme of Work for this qualification can be accessed [here](#). This Word document is editable to allow for any adaptations you may wish to make to best suit your teaching style and learner needs.



6. Delivery of the qualification – transferable skills

The need for transferable skills

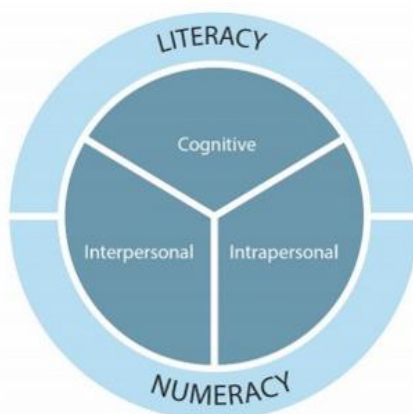
Ensuring students have opportunities to acquire transferable skills, as well as subject specific knowledge, understanding and skills to improve learners' progression outcomes is a central part of our International GCSE qualifications.

In recent years, higher education institutions and employers have consistently flagged the need for learners to develop a range of transferable skills to enable them to respond with confidence to the demands of undergraduate study and the world of work.

The Organisation for Economic Co-operation and Development (OECD) defines skills, or competencies, as 'the bundle of knowledge, attributes and capacities that can be learned and that enable individuals to successfully and consistently perform an activity or task and can be built upon and extended through learning.'^[1]

To support the design of our qualifications, the Pearson Research Team selected and evaluated seven global 21st-century skills frameworks. Following on from this process, we identified the National Research Council's (NRC) framework^[2] as the most evidence-based and robust skills framework and have used this as a basis for our adapted skills framework.

The framework includes cognitive, intrapersonal skills and interpersonal skills.



¹OECD – *Better Skills, Better Jobs, Better Lives* (OECD Publishing, 2012)

²Koenig J A, National Research Council – *Assessing 21st Century Skills: Summary of a Workshop* (National Academies Press, 2011)

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