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Examiners' Report October 2025

Pearson Edexcel International Advanced Level in Economics (WEC11/01A)

Unit 1: Markets in action

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Introduction

This is the examiner's report for the October 2025 series for assessment of WEC11A: Markets in action. During the marking period examiners saw examples of high quality work from many learners. In general, learners performed well on the early sections of the paper. However, many found it more challenging to score highly in the longer answer questions, especially Q12e and the Section D essays.

This paper made use of a new style answer booklet where designated spaces were provided for each of the different questions. This answer booklet was used effectively. However, occasionally learners did answer questions in the wrong spaces. Learners are reminded to check carefully that they are answering the correct question in the correct answer space.

Overview of the questions

Section A

Section A consists of six multiple choice questions.

Question 1: This was an accessible question that tested understanding of the basic economic problem, with possible answers presented in a table. The question asked whether resources and wants were finite or unlimited.

Question 2: Question 2 asked learners to identify an external benefit of a vaccine. The correct answer was B. Two of the distractors offered private benefits whilst the third offered a private cost.

Question 3: This question required the interpretation of price elasticity of demand values for four different products. Learners needed to identify which product had the most price inelastic demand.

Question 4: Question 4 required learners to select an option that would increase producer surplus. As a result learners needed to have both an understanding of producer surplus and an understanding of the determinants of demand. In order to select the correct answer they needed to recognise that an increase in the price of a good that is used with a substitute (petrol) would increase demand for electric vehicles.

Question 5: This question included a PPF diagram with points E,F,G and H marked. The learners were asked to identify a movement from one point to another that represented different economic situations. The correct answer was a movement showing economic growth (Answer C).

Question 6: Question 6 tested learners ability to interpret a diagram showing demand for a good against income. The learners also needed an understanding of inferior goods to select the correct answer, which in this case was option A.

Section B

Section B consists of five short answer questions each worth 4 marks.

Question 7: This question asked learners to draw a diagram showing the impact of a subsidy on the market for sugarcane. They were also asked to identify the increase in consumer surplus as a result of this subsidy. Learners performed well on this question with most able to correctly draw a diagram showing a subsidy. A large number of these learners successfully identified the increase in consumer surplus by showing the original and new area of consumer surplus. Relatively few learners identified the increase in consumer surplus using the area given in the mark scheme (P_1BCP_2).

Question 8: Question 8 asked learners to explain the difference between rational and habitual behaviour. Learners needed to use the information provided to give an example of each sort of behaviour. Most learners were able to define rational behaviour and to correctly assign the examples provided to the correct term. An adequate definition of habitual behaviour was less common.

Question 9: This question asked learners to explain **one** reason why the external cost of pollution might be different in different countries. A mark was available for the definition of external costs, which most learners secured. Another mark was available for the use of the data provided. In order to achieve the analysis marks learners needed a brief chain of reasoning explaining one possible reason for the difference.

Question 10: In this question learners needed to increase both the supply and demand in a demand schedule and a supply schedule presented in the table. Then they needed to identify the new equilibrium price. Learners found this question challenging. Many learners attempted PED or PES calculations despite these not being asked for. A significant number of learners correctly calculated new demand and supply schedules but were not able to identify the new equilibrium price.

Question 11: Question 11 asked learners how the information provided could be used to illustrate the concept of diminishing marginal utility. Many learners were able to define diminishing marginal utility effectively and they were able to calculate some values for marginal utility. Some learners were able to gain an analysis mark for explaining diminishing marginal utility using the context provided. Fewer learners were able to identify the level of consumption of protein bars where diminishing marginal utility set in.

Section C

Section C consisted of 5 parts of question 12. These were based on information provided in a source booklet. In this series the source booklet contained information on the market for rice in Japan.

Question 12

Part A: This part of question 12 asked learners what is meant by excess demand. Most learners were able to do this accurately and they secured two marks.

Part B: Part 12b asked learners to explain the difference between price elastic and price inelastic supply in the context of the supply of rice. In the last paragraph of extract A there is both an argument for the PES of rice being relatively elastic and an argument for it being relatively inelastic. In order to secure the application marks learners needed to apply these arguments to the elasticity of supply of rice correctly.

Part C: This part of question 12 asked learners to analyse a demand factor and a supply factor that may explain why the price of rice increased. Learners performed well on this question with most drawing an accurate demand and supply diagram along with outlines of the reasons provided in the text for the increase in demand and decrease in supply. If a learner did not shift one of the curves correctly they could still achieve a second application mark by making reference to the price data given in figure 1.

Part D: This part of question 12 asked learners to use the information in figure 2 and extract B to examine two factors that might cause a shortage of rice in Japan in the future. Learners performed well on this question. They were able to effectively use the information provided to explain possible factors. However, fewer learners were able to secure the evaluation marks.

Part E: Part 12e required learners to discuss the external costs of rice production and to include an externalities diagram. Most learners demonstrated a sound understanding of externalities and applied the concept effectively to the production of rice. The evaluation offered by learners was often less convincing and rarely had sufficient depth to secure level three evaluation marks.

Section D offered learners the choice of two essays, question 13 or question 14.

Unfortunately, some learners did not offer responses in this section. This is likely to be because they ran out of time. Learners should plan their time carefully and make sure they leave sufficient time to attempt the essay questions. Even a small amount of time spent drawing an appropriate diagram and short sentences

briefly outlining two analysis points and two points of evaluation would result in valuable marks.

Question 13: The first of the two essay questions (Q13) was the most popular choice. It asked learners to evaluate the advantages of indirect taxes as a means of reducing greenhouse gas emissions. Learners were asked to draw a demand and supply diagram to support their responses. Learners were given some information in the stem which was used along with learners' own knowledge to produce some pleasing contextualised answers to this question.

Question 14: The second of the two essays (Q14) was significantly less popular than the first. This question asked learners to evaluate the advantages of a minimum price for chicken. Learners were asked to draw a demand and supply diagram to support their responses. The strongest responses use the diagram effectively in both the analysis of the advantages and in the evaluation.

Overview of candidate performance

The performance of learners across the paper and in individual questions is considered below.

The learners were provided with an answer booklet. Learners should answer questions in the space allocated for their response for that question. However, in future exams, if they realise that they have written in the incorrect space, they should not cross out the work nor should they waste time reproducing their work. Instead they should clearly write the correct question number above their work. In the correct part of the answer booklet they can also write see page XX and examiners will be able to find their work easily and mark it correctly.

A reasonably large number of learners found that they ran out of time and as a result did not attempt Section D or, instead, provided only a very superficial answer. Learners should be advised to monitor the time as they progress through the paper. They should avoid spending too long on the short answer questions.

Section A

Questions 1–6: learners should follow the instructions on the paper and answer the multiple choice questions by placing a cross in the box provided. This will ensure that they are awarded the marks they have earned.

Section B

Question 7: This question was well answered. Most learners demonstrated the ability to use a demand and supply diagram to show the impact of a subsidy. Very few learners made the mistake of shifting demand, which was pleasing. Learners should be reminded that questions asking for learners to draw a diagram do not require a written explanation.

Question 8: Most learners were able to confidently define rational behaviour. However, defining habitual behaviour proved more challenging. Many learners offered a definition of irrational behaviour. Whilst habitual behaviour may be irrational, it is not a definition that distinguishes between habitual behaviour and other reasons for irrational behaviour and so was not rewarded. Other learners provided a definition of habitual behaviour that relied on the word habit. This was also not rewarded. Habitual behaviour can be difficult to explain in a way that demonstrates understanding of the concept and it is a term where learning a precise and concise definition is useful.

Question 9: Most learners defined external costs accurately. It is suggested that centres continue to advise learners to define the economic term(s) contained in the questions. Learners should also take care to review the data provided carefully. For example, in this case although the question asked about differences in external costs in general, the data provided was per capita. Those learners who suggested population was a reason for the difference in external costs were rewarded with analysis marks. However, the data did not support this argument and so the application mark was not awarded unless the argument was justified.

Question 10: Many learners were not able to access this question. Many attempted PED and PES calculations. Centres should encourage learners to read questions carefully and not just assume that familiar patterns and questions will repeat themselves in future series. Centres should also encourage learners to review concepts that are found early in the unit subject content and then not necessarily used extensively later in the course. Demand and Supply schedules are good examples of this. Learners should also be encouraged to use units when applicable, in this case Rupees.

Question 11: Diminishing marginal utility is both conceptually challenging and difficult to explain in a way that is accurate. Therefore, it was pleasing to see a sizable majority of learners were able to provide an accurate definition of the term. On the whole, learners were also able to calculate marginal utility. For future

series centres should continue to support learners to develop accurate explanations of this concept and to urge learners to emphasise the point at which diminishing marginal utility sets in when answering questions on this topic.

Section C

Question 12:

Part A: Learners performed very well on this question.

Part B: Given that rice is an agricultural good, it is not surprising that many learners came to the conclusion that rice supply is price inelastic. Therefore, some learners just defined price inelastic supply and provided a reason why rice supply is price inelastic from the extract. However, these learners only received 2/4 marks. This is because the question was "explain the difference between elastic supply and inelastic supply." Learners needed to define both terms and provide a reason why this could be the case for each. Centres should remind learners to read the questions carefully and to answer the precise question.

Part C: Most learners scored highly on this question. A small number of learners presented their shifts on two separate diagrams. Centres should continue to remind learners that they should use a combined diagram so that they can access the mark for the final equilibrium. In this case it was possible to achieve full marks without using the data provided in figure 1, this is not always the case. Furthermore, if the learner has made a mistake and not secured both application marks in another way, they can still be rewarded an application mark for reference to the data and so centres should continue to encourage learners to make reference to the data provided in their answers.

Part D: In this question learners were able to make use of extract B to analyse two reasons why there may be shortages of rice in the future. However, many learners only secured 1 of the 2 application marks as they did not make reference to both extract B **and** figure 2 as required by the question. Learners can improve their marks by making sure that they follow the instructions in the question, in this case, to make use of both extract B and figure 2. The command term "examine" in these eight mark questions require learners to offer evaluation. As there are only two evaluation marks available the evaluation does not have to be developed extensively. Centres should continue to encourage learners to offer two partially developed evaluative comments in these questions.

Part E: Learners generally performed well in the knowledge, application and analysis section of this question and a large number of learners were able to use

an externalities diagram effectively. Centres should encourage learners to analyse two points in depth rather than covering a large number of points superficially. Centres should also advise learners to evaluate the points that are offered in more depth in order to access the highest levels of evaluation. Learners should also try to avoid relying on government intervention for evaluation, unless that is the question being asked.

Section D

Question 13

Learners should read questions carefully and make sure they answer the precise question set. This question asked for an evaluation of the **advantages** of using indirect taxes to reduce greenhouse gases. Learners should therefore identify and analyse two advantages of this policy before evaluating those advantages, perhaps by using drawbacks of indirect taxes. Many learners used a demand and supply diagram to identify the impacts of indirect taxes, often showing the tax revenue and falls in consumer and producer surplus. Learners should be encouraged to make use of their diagram in their written explanation, in both their analysis and evaluation if appropriate. Conclusions and judgements offered rarely added value to an answer when they simply summarised their answers. Instead learners should make a justified judgement based on their strongest arguments they make and evidence they provide.

Question 14

As with Question 13, this question asked for the **advantages** of a policy rather than for the microeconomic impacts of the policy. The best responses answered the precise question set: "Evaluate the advantages of setting a minimum price for chicken." Minimum price diagrams were used effectively with many learners able to identify the impact on producer surplus or revenue on their diagram and use this to explain the advantage gained by producers as a result of the policy. Learners were rewarded whether they assumed the government (or the marketing board) purchased the surplus chicken or whether they assumed they did not. As with question 12e, learners should be encouraged to explore fewer points in more depth rather than listing as many ideas as they can think of. Learners offered a range of advantages in addition to the impact on producer surplus and revenue. For example, some learners argued that the higher price would lead to new entrants increasing choice, whilst others suggested that higher prices may lead to better animal welfare. Strong answers identified the impact on consumer surplus as a drawback and linked back to their diagram.

Paper Summary

Based on their performance on this paper, students are offered the following advice:

- Learners should plan their approach to the paper so that they know how long they should spend on each section. They should monitor their progress against the clock and their plan to avoid over answering the shorter questions so that they have sufficient time to effectively tackle the 12 and 20 mark questions.
- Learners should be encouraged to define relevant key economic terms accurately and concisely, especially in the short answer questions, as this often secures knowledge marks that were missed.
- Learners should make sure they answer the precise question set. For example in Question 13 and Question 14 the questions asked for **advantages**. Furthermore, in Question 12b the question asked for an explanation of the difference between elastic supply and inelastic supply, not whether rice has price elastic or price inelastic supply.
- Whilst completing past papers is a very effective preparation method, learners should expect some variation in the style of questions asked.
- In the 12 and 20 mark questions learners should develop fewer points in more detail. It is the depth of analysis and use of context that will secure the highest marks. Furthermore, two focused and well developed evaluative points would be much more effective than a list of six or seven evaluative points that sometimes appear in responses.