Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International Advanced Level In Economics (WEC14)

Unit 4: Developments in the global economy

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Introduction

This is the June series for assessment of WEC14 Developments in the global economy. The examination tests the candidates' abilities to select and apply appropriate economic concepts, theories and techniques in a variety of contexts. As Unit 4 is a synoptic unit, the examination may draw on material from Units 1, 2 & 3.

In **Section A**, the multiple-choice section, candidates performed best on the role of the impact of national debt (question 1). The question with the focus on comparative advantage was the least well answered question (question 4) and this specification part may need attention by the centres. On the remaining questions, candidates performed reasonably better.

In **Section B**, the data response section, questions are based on information provided in the source booklet.

Q07(a): Candidates only access two marks for correctly calculating the value of FDI in 2023 using the data provided. Most candidates scored two marks for this question.

Q07(b): This question required explanation of absolute poverty. Two relevant pieces of data were required from Extract A to attain the two application marks. Many simply reversed the definitions and did not get any marks.

Q07(c): A large majority of candidates were able to examine two likely economic benefits to Vietnam of FDI inflows. Two knowledge and application marks were often awarded for relevant use of the sources. However, some candidates copied paragraphs from the extract and were not able obtain the analysis marks. This is an area which the centres are advised to address. Candidates could attain both the evaluation marks for explaining them.

Q07(d): Most candidates could analyse the likely impact of the change in the average earnings of the manufacturing employees on Vietnam's international competitiveness. However only a small percentage of candidates could fully explain the impact to access both analysis marks. As this is a data response question, the candidates are required to explain the impacts that have been provided in the extracts and not from their own

knowledge, unless specifically mentioned. Application marks were often awarded for appropriate references to Figure 3.

Q07(e): Most candidates made effective use of the source given and were able to discuss measures, apart from promoting FDI, that the Government of Vietnam might take to increase the country's international competitiveness. A large proportion of candidates developed their analysis with clear chains of reasoning to achieve at least Level 3 KAA marks. A feature in this response was that some candidates tried to cover as many measures as possible but without any development in analysis. Many responses were able to access evaluation marks as they directly answered the question by talking through the problems associated with each measure discussed.

In **Section C,** candidates have the opportunity to choose two out of three questions. The section was more demanding than previously, and this is reflected in the mean scores on all three questions. Question 10 was most popular followed by question 8 and then 9.

In all three questions candidates' knowledge of relevant economic concepts was sound but they often struggled to apply it to the context of the question. Another challenge was the level of analysis. As in question Q07e, answers often lacked a fully developed chain of reasoning. This is because they focussed their explanations on several points, and this meant they did not have enough time to develop them. Some candidates drew appropriate and accurate diagram(s) and incorporated it with sound analysis points. This allowed them to consistently achieve the top levels.

Evaluative comments were often made and, whilst some offered supporting evidence and were linked to the context, many were unable to offer logical chain of reasoning. It should be stated that 8 marks are now awarded for evaluation in the essay section. A reference to a country will always form part of the questions in Section C. Candidates are expected to have an awareness of countries to form a basis of their arguments and to achieve the highest levels.

The questions were accessible at all levels and offered good opportunities for candidates to differentiate by ability. Answering the exact question asked, integrating the data with analysis and strong evaluation continue to remain the essential ways that

the A-grade candidates achieve higher marks. It appears that most candidates were not actually able to complete the paper in the time available.

Moreover, candidates are highly encouraged to have better structure to their answers. Many have written essay questions in bullet points, and some have written in long blocks/ paragraphs without making a clear distinction between analysis and evaluation. This was also seen in the higher mark question in Section B.

The performance on individual questions is considered in the next section of the report.

Section A

Question 1

This question required all candidates to identify the most likely effect of an increase in the national debt of a country. This was a well answered question of this section with many candidates obtaining the one mark. The correct answer is A: increase in crowding out.

Question 2

For this question candidates needed to identify the classification of strategy which is associated with removal of fuel subsidies paid to fuel producers. The correct answer is D: A market-orientated strategy to promote economic growth and development. Some confused this for an interventionist strategy.

Question 3

The correct option is C. Many candidates correctly identified that the value of imports was greater than the value of exports as a result of the overall deficit of $943.8 billion on the USA's balance of trade.

Question 4

The correct answer is A. Many candidates were unable to correctly deduce from the data Country X has a lower opportunity cost in the production of watches whereas Country Y has a lower opportunity cost in the production of batteries. Candidates are expected to know how to interpret comparative advantage.

Question 5

Candidates performed reasonably well on this question, which asked them to select the option that best describes the role of NGOs. The correct answer is B where their role is to promote community-based development programmes to support economic growth and development.

Question 6

For this question, candidates had to identify the likely effect of a substantial currency appreciation from a choice of four diagrams. The correct answer is B.

Section B

The source booklet focused on the economy of Vietnam. It comprised of three graphs and one extract on economic challenges in the country.

Question 7a

Candidates needed to calculate the value of FDI in Vietnam in 2023. Although 70% of total candidates scored the maximum of 2 marks this still indicates that 30% were not able to calculate the change correctly. It is important to use the data carefully for calculation-based questions.

Question 7b

Many candidates were able to successfully explain the term absolute poverty. Many were able to attain full marks. A common response was to explain it in terms of is unable to meet the basic necessities e.g. food/shelter. To access both the application marks, candidates had to include two pieces of data from Extract A, one for each. Some candidates only offered one, and not both. Given the nature of the question, it is key to cover all aspects of the answer in knowledge and application.

Question 7c

The question required the candidates to examine two likely economic benefits to Vietnam of FDI inflows. Most candidates were able to identify the benefits from the given extract and were able to gain the two application marks required. Many copied paragraphs from the extract and did not explain it. This did not allow them to gain the higher analysis marks.

Evaluation was good and well written with many identifying their point and explaining it well. There were some candidates who did not try writing any points. For an 8-mark question and above, evaluation is a key requirement and should be included.

Question 7d

This question required the candidates to analyse the likely impact of the change in the average monthly earnings of the manufacturing employees on Vietnam's international competitiveness. Most responses included the costs e.g. increase in earnings is likely to increase unit labour costs causing an increase in the price of Vietnam's exports. They were able to access the two application marks by using relevant data from Figure 3.

Question 7e

Candidates needed to use the source to discuss measures, apart from promoting FDI, that the Government of Vietnam might take to increase the country's international competitiveness. It is important that candidates select any two measures and develop their analysis by focusing on those points rather than trying to cover as many measures as possible. This will allow candidates to access the higher levels of response.

A handful of candidates were able to successfully identify and explain measures such as education and infrastructure. They were able to integrate this with the application given in the source from Extract A. This gave them access to Level 3. However, some candidates just copied the source and did not explain their points. This gave them access to Level 1 only. Those who mentioned measures not given in the extract were also awarded marks.

Evaluation points were well written. Many candidates included references to time lags and budget deficit. Many included other problems associated with policies identified as evaluative comments but were not able to successfully support it using a logical chain of reasoning. Candidates should ensure that they do this as opposed to listing a number of separate undeveloped points.

Section C

General points:

Candidates often make a number of valid separate points but do not usually develop a coherent chain of reasoning. In addition, a large number of candidates do not include any form of contextual reference and consequently will not achieve the higher level marks. Context can be from the stem provided in the question and/or from any other examples effectively used by the candidate. A reminder that writing a country name in the answer does not merit as application.

For evaluation, candidates should provide a partially developed chain of reasoning to attain at least Level 2. Writing a list of points will only give candidates access to Level 1. An informed judgement is needed in order to gain a Level 3 evaluation mark.

Candidates are not expected to write four analysis and three evaluation points, like in the old specification. They can select two analysis points and develop them by focusing on those points rather than trying to cover as many points as possible.

Question 8

This question asked the candidates to evaluate the likely effects of an increase in protectionist policies on the global economy. In addition, to access high Level 4 for KAA, candidates are required to refer to the global economy in their answer.

Many explained effects. They discussed the likely impact on consumers, producers and governments. Most of the answers only carried a two-stage chain of reasoning, and therefore, they were not able to access Level 3 KAA. Some only focussed on causes of protectionist policies, and this meant that did not access any marks as their analysis was not accurate given they were not answering the question. Those who identified a range of effects without linked development were only able to access Level 1 KAA.

Evaluation included an attempt to discuss the short-run versus long-run considerations. Some candidates explained negative effects as KAA and positive effects as evaluation.

This was credited. Many were only able to explain one point with the other points just identified. Those who listed evaluation points achieved Level 1.

Question 9

This question asked candidates to evaluate reasons why globalisation may lead to an increase in income inequality within a country. In addition, to access Level 4 for KAA, candidates are required to refer to a country of their choice in their answer.

The most common costs mentioned were linked to increase in demand for skilled workers and a reduction in demand of unskilled workers. Most answers demonstrated some chains of reasoning, but they were not always fully developed or had some stages omitted. These candidates were not able to access more than Level 3 KAA. Some candidates were confused and did not answer the question directly.

Evaluative comments were not well written. Many offered some points that often went tangential and did not answer the question. Those who tried were not always able to explain their arguments in good depth. Rest of their points were again quite generic and did not have any chains of reasoning and did not achieve more than Level 1.

Question 10

This question had asked candidates to evaluate factors that might cause a depreciation of the exchange rate of one currency against another currency. To access Level 4 for KAA candidates are required to refer to a developing country in their answer.

Most were able to identify the causes. The most common points focused on interest rates and inflation rates. Some answers carried a two-stage chain of reasoning without application to terminology and concepts, and therefore, candidates were not able to access Level 3 for KAA. Those who linked their arguments to demand and supply of currency effectively, attained the higher-level marks.

Candidates struggled to evaluate effectively. Majority offered effects of a depreciation and this got no credit. The other points were generic and not well developed; they did not achieve more than Level 1.

Paper Summary

The main implications for centres regarding future teaching, learning and examination preparation are:

• Ensure that all parts of the specification are taught and internally assessed. This needs to include addressing all the quantitative skills (as found on page 69 of the specification).

• Candidates must read all questions carefully, and make sure that they have addressed all parts of a question in their response. In a few different questions on this paper, not understanding requirements of the questions, in terms of its depth and breadth, was the main reason for low scores.

• Encourage candidates to draw accurate, appropriate, legible and labelled diagrams to support their arguments, even if not required. This would help add depth to arguments.

• Section B: Ensure that candidates refer to the relevant extracts but do not copy from them. Brief quotations are acceptable but, in themselves, will not achieve higher level marks. Remember that the 4- and 6-mark questions do not require evaluation, so please use the time given effectively and avoid assessing the analysis points made.

• Section B 14-mark question and Section C essays: Encourage candidates to develop a chain of reasoning by analysing two salient points in depth. By contrast, covering a lot of points in a superficial way will limit the mark to a low Level 2 at best. In addition, analysis needs to be contextualised by using relevant source information (Section B), appropriate examples (Sections B and C) or context at the start of Section C questions.

In addition, ensure that candidates are aware that evaluative comments should be linked to the context of the question being asked. These should have a chain of reasoning or sufficient development to be able to achieve at least Level 2. To achieve Level 3 for evaluation in Section C it is necessary to include an informed judgement.

• Candidates are encouraged to have a clear structure to their answers. They must avoid writing essays in bullet points or in long blocks/paragraphs without making a distinction between their analysis and evaluation points.

• Encourage candidates to make full use of the specimen papers, previous examination papers, mark schemes and principal examiner reports.