



Examiners' Report/ Principal Examiner Feedback

November 2023

Pearson Edexcel International GCSE
Economics (4EC1 01)

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Introduction

Overall, a good awareness of economics was shown by candidates taking this paper. In general, students appeared to be well prepared for most of the topic areas required by paper 1. Where applicable on the levels-based questions, the ability of the most able students was shown through relating their knowledge and understanding to the evidence presented, whereas those struggling with such concepts typically answered questions with a more generic approach.

Question 1

1c)

Candidates showed good understanding with accurate definitions of economies of scale, referring to both 'reduced average costs' and 'growth of the firm'. A range of suitable answers were accepted providing accurate understanding was shown. Partial definitions were given 1 mark.

Tip: 'What is meant by' questions have two marks and require two parts to the definition. No marks are awarded for examples.

1d)

This question was well answered by students but a few stated an incorrect feature. It is important to be accurate when stating economics terminology in order to achieve the mark.

Tip: There is only 1 mark so it is either right or wrong, there is no need to go into further detail.

1e)

Another encouraging set of responses was seen, showing good understanding of the term 'excess supply' by many candidates.

Tip: Do not use examples for 'define' questions. We are only looking for a definition of the term.

1f)

An excellent set of responses to correctly calculate the PES was seen. An answer of '1.16' achieved both marks but a correct calculation without the correct final answer secured one mark.

Tip: Remember not to put any units in the final answer when calculating elasticity

1g)

Again, a very good understanding was shown of this part of the specification, along with pleasing (well-practiced) diagrams.

Tip: You must label the new shift and the new equilibrium points to gain marks. Do not shift both curves as this will not show understanding of the scenario in the question.

1h)

The first 3-mark 'explain' question on the paper allowed candidates to present a good range of advantages. A pleasing number of these were developed to secure a second and, in many cases, a third mark but some gave a list of advantages. There was only ONE mark available for ONE advantage.

Tip: There are NO marks for definitions on 'explain' questions. They require a reason/benefit etc, development and context.

1i)

Again, a range of responses were seen which accurately focused on market failure. However, a number of these did not answer the question, instead focusing on demand falling and leading to business failure. Candidates sometimes struggled to show selectivity and/or thorough analysis which made access to level 3 unlikely.

Tip: Do not present a counter argument for analyse questions - there are no marks for doing this and it will mean you have less time to spend on other questions.

Question 2**2c)**

The term 'opportunity cost' was well understood by many candidates but a few gave examples instead of actually referring to the term.

Tip: There are two marks available for an accurate definition on 'what is meant by' questions.

2d)

Candidates showed a strong understanding by accurately calculating total fixed costs. Some candidates failed to show the units and so scored only 1 mark.

Tip: Units are an important part of the answer so make sure you use the right ones, e.g. % or \$/Tk for currency (or none if appropriate, such as when calculating elasticity).

2e)

There was a good understanding of enterprise shown but some candidates gave a definition rather than answering the question. This did not result in any marks. Any appropriate reason with either a cause or consequence, secured both marks.

Tip: There is only 1 mark for an advantage/reason/benefit etc. on 'describe' questions so do not give more than 1 advantage/reason/benefit etc. The second mark is for development of this.

2f)

Several advantages to firms were given in relation to the increase in the retirement age and these were explained in order to access more than just one mark. Some responses however, gave two or three reasons rather than developing/contextualising just one, or gave an advantage to the economy instead of the firm.

Tip: 'Explain' questions only ask for ONE reason/advantage/factor etc.

2g)

Candidates were usually able to offer an understanding of negative externalities. A main discriminator was in assessing the externalities referred to in relation to the tourist tax. Responses were not always balanced or assessed using (an) alternative viewpoint(s). Developed analysis or assessment was typically the main factor limiting progression through the levels.

Tip: Assess questions require a balanced two-sided argument which is applied. There is no requirement for a conclusion or judgement but the argument(s) and counter argument(s) presented should be developed and thorough.

Question 3**3c)**

A positive number of candidates were able to show the required elements on the diagram. However, some failed to score all three marks, due to getting economies and diseconomies of scale the wrong way round or now indicating the point at which the firm is most efficient.

Tip: Be very clear when drawing your lines. Ambiguity is likely to result in no marks.

3d)

A good understanding of external benefits was shown by candidates' responses. However, it was often a lack of development and analysis that led to lower attainment in the levels. Credit was given to answers that analysed the likelihood of increased productivity in Japan and/or access to better services, such as healthcare, due to the level of education gained.

Tip: Only one-sided arguments are needed for analyse questions. Focus on developing applied points to present a strong analysis of the situation.

3e)

Some good points were raised regarding why producers may not always maximise profit. This was often well assessed but analysis was sometimes more limited. Some candidates were unable to present more than a basic understanding in attempts to make the points relevant to the context of the question but this was not always the case.

Tip: Although no conclusion is needed, it is important to provide balance between the arguments and to develop the points in order to score high marks on 'assess' questions.

Question 4**4a)**

Many candidates were able to correctly calculate the percentage change in profit. However, some failed to round correctly to two decimal places, as required by the question, or show the correct units.

Tip: It is advisable to show workings in 'calculate' questions.

4b)

Although price elasticity of demand and factors influencing it appear to be areas of the specification that are understood, too many candidates failed to use the data and actually provide an analysis. Some responses were descriptive, just repeating the data. Better/good responses were able to provide links to the scenery/location making the coffee at Marina Café more inelastic, meaning there were fewer substitutes/the €0.80 coffee was not a substitute as a result.

Tip: There is no set number of points required on any levels-based question but each point made needs to be developed to move up through the levels.

4c)

Understanding of division of labour was very apparent from many responses but there were instances where data was just copied rather than points being developed. However, more successful responses, which did focus on evaluating whether its introduction was the best way to increase productivity in the factory, were often able to present valid arguments why it was likely to be and why it may not be, in the context of the pastry-making factory.

Tip: A supported conclusion/judgement is needed for evaluate questions.

Summary

Based on their performance in this exam, candidates are offered the following advice:

- Be careful to read the whole of the question. Certain requirements are given which were not acted upon by some candidates in this series, e.g. when answers are required 'to two decimal places'.
- Candidates need to understand the requirements of the command words in the questions. This will allow them to access marks requiring each of the four assessment objectives.
- Quantitative Skills will be tested throughout the paper. These may be in the form of diagrams/graphs, calculations or using the data in the Extracts to provide the application in the questions.
- Application marks will not be awarded for simply repeating evidence in the extracts. The evidence needs to be used in the response.
- Analyse questions do not require evaluation but the command words 'assess' and 'evaluate' do require a two-sided argument in order to achieve full marks. The evaluate question also requires a judgement/conclusion.
- There may be more answer space provided than you need to write your responses. This is also indicated on the front cover of the question paper.
- The use of relevant evidence is required throughout and this can be from the Extracts provided and using examples provided by the candidates themselves. However, simply copying this material will not gain marks.
- As the descriptor tables for analyse, assess and evaluate questions do not change between questions with the same command word or exam series, it is advisable to practice writing responses using them.