



Examiners' Report/ Principal Examiner Feedback

November 2023

Pearson Edexcel International GCSE
in Economics (4EC1) Paper 02

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General

Overall, the performance of candidates exhibited a robust understanding of economic principles, indicating that they were well-prepared for the examination. There was consistent usage of economic terminology across all sections of the paper, reflecting a solid grasp of the subject matter. More adept candidates excelled in applying their knowledge directly to the specific questions posed, whereas others relied more on common sense reasoning than on the application of economic theories and concepts.

The examination necessitated a practical application of knowledge, and a portion of the candidates demonstrated a strong capability in this area, articulating their responses with clarity and depth. Additionally, time management during the examination was good.

Report on individual questions

Question 1a:

Most candidates were able to correctly identify a characteristic of progressive taxation.

Question 1b:

This question proved to be more difficult for candidates with some unable to correctly identify a fiscal surplus.

Question 1c:

There were two parts to the definition of what is meant by 'income inequality'. Candidates had to provide both parts to gain 2 marks. Some candidates were able to gain at least 1 mark for this question for some basic understanding of it being a gap between the rich and poor. No marks were awarded for examples.

Question 1d:

Some candidates were able to give a detailed description of a role of the World Trade Organization such as settling trade disputes or trade negotiations. The second mark was awarded for the development of the role but many candidates just gave a list of roles rather than explaining the role.

Question 1e:

Some candidates were able to calculate the correct answer so achieved 2 marks. Some candidates only calculated the how many people were unemployed rather than rate of unemployment so could not score any marks for this question. A candidate could only score 1 mark if the % sign was missing or the final answer was not given to two decimal places. It is essential that candidates show their workings to gain 1 mark if an incorrect answer is given or if units are missing otherwise marks cannot be awarded.

Question 1f:

Marks were awarded for the correct leftward shift of the supply curve, a higher equilibrium price, labelled and for a lower equilibrium quantity, labelled. Unfortunately, many candidates shifted both the supply and demand curve so therefore scored 0 marks. Candidates will only ever be asked to shift one curve for these types of questions and will automatically receive 0 marks if both curves are shifted.

Question 1g:

This proved to be a more challenging question than anticipated. Many candidates did not read the question carefully and gave an advantage for the economy rather than for businesses in Ecuador such as an improvement in the current account, increased GDP and higher levels of employment. A response focusing on the economy did not score any marks. Other candidates gave a definition of free trade and no marks are available for definitions for any of the 3-mark questions.

Question 1h:

This question was marked using a levels-based mark scheme. The question focused on the impact of high rates of inflation on consumer confidence in Germany. Application could have been references to the information in the stem of the question or candidates' own knowledge of the impact of high rates of inflation on consumer confidence. Some candidates gave a list rather than developing or analysing how consumer confidence is likely to fall due to inflation rates of 10.4% affecting purchasing power, standard of living and creating uncertainty. Again, some candidates evaluated, and marks cannot be awarded for evaluation on a 6-mark question.

Question 2a

This question proved to be more difficult for candidates with some unable to correctly identify option A as the correct answer.

Question 2b

Most candidates were able to correctly identify an increase in the significance of MNCs as the reason for increased globalisation.

Question 2c:

This is the only 'State' question on the examination paper. Candidates were asked to state a possible macroeconomic objective for a government. Candidates did not have to explain their chosen macroeconomic objective. Overall, this question was answered well by all candidates.

Question 2d:

This was well answered with many candidates being able to score at least 1 mark for some knowledge of seasonal unemployment. Examples were not rewarded.

Question 2e:

This question asked for a possible reason why rapid economic growth may be harmful for an economy such as Vietnam. The most popular reason was inflation. Some candidates were able to develop their reason and apply this to the context. Again, some candidates just gave a list of reasons so could only score 1 mark for the reason due to a lack of explanation.

Question 2f:

This was a proved challenging for some candidates who incorrectly shifted the supply curve rather than the demand curve. Again, shifting both curves is an immediate 0 marks.

Question 2g:

This was the first 9-mark levels-based question on the examination paper. This was very poorly attempted with many candidates only able to access level 1 and unable to access level 2 and level 3. Very few candidates could give a balanced assessment as to the likely disadvantages of higher business taxes on investment.

Question 3a:

Many candidates were able to calculate the correct answer as £37.50.

Question 3b:

This was a popular question with most candidates gaining 1 mark for the correct answer.

Question 3c:

This question required candidates to explain the reason why an increase in the price of imports may have had a positive impact on South Korea's current account. Many candidates just repeated the stem without being able to explain why this could occur. Marks were awarded for developing why this would be the case in terms of switching to domestic products and contextualising by either the use of the data in the question or the application of economic concepts. Overall, this question was poorly answered.

Question 3d:

This 6-mark question asked for analysis of how monetary policy could help to reduce inflation in the US. This was very poorly answered by many candidates not understanding monetary policy or simply leaving this question completely blank.

Question 3e:

This question was poorly attempted by all candidate and performed worse than the earlier 9-mark question on the examination paper. Very few candidates could answer the question set and just copied out the information provided or described the data in the chart.

Question 4a:

Many candidates were able to correctly calculate the percentage of relative poverty in Kazakhstan and give the correct answer to two decimal places so gained 2 marks. Again, many candidates did not include the % sign or did not give their response to two decimal places therefore could only receive 1 mark. It is essential that workings are shown and the correct unit and decimal place are used to gain 2 marks.

Question 4b:

This question required a one-sided argument regarding the disadvantages of privatising the railway in Kazakhstan. This was very well answered with some very detailed analysis in terms of unemployment, higher prices and lower quality. Overall, candidates did perform better on this question compared to other 6-mark questions on the paper.

Question 4c:

This was the highest mark question on the paper. Many candidates were able to evaluate the advantages of an increase in foreign direct investment for Kazakhstan. Better responses used the information in the extract rather than just copying it and could provide detailed chains of reasoning to access level 2 and level 3. A conclusion was required for this question and this was often lacking or was just a repeat of the points made previously.

Summary

There are several points which could raise performance in future settings. Based on their performance on this paper candidates are offered the following advice:

1. Read the questions carefully in terms of the command words. It was clear that some candidates were not aware of the demands of the question or how to structure their responses.
2. What is meant questions will always require two parts to the explanation and examples are not rewarded.
3. Quantitative Skills will be tested throughout the paper and these may be in the form of calculations, diagrams or using the data from the Extracts.
4. For calculation questions, it is essential that the answer has the correct units or is to two decimal places (if specified).
5. The 'Explain' questions will always have one context mark and this can be for either using (not just copying) the information from the stem or for a detailed application of the economic concept so ensure that there is sufficient development in the response to gain all 3 marks. Marks cannot be awarded for definitions so do not waste time giving a definition in any of the 3-mark questions.
6. Analyse – this question only requires a one-sided argument and evaluation is not required for a 6-mark Analyse question.
7. The command words 'Assess and 'Evaluate' are evaluative command words so candidates must provide both sides of an economic argument to achieve full marks.
8. Use of relevant application is required throughout and this can be from the Extracts provided or using examples provided by the candidate themselves. The Extracts are there for a reason so do use them.
9. Use economic concepts rather than generic 'common sense' answers.
10. Examination timings – make sure there is enough time to answer the 12-mark question.