

Examiners' Report

June 2024

Int GCSE Economics 4EC1 02R

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Introduction

Overall candidates' performance showed a sound grasp of economic concepts. Answers suggested that candidates had been well prepared for this paper. There appeared to be use of precise economic terminology throughout all sections of the paper. The more-able candidates demonstrated excellent application of their knowledge to the precise question set, whilst the less-able candidates attempted questions from a 'common sense' approach rather than demonstrating any economic concepts. The examination paper required candidates to apply their understanding; more able candidates performed strongly, with clear development of points. Examination timing skills appeared to be very good.

Question 1 (c)

Questions phrased as 'What is meant by' are worth two marks and need a two-part explanation of the term. Marks are not awarded for examples. According to the marking scheme, one mark is given for referring to the use of interest rates/money supply, while the other mark is awarded for reference to in order to influence the level of overall demand in the economy. Other relevant answers were also accepted.

(c) What is meant by the term monetary policy?

(2)

The manipulation of interest rate in the economy in order to influence aggregate demand



ResultsPlus
Examiner Comments

This response scored 2 marks. It makes reference to the manipulation of interest rates (1 mark) in order to influence aggregate demand (1 mark).



ResultsPlus
Examiner Tip

Do not use examples for definition questions. These cannot be rewarded

Question 1 (d)

This question asked about the advantages of privatisation for a government. A wide range of advantages was accepted such as increases in tax revenue, additional budget for other services, reduced government costs and freeing up cash. An advantage had to be mentioned somewhere in the response to gain the development mark; without an advantage, no marks were awarded. For the development mark, candidates needed to explain how this could benefit the government in terms of what it could do with the increased tax revenue, such as improving healthcare or funding other areas. A simple sentence about the availability of funds for other areas was sufficient for the development mark. The focus had to be on benefits to the government not to consumers or firms. No marks were given for a definition of privatisation.

(d) Describe **one** advantage of privatisation for a government.

(2)

One advantage of privatisation is to generate government revenue that can be used for interventions or welfare payments, provision of parks, building infrastructure etc.



ResultsPlus
Examiner Comments

This response scored 2 marks. 1 mark was awarded for the advantage (government revenue) and 1 mark was awarded for the development (used for welfare payments, provision of parks, building infrastructure).



ResultsPlus
Examiner Tip

There must be a correct advantage, impact or a reason given to be able to access the second mark.

Question 1 (e)

This calculation was straightforward and required candidates to calculate the amount of indirect taxes in the UK. Candidates could only be awarded 2 marks if the units (£bn) were present. Many candidates accurately calculated the revenue raised in indirect taxes but omitted the £bn, resulting in only 1 mark being awarded. No marks were given for providing a formula or definition. The vast majority of candidates achieved at least 1 mark for this question. It is essential that candidates show their workings to gain 1 mark if an incorrect answer is given or if units are missing.

Figure 1 shows selected UK Government receipts from taxation in February 2023.

	£bn
Income tax	20.0
Sales tax (VAT/GST)	14.3
Business taxes	7.6
Excise duties	3.7
Customs duties	0.4

Figure 1

(e) Calculate the **total amount of revenue** in £bn raised by indirect taxes in February 2023. You are advised to show your working.

(2)

$$\text{the total amount of revenue} = 14.3 + 3.7 + 0.4 \\ = 18.4$$

income and business taxes are not
the indirect taxes, so don't need
to calculate into this.



This response scored 1 mark only. It has the correct figure for indirect taxes but has omitted the correct units (£bn) so can only be awarded 1 mark for the workings.



Always show your working and this is stated in the question. You can still be awarded 1 mark for correct working with an incorrect answer.

Figure 1 shows selected UK Government receipts from taxation in February 2023.

	£bn
Income tax	20.0
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Excise duties	3.7
Customs duties	0.4

Figure 1

- (e) Calculate the **total amount of revenue** in £bn raised by indirect taxes in February 2023. You are advised to show your working.

(2)

$$14.3 \text{ £bn} + 3.7 \text{ £bn} + 0.4 \text{ £bn} = 18.4 \text{ £bn}$$



ResultsPlus
Examiner Comments

This response scored 2 marks for a correct final answer with the correct units (£bn).



ResultsPlus
Examiner Tip

Units are not required in the workings and are only required in the final answer.

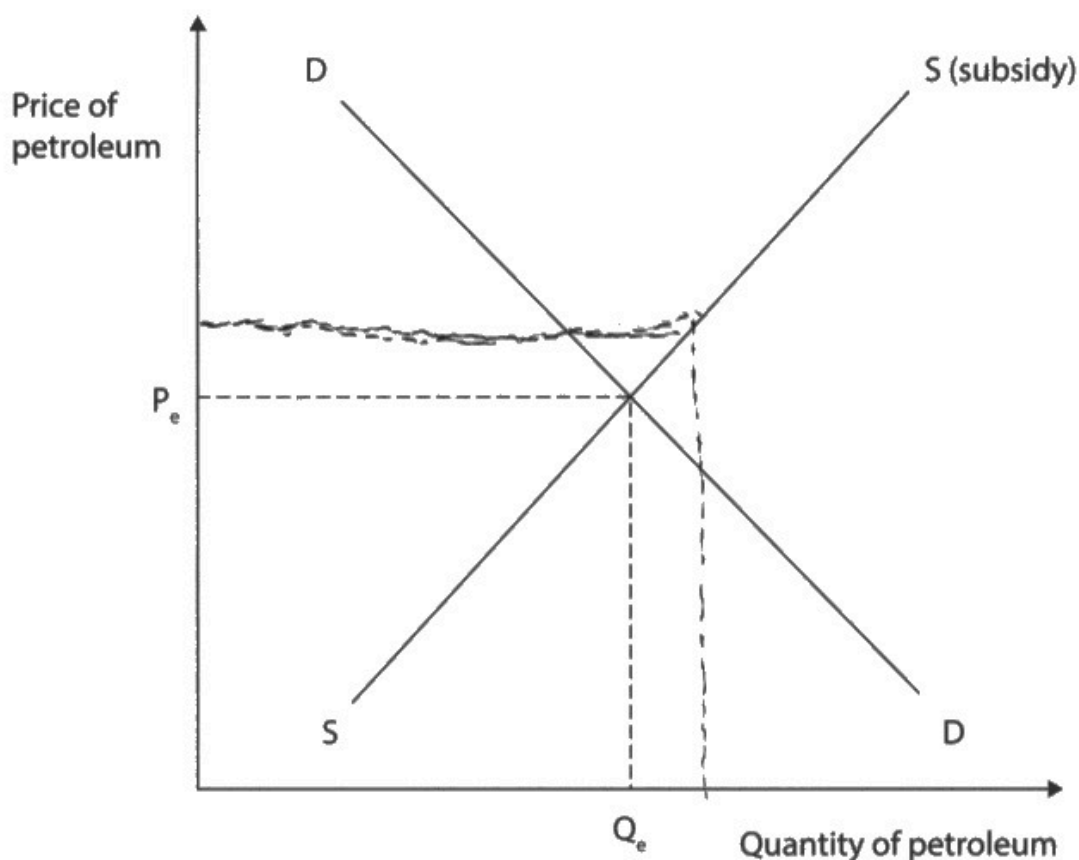
Question 1 (f)

This question asked candidates to draw a diagram to indicate the removal of a subsidy. Marks were awarded for the correct left shift of the supply curve to show the removal of a subsidy and labelling of the new equilibrium price and quantity. If a candidate shifted both curves, 0 marks were awarded. On the whole, this question was much better answered by candidates in comparison with Q2(f).

In March 2023, the Government of Ghana announced it was removing fuel subsidies on petroleum.

- (f) Using the diagram below, draw the effects of the removal of the fuel subsidy on the equilibrium price and quantity of petroleum in Ghana. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)



ResultsPlus
Examiner Comments

This response scored 0 marks. There is no new supply curve so marks for the new price and quantity cannot be awarded even if the candidate had labelled the new price and quantity.

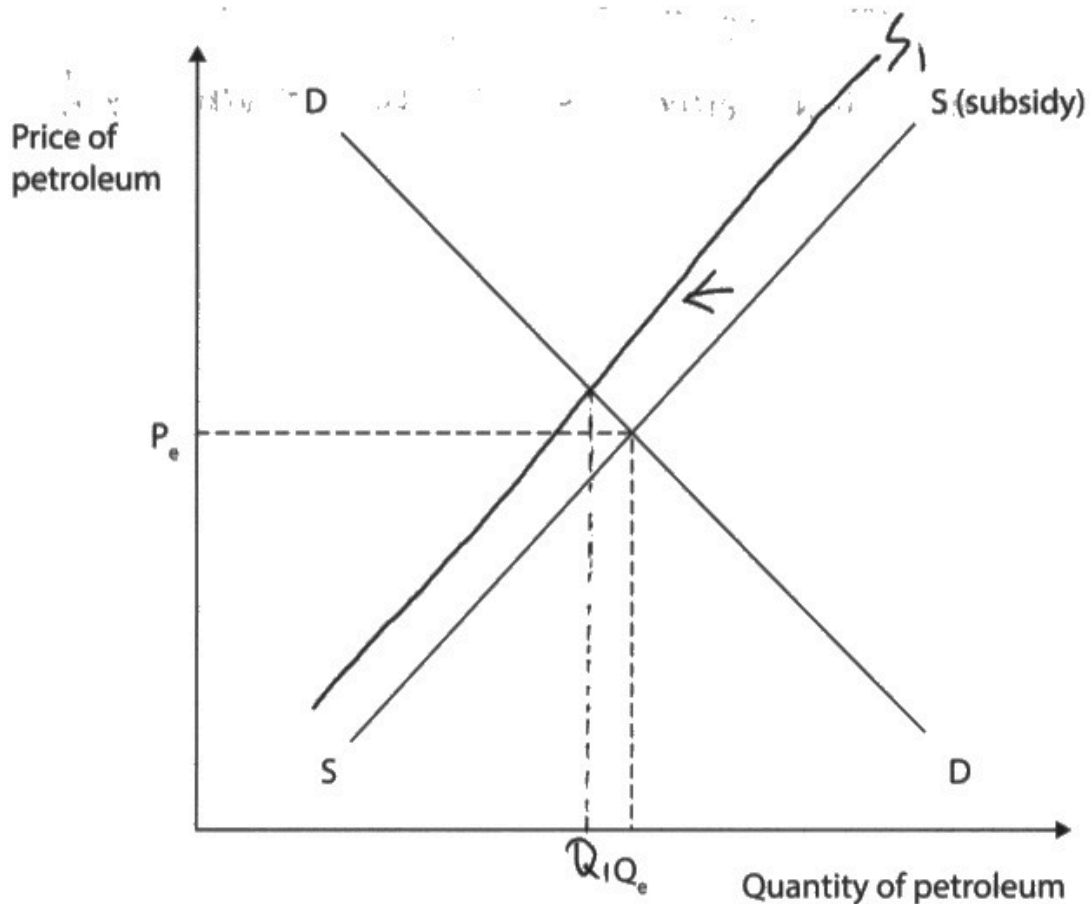


Try to use a ruler to draw the new curve and ensure your labels are appropriately labelled.

In March 2023, the Government of Ghana announced it was removing fuel subsidies on petroleum.

- (f) Using the diagram below, draw the effects of the removal of the fuel subsidy on the equilibrium price and quantity of petroleum in Ghana. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)



ResultsPlus
Examiner Comments

This response scored 2 marks only. There is a correct shift of the supply curve (labelled) and a new lower quantity (labelled) but unfortunately there is no new price shown.



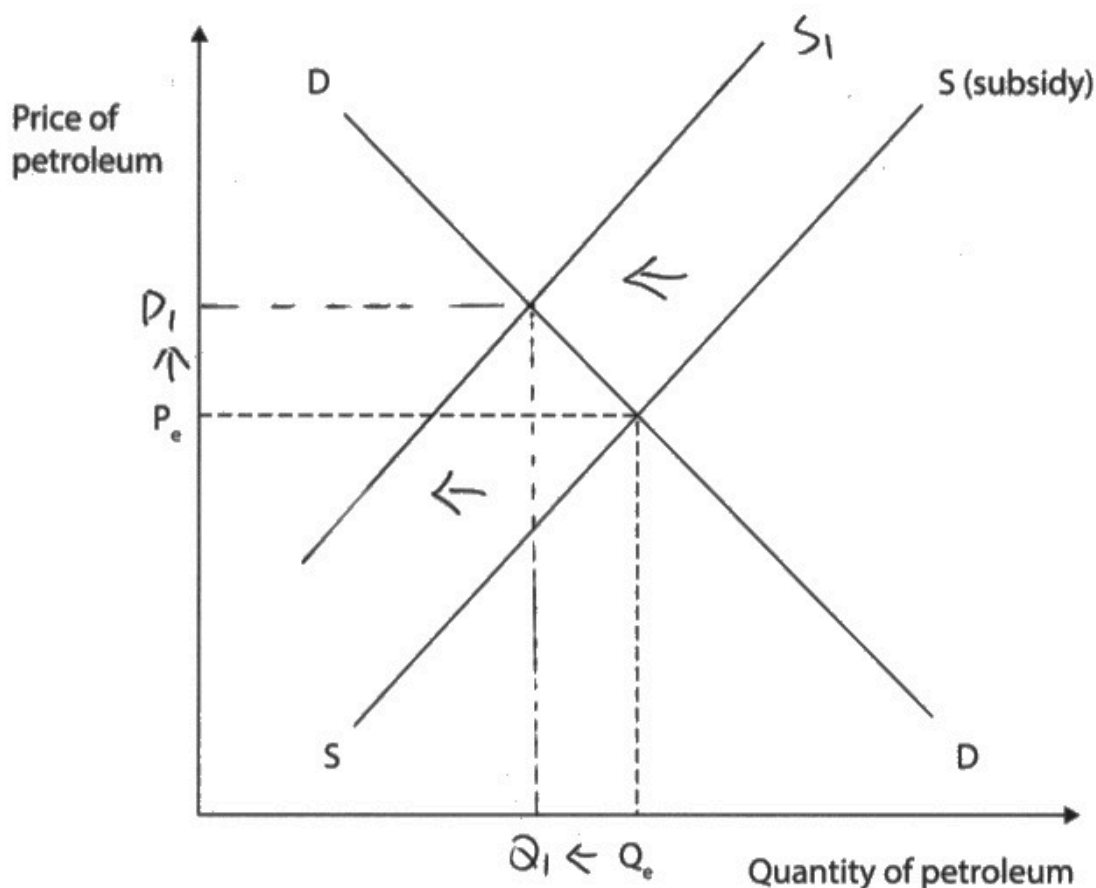
ResultsPlus
Examiner Tip

There will always be 3 marks available for diagram questions so make sure you do fully answer the question.

In March 2023, the Government of Ghana announced it was removing fuel subsidies on petroleum.

- (f) Using the diagram below, draw the effects of the removal of the fuel subsidy on the equilibrium price and quantity of petroleum in Ghana. Label the new curve, the new equilibrium price and the new equilibrium quantity.

(3)



ResultsPlus
Examiner Comments

This response scored 3 marks and is an example of how to draw and label your diagrams.



ResultsPlus
Examiner Tip

Use appropriate labels to indicate the change in the equilibrium. Arrows are not required and are not rewarded in place of labels.

Question 1 (g)

This question was the first Explain question the paper and asked about the advantage of deregulation. No marks were given for a definition of deregulation and many candidates just repeated the information provided. One mark was awarded for identifying an advantage; examples included increased competition, more firms entering the market, economic growth, lowering costs of production and increased efficiency and output. There had to be a valid advantage to access the other two marks. Up to two marks were awarded for developing the advantage (cause or consequence), such as explaining how increased competition could result in lower prices or higher quality for consumers. Candidates could still achieve all 3 marks without referring to the telecommunications industry in India.

In September 2022, the Indian Government deregulated the telecommunications sector. This included reducing the taxes and fees that telecom companies had to pay to the government and allowing more firms to enter the market.

(g) Explain **one** advantage of deregulation for a country such as India.

(3)

One advantage of deregulation is to increase competition. Deregulation in India removed tax fees and encouraged more telecom firms into the market, which would increase competition and force them to be more efficient. As a result, products prices might be lower and their quality might be higher.



This response scored 3 marks: 1 mark was awarded for the advantage (increase competition), 1 mark was awarded for the development of the advantage (force them to be more efficient) and 1 mark was awarded for further development (prices might be lower and quality might be higher).



Try to fully explain your advantage/reason/impact/effect to gain all 3 marks rather than trying to 'shoehorn' in context from the information provided. Just inserting data or figures into your response is not classed as context and it must be used in the response for this to count as context. It is much easier to gain all 3 marks by using economic theory to explain a concept.

Question 1 (h)

This is the first levels-based question on the paper. 'Analyse' questions require a one-sided argument and this question asked for the advantages for UK firms of the UK joining a trade bloc. Examiners saw some good responses for this question with many candidates able to score at least 3 marks and access Level 2 for this question. A wide range of advantages were rewarded such as increased demand for domestic firms, economies of scale and access to more resources. Better responses analysed the advantages and fully explained them rather than providing a long list of undeveloped advantages.

In March 2023, the UK joined the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), an 11-member Asia-Pacific trading bloc, after two years of negotiations. The current members of the CPTPP are Australia, Canada, Japan, Mexico, New Zealand, Singapore, Brunei, Chile, Malaysia, Peru and Vietnam.

(h) With reference to the data above and your knowledge of economics, analyse the advantages for UK firms of the UK joining the CPTPP trading bloc.

(6)

UK firms will be able to access a number of benefits after the UK joining CPTPP trading bloc. UK firms will be able to export to the members of the trading bloc without any trade barriers. This can increase business for UK firms since they will be able to export and sell overseas without any tariffs or quotas. Moreover this can prove to be beneficial since UK firms would be able to sell exports without facing any taxes thus making it cheaper to sell exports. ~~UK firms will~~ Furthermore, this would increase demand for exports which would benefit local firms. Firms in UK would be able to generate more profit as well as sales since they would now be able to ~~access~~^{access} overseas market. Firms would also not have to face extra inspections or rules that make trading awkward. This would benefit UK firms since the UK would want to sell exports and would opt for local businesses. UK firms would also be able to access resources from overseas for cheaper. In addition to this, firms would be able to

sell products overseas without facing taxes and the demand for local products would increase. Therefore UK firms would be able to generate more profit all while increasing demand for their goods and services.



ResultsPlus
Examiner Comments

This response scored 5 marks. It identified several benefits, including the ability to sell more exports, generate higher profits, avoid extra inspections and access cheaper resources. Although there is some repetition within each advantage, the response demonstrates clear knowledge, develops points effectively and shows appropriate application. The analysis is thorough for some of the advantages, though it is less comprehensive for others, which is why the response is placed at the lower end of the level.



ResultsPlus
Examiner Tip

For the 6-mark questions, examiners are looking for the quality of the analysis rather than counting the number of advantages. A list of advantages with no development and a lack of analysis is likely to only match the Level 1 descriptor and score a maximum of 2 marks only.

Question 2 (c)

There is only one mark available for 'state' questions. Examiners do not expect candidates to write extensively for this type of question. Many different reasons for a current account surplus were rewarded such as export greater than imports, higher quality of domestic goods and cheaper prices for domestic goods.

(c) State **one** possible reason for a current account surplus.

Their local business ~~have~~ produce the product ⁽¹⁾ with higher quality and is ~~pop~~ popular among the ~~we~~ world.



ResultsPlus
Examiner Comments

This response scored 1 mark for some understanding that local business have higher quality so this is why there is a current account surplus.



ResultsPlus
Examiner Tip

The response does not need to be detailed for this type of question.

Question 2 (d)

Questions phrased as 'What is meant by' are worth two marks and need a two-part explanation of the term. Marks are not awarded for examples. According to the marking scheme, one mark is given for referring to the standard of living being below/lower, while the other mark is awarded for reference to the typical average living standards in that society. Other relevant answers were also accepted.

(d) What is meant by the term relative poverty?

(2)

Relative poverty mean the living standard is lower the average living standard.



ResultsPlus
Examiner Comments

This response scored 2 marks. 1 mark was awarded for the living standard is lower and 1 mark was awarded for the average living standard.



ResultsPlus
Examiner Tip

Precise definitions with two parts will always score highly. Ensure your answer does have enough development to gain both marks.

Question 2 (e)

This question proved a challenge to many candidates where it was very clear that there are gaps in knowledge for this area of the specification. This question asked for a benefit of asset purchasing. Very few candidates were able to give a benefit of asset purchasing. Without a valid benefit, no marks could be awarded. As in previous series, no marks are available for definitions and marks were awarded for the development of the benefit such as economic growth, increase in aggregate demand and more output/GDP.

In March 2020, the European Central Bank (ECB) purchased €1.85 trillion worth of assets including government bonds and corporate bonds.

(e) Explain one benefit of asset purchasing by a central bank such as the ECB.

(3)

Support economic growth is one benefit of asset purchasing.
Asset purchasing by ECB of €1.85 trillion in 2020, is a kind
of expansionary monetary policy, and it is quantitative easing.
This increases the money supply in the money market,
injecting more money in the circular flow of income may increase
the GDP of an economy. Improving the European economic growth.



ResultsPlus
Examiner Comments

This response scored 3 marks: 1 mark was awarded for the benefit (support economic growth), 1 mark was awarded for the development (increases the money supply) and 1 mark was awarded for further development (injecting more money in the circular flow of income may increase the GDP of an economy).



ResultsPlus
Examiner Tip

All areas of the specification need to be covered when carrying out revision for the examination.

In March 2020, the European Central Bank (ECB) purchased €1.85 trillion worth of assets including government bonds and corporate bonds.

(e) Explain **one** benefit of asset purchasing by a central bank such as the ECB.

(3)

By purchasing assets, a central bank such as the ECB, allows for a flow of money to arrive in commercial banks. Commercial banks will then have more money and ^{are} willing to give out ^{more} loans to individuals and firms. As they in turn will now have that loan, ^{to spend} aggregate demand will increase.



ResultsPlus
Examiner Comments

This response scored 3 marks. 1 mark was awarded for the benefit in the last sentence (aggregate demand will increase), 1 mark for the development of the benefit (allow a flow of money to arrive in commercial banks), and 1 mark for further development (commercial banks will then have more money and are willing to give more loans to individuals and firms). This response really does understand what asset purchasing is and the mechanism by how it works.



ResultsPlus
Examiner Tip

The benefit/reason/impact/effect can be awarded anywhere in the answer and not just at the start but without this, the other 2 marks cannot be awarded. Try and start your answer with what you are being asked to explain and then use the rest of the answer to fully explain why this occurs.

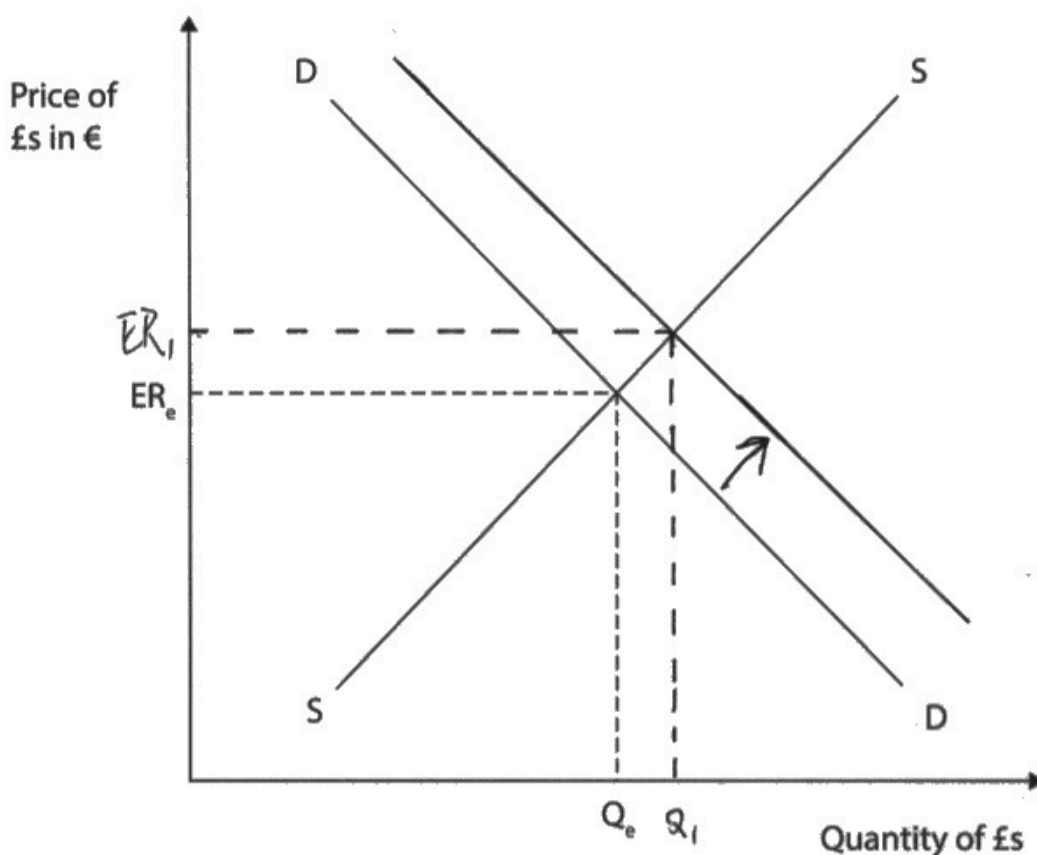
Question 2 (f)

Marks were awarded for the correct right shift of the demand curve to show the impact and labelling of the new equilibrium exchange rate and new equilibrium quantity. If a candidate shifted both curves, 0 marks were awarded. On the whole, this question was poorly answered by candidates in comparison to the other diagram questions with many incorrectly shifting the supply curve or the demand curve to the left.

Figure 3 shows the supply of and demand for UK pounds (£), as well as the equilibrium exchange rate against the euro (€). UK interest rates increased from 4% to 4.25% in March 2023.

- (f) Using the diagram below, draw the likely effect of this rise in UK interest rates on the equilibrium exchange rate of the UK pound (£) against the euro (€). Label the new curve, the new equilibrium exchange rate and the new equilibrium quantity.

(3)





This response scored 2 marks only because the new demand curve is not labelled. Arrows are not acceptable and the new curve must be fully labelled to be awarded the mark.

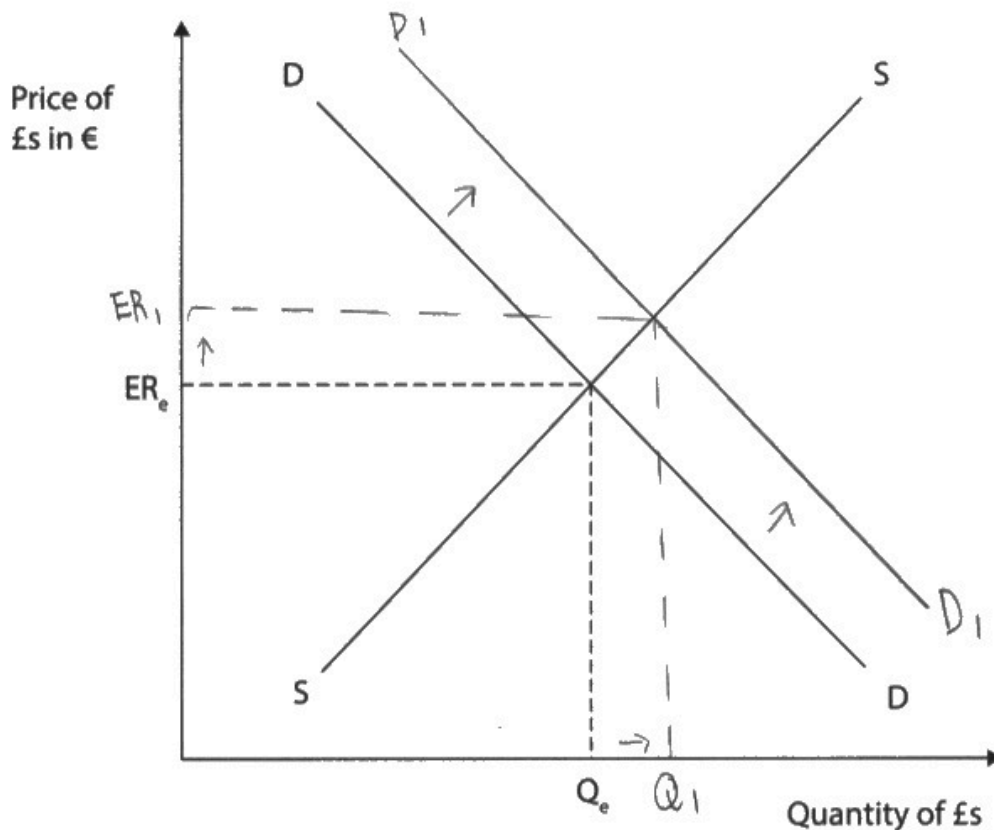


Do not use arrows in place of a correctly labelled curve.

Figure 3 shows the supply of and demand for UK pounds (£), as well as the equilibrium exchange rate against the euro (€). UK interest rates increased from 4% to 4.25% in March 2023.

- (f) Using the diagram below, draw the likely effect of this rise in UK interest rates on the equilibrium exchange rate of the UK pound (£) against the euro (€). Label the new curve, the new equilibrium exchange rate and the new equilibrium quantity.

(3)



ResultsPlus
Examiner Comments

This response scored 3 marks and is an example of how to draw and label a diagram.



ResultsPlus
Examiner Tip

Do use a ruler if possible to draw your new curve. It does not matter whether you use a solid or dashed line to illustrate the new equilibrium. Remember the mark for the new curve is not just for drawing this curve but for the labelling it as well. Arrows will not be rewarded in place of a label.

Question 2 (g)

This is the first of the 9 mark questions on the examination paper and like the 6 mark questions, it is marked holistically by applying the levels in the mark scheme. Many candidates used parts of the extract to explain why unemployment might fall during a recession. They cited reasons such as an increase in exports, higher demand for services and government support. For the counter argument, many explained that the reduction in unemployment might only be temporary. They noted that business and consumer confidence is often low during a recovery, so demand may not increase significantly. Additionally, candidates pointed out that the type of unemployment matters; it could be structural or seasonal rather than cyclical. Simplistic assessment scored Level 1 or low Level 2 with more developed chains of reasoning with a balanced assessment accessing Level 3.

The Chinese economy only grew by 3% in 2022. However, in 2023 exports increased by 14.8% compared to the previous year, suggesting that China would achieve its growth target of 5%.

By March 2023, China was experiencing an economic recovery with the services and construction sectors reaching a 12-year high.

However, China's export recovery is expected to be temporary. This is because of possible weaker global demand due to interest rate rises in many economies.

(g) With reference to the data above and your knowledge of economics, assess how a recovery may affect unemployment for a country such as China.

(9)

A recovery is a period in the economic cycle when the economy starts to grow and business activities increase.

In the case, in 2023, exports increased by 14.8% compared to previous year in China, suggesting that it would achieve its growth target of 5%.

A recovery may reduce unemployment in the following ways.

First, businesses start to become active again to meet the rising AD. They would need to recruit more workers to generate the production process. Therefore, unemployment decreases due to the increasing labour demand.

Second, the workers who find a job may increase spending. As their disposable income now may be greater than the benefit payments previously, so their purchasing power increases. The increased consumption raises AD. Consequently, labour is a derived demand, and more ^{total} output produced need more workers to support manufacture. Unemployment reduces.

Third, the recovery may be supported by the government. Chinese government create more jobs through infrastructure spending as the construction industry is labour intensive. As a result, the unemployed may find a new job in road construction, building hospitals or bridges.

However, the impact that recovery has on unemployment reduction may be limited, and there are several negative effects to the economy.

First, due to technology progressing, producers may choose to invest in more capital goods and buy machines instead of employing workers. This is because the productivity of machines may be higher than workers, and machines seldom make mistakes and could be used for a long period of time. Therefore, labour demand increase is limited in extent.

Second, as recovery is following a recession, consumer and business confidence might still be low. The income generated by consumers may be saved rather than spent as the marginal propensity to consume is low. Therefore, consumers are more cautious when purchasing goods, and AD increase is limited. This partially doesn't require many workers to fill in job vacancies, ~~due to increased~~ ~~on~~.

Third, the programmes funded by government increase the financial burden on Chinese government. This increases the national debt, and requires future generations to pay back, which is not sustainable in the long term.

Fourth, China's recovery is expected to be temporary. This is because possible weaker global demand due to interest rate rises in many countries. The global economy is still largely in recession, with limited international trade. China's recovery may only be limited within its economy and not lasting long.



This response scored 9 marks. An excellent response demonstrated thorough assessment and extensive application on both sides of the argument. It had clear knowledge, detailed analysis, and well-balanced assessment. The response also made great use of economic theory. This level of performance is impressive, especially given the 9-minute time constraint.



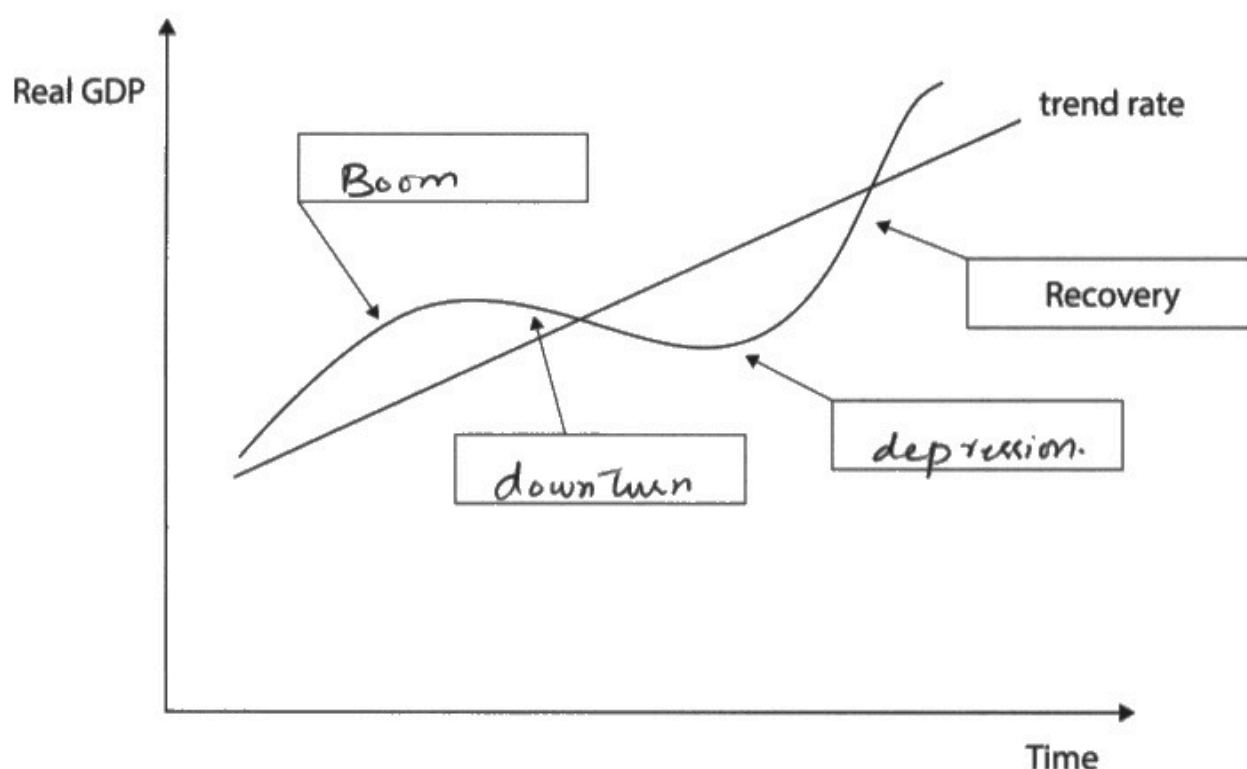
9 mark questions do not need a conclusion so do not waste time writing one. Focus on the arguments for and against and try to use the information provided to support your assessment rather than just copying large chunks of it.

Question 3 (c)

Marks were awarded for the correct labelling of the remaining boxes of the economic cycle. Many candidates were able to gain all 3 marks for this question. Examiners did accept depression or slump in place of recession. However, the other stages must be labelled boom and downturn.

(c) Using the diagram below label the remaining three stages of the economic cycle in the boxes on the diagram.

(3)



ResultsPlus
Examiner Comments

This response scored 3 marks for the correct labelling of the remaining boxes.



ResultsPlus
Examiner Tip

There are no acceptable alternatives for the boom, downturn and recovery boxes so only use these economic terms which are listed in the specification.

Question 3 (d)

This levels-based question required candidates to analyse the possible benefits of globalisation for clothing manufacturers. Examiners rewarded benefits such as opening up of new markets, increasing sales revenue, utilising cheaper labour, reducing manufacturing costs, achieving economies of scale and trading more easily due to reduced communication and transport costs. Examiners did not count the number of benefits; full marks could be earned by thoroughly analysing one possible benefit, although many candidates covered several. The response had to focus on clothing manufacturers and not consumers or the economy.

The largest manufacturer and exporter of clothing products is China, with 65% of the world's clothing being made there. The second largest country for clothing manufacturing is Bangladesh. Clothing exports make up nearly 85% of Bangladesh's total exports.

(d) With reference to the data above and your knowledge of economics, analyse the likely benefits of globalisation for clothing manufacturers.

(6)

Globalisation can lead to a number of benefits. Clothing manufacturers are able to access raw materials and suppliers for cheaper. They can locate cheaper resources and purchase them. Globalisation can aid in reducing manufacturing and labour costs. Clothing manufacturers are able to access cheap labour. They are able to locate ~~in~~ ~~their~~ their factories in countries where labour is skilled as well as cheap. This can help reduce labour costs since manufacturers are able to access cheaper labour. Furthermore, clothing manufacturers are able to expand overseas and locate factories where taxes are less. These are usually under-developed or developing countries. This can help manufacturers to reduce the cost of manufacturing since they would have to pay reduced taxes. In ~~addition~~ ~~addition~~ addition to this, manufacturers are able to gain a wide access to new technology as well as machinery. They can gain access to technology and machinery which

reduces production time as well as makes it easier to manufacture clothes.

They are also able to expand overseas thus allowing them to sell their manufactured products to an international market therefore ~~attaining~~ attaining more profit and exploiting economies of ~~scale~~ scale.



ResultsPlus
Examiner Comments

This response scored 6 marks. This is a strong response. It identifies several distinct benefits for clothing manufacturers and provides thorough analysis. The response demonstrates clear knowledge, develops points effectively and includes appropriate application. It offers a comprehensive analysis of the issues.



ResultsPlus
Examiner Tip

All the 6, 9 and 12 mark questions are marked holistically. This means that the quality of the response is more important than the number of benefits given. A response with one really detailed benefit could score all 6 marks whereas a response that lists a series of benefits might only score 1 or 2 marks depending on the quality.

Question 3 (e)

This was the last 9 mark question on the examination paper and was marked by using the levels in the mark scheme. The question assessed the use of tariffs in Brazil with regards to the tyre market. Examiners looked for how a tariff might protect domestic tyre firms by reducing imports, increase government revenue for public services and decrease unemployment. Some candidates were able to give detailed analysis of the benefits of tariffs but unfortunately at the opposite end of the scale, it was clear that some candidates did not know how they worked or had a vague attempt at trying to show how they might reduce imports. For the counter argument, examiners looked for an understanding of how tariffs might reduce competition within the domestic market and how other countries may impose retaliatory tariffs. Unfortunately, many candidates just copied or rephrased the information provided rather than answering the question so scored 0 marks.

Brazilian tyre producers previously had a fall in production caused by an increase in imports. As a result, producers were warning that they might need to stop production, which would result in job losses.

In March 2023, the Brazilian Government put an import tariff on tyres. The tariff on tyres increased from 0% to 16%. A government source said, "The previous government believed in more open trade. The current one has a different view and they think they must protect domestic producers."

- (e) With reference to the data above and your knowledge of economics, assess the possible benefits for the Brazilian economy of introducing a tariff on tyres.

(9)

A tariff is a tax on imports in order to reduce imports demand.

In this case, in March 2023, the Brazilian Government increased the tariff on tyres from 0% to 16%.

There are several benefits for the Brazilian economy of introducing a tariff on tyres.

To begin with, imposing a tariff on tyres increases their import price. This makes domestic tyres more price competitive, so demand for domestic tyres might increase and demand for imports decrease, resulting in improved current account.

Subsequently, this can be used to protect domestic producers because the domestic tyres now are more price competitive. This then prevents job losses in Brazilian tyre industries. Because labour is a derived demand, so increasing demand for Brazilian tyres may increase demand for workers to produce tyres.

After that, tariffs can generate tax revenue for Brazilian government. If the import demand still remains high, then the tax revenue also remains high. And this portion of money could be used to invest in education, healthcare, national defence, and infrastructure, which are helpful in promoting Brazilian economic growth as these activities can increase the productivity within Brazil.

However, there are some limitations of imposing a tariff on tyre imports that can't be ignored.

First, domestic industries may be overprotected. The falling demand for domestic produced tyres may be due to their low quality and high price, compared to better quality and lower priced imports. But imposing a significant tariff might force consumers to switch to domestic ones, so consumers have to pay more with not guaranteed quality.

Second, it is at risk of retaliation. Because foreign tyre producers might do the same thing to Brazil, making Brazilian tyres hard to be sold out, and decreasing Brazil's global market share in terms of tyres. They also worsen the cooperation or interconnection between Brazil and other countries, harmful for Brazil's international reputation.

~~Third,~~



ResultsPlus
Examiner Comments

This response scored 9 marks. This is a strong response, featuring detailed analysis and an assessment of tariffs. It addresses all the bullet points for Level 3, warranting an award at the top of the level. Given the 9-minute time constraint, this performance is impressive.



ResultsPlus
Examiner Tip

A response does not automatically achieve Level 2 (or higher) merely by including some sort of weak assessment. Conversely, it can move beyond Level 1 without any assessment. The overall mark awarded depends on the overall quality of the response and how closely it matches with the descriptors for each level.

Question 4 (a)

This question was very well done with most candidates able to calculate the park entry fee and give the answer of £2.38 for 2 marks. If the £ sign was missing, only 1 mark could be awarded for the working. The same is true if the answer is not given to two decimal places. If no working is shown, no marks can be awarded so it is essential candidates do show their working and this is stated in the question itself.

- 4 Figure 5 shows the adult entry fee into the Corcovado National Park in Costa Rica and the current exchange rate between the British pound (£) and the Costa Rican colón (CRC).

Entry fee for 1 adult	1 600 CRC
Exchange rate: £ to CRC	£1 = 672 CRC

Figure 5

- (a) Calculate, to two decimal places, **the price in British pounds (£)** of a park entry fee for 1 adult into the Corcovado National Park. You are advised to show your working.

(2)

$$1600 \div 672 \approx 2.38$$



ResultsPlus
Examiner Comments

This response scored 1 mark for the workings because the final answer is missing the correct units (£).



ResultsPlus
Examiner Tip

Check you have used the correct unit in your final answer. Many candidates omit this and therefore cannot be awarded 2 marks.

- 4 Figure 5 shows the adult entry fee into the Corcovado National Park in Costa Rica and the current exchange rate between the British pound (£) and the Costa Rican colón (CRC).

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Exchange rate: £ to CRC	£1 = 672 CRC

Figure 5

- (a) Calculate, to two decimal places, **the price in British pounds (£)** of a park entry fee for 1 adult into the Corcovado National Park. You are advised to show your working.

(2)

$$1600 \div 672 = £2.38$$



ResultsPlus
Examiner Comments

This response scored 2 marks for the correct answer of £2.38.



ResultsPlus
Examiner Tip

Double check your final answer as it is very easy to make a mistake on the calculate questions with the time pressure in the examination.

Question 4 (b)

This 6 mark question proved to be a challenge for some candidates with many not attempting the question or simply repeating the information provided. There seems to be a gap in knowledge for trade patterns. Examiners looked for some sort of an understanding of why trade patterns differed between developed and developing countries. Ample information and data were provided to help candidates apply this to the contexts of Costa Rica and the UK. Application could stem from the provided material or from the application of economic concepts and theories. Basic statements, such as stating that Costa Rica focused on exporting agricultural products while the UK imported these and focused on the secondary and tertiary sectors, were placed in Level 1. For Levels 2 and 3, examiners looked for a more developed analysis explaining why these patterns existed or how trade patterns and the roles of primary, secondary, and tertiary sectors had evolved over time. Examples used to illustrate these points were rewarded.

Costa Rica is a developing country that relies on the export of agricultural commodities such as coffee, bananas, pineapples and vegetables. In 2022, exports from Costa Rica to the UK were valued at £516m. Vegetables and fruit accounted for 73.4% of all goods exported to the UK from Costa Rica.

(b) With reference to the data above and your knowledge of economics, analyse how the trade patterns may differ between a developed and a developing country.

(6)

Trade patterns vary between countries of different development levels as there are sectorial differences between such countries.

Developing countries focus more on the primary sector ^{such as} fishing and agriculture as well as mining for most of the country's national income. As a result, these countries tend to produce a lot of raw materials and export such to other countries. For example, Costa Rica relies on exporting agricultural commodities such as coffee, bananas, pineapples and vegetables. In 2022, such exports to UK were valued at £516m, showing that Costa Rica is a major exporter of ~~the~~ primary sector goods.

Developed countries focus more on tertiary and quaternary sectors, providing services. As a result, developed economies import raw materials and agricultural products from developing countries. For example, UK has imported £516m of ^{agricultural goods} ~~vegetable and fruits~~ from Costa Rica, where about 73.4% were vegetables and fruits. Developed countries usually have invisible trade of services, such as financial and tourism services both imported and exported, which is seldom present within developing economies.

In general, developing countries focus more on exporting primary and secondary sector goods, whilst developed countries import such goods ~~and~~ focus on exporting tertiary and quaternary services.

These trade patterns are interconnected between different countries.



ResultsPlus
Examiner Comments

This response scored 6 marks. This is an excellent response. It clearly identifies why developing countries are most likely to focus on the primary sector and effectively uses the provided information to support this analysis. It also analyses why developed countries focus on the tertiary and service sectors, again making very good use of the provided data. The response demonstrates clear knowledge, develops points thoroughly, applies concepts appropriately and offers a comprehensive analysis, placing it at the top of the level.



ResultsPlus
Examiner Tip

Try to use the data provided to support your analysis. It is there to help you with application and context and remember that there are no marks for evaluation on these types of questions.

Question 4 (c)

This question has the most marks on the examination paper and always discriminates between the candidates that can accurately use economic concepts to evaluate a course of action and those that approach the question from a 'common sense' approach and simply copy out the extract. The question evaluated the advantages of using national parks to protect the environment in Costa Rica. Examiners rewarded advantages such as providing the government with revenue and resources to keep the national parks open rather than an evaluation of the advantages of national parks for the economy as a whole. On this occasion the disadvantages were much better and generally revolved around damage caused by tourism such as the hotels creating pollution, litter and noise in the area disturbing wildlife. Some candidates did suggest alternative ways of protecting the environment such as pollution permits or taxation. Developed evaluation was more likely to achieve Level 2 or Level 3 and simplistic evaluation was awarded Level 1. A conclusion is required for this question and often this was lacking or was a repetition of earlier points rather than making a final judgement.

dom. Costa Rica has 5% of the world's wildlife species but it occupies only 0.03% of the earth's surface. Costa Rica takes pride in having 30 national parks with more than 25% of the territory of Costa Rica marked for conservation.

env. National parks have economic value to both national and local economies. Costa Rica takes advantage of the growing demand by tourists visiting these national parks by charging an entry fee. National Parks contribute almost \$2bn to the Costa Rican economy. 122,465 tourists visited national parks in Costa Rica in the last two weeks of 2021.

emp. Local economies near the national parks benefit from the creation of jobs and the increased expenditure by tourists on hotels, local shops, guides, restaurants and tours.

- (c) With reference to the data above and your knowledge of economics, evaluate the possible advantages of the government providing national parks to protect the environment in a country such as Costa Rica.

(12)

National parks are government-provided parks that ~~the~~ aim to protect wildlife in a region, in this case Costa Rica.

One benefit of national parks is economic growth. With the high value of national parks, officially establishing such parks would increase demand for tourism in Costa Rica. In Costa Rica's case, almost 122,465 tourists visited national parks in the last 2 weeks of 2021. With charging entry fees, the Costa Rican economy has ~~been~~ increased revenue by almost \$2bn. The increased revenue ~~can be~~ means that the government's indirect tax revenue would increase. This increases the government's fiscal budget, which allows the government to invest into protecting wildlife in Costa Rica and subsidise environmentally-friendly firms, which increases environmental protection in Costa Rica.

Another benefit is ~~that the~~ reduced unemployment which also allows for increased tax revenue. When national parks are provided, local economies near the national park benefit from

the creation of jobs and increased expenditure ~~on~~ by tourists on hotels, guides, restaurants and tours. Not only does this boost government revenue from income and business taxes, the national park provides ~~benefit~~ positive externalities. This enhances the public's awareness on biodiversity and environmental protection, allowing Costa Rica to enhance public environmental protection schemes. However, national parks risk damaging wild life. With an increased flow of tourists, ~~settlements and~~ human activities that damage the environment would increase. Increased traffic would cause air and noise pollution, whilst disrespectful behaviour from tourists ~~as~~ such as littering would cause visual and water pollution. With Costa Rica having 5% of the world's wild life species but only 25% of the territory marked for conservation, Costa Rica may face the threat of environmental damage from overflowing tourists. This would damage the scenic environment near national parks, and the threat to wildlife's habitat may cause potential extinction of species.

Whether national parks protect the environment depends on ~~the~~ how well these national parks are managed and whether tourists visiting are respectful to the environment within these parks. To maximise conservation methods, the government of Costa Rica can use a range of different policies to protect national parks. For example, the government can enforce strict regulations to make sure tourists are not damaging the environment through actions such as littering, and would receive fines if tourists were to do so. The government

can also subsidise environmental protection agencies to protect the national parks, and subsidise eco-friendly firms within the country to enhance environmental ~~protective~~ protective conservation efforts.



ResultsPlus Examiner Comments

This response scored 12 marks. This is a very strong response, featuring excellent evaluation and effective use of data to support the analysis. It remains balanced and focused on the question asked. The response includes a conclusion and considers alternative methods, such as enforcing strict regulations and subsidising environmental protection agencies. Overall, it meets all the criteria for Level 3 and deserves full marks.



ResultsPlus Examiner Tip

For evaluation, always evaluate the economic concept in the question first **BEFORE** considering alternative methods otherwise you are not really evaluating and will not be able to access the full range of marks available.

Paper Summary

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

- 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.
- 'What is meant' questions will always require two parts to the explanation and examples are not rewarded.
- 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.
- For calculation questions, it is essential that the answer has the correct units and is to two decimal places if specified.
- Diagrams need accurate labels and arrows to indicate the shift of the curve will not be rewarded.
- The 'Explain' questions do not require definitions so do not waste time giving a definition of the key economic term.
- Analyse – this question only requires a one – sided argument and evaluation is not required for a 6-mark Analyse question.
- The command words 'Assess' and 'Evaluate' are evaluative command words so candidates must provide both sides of an economic argument in order to achieve full marks.
- 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 use them to support your answer but do not copy out large chunks as this cannot be rewarded.
- Use economic concepts rather than generic 'common sense' answers.
- Examination timings – make sure there is enough time to answer the 12-mark question.

Grade boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

<https://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>

