



Examiners' Report

Principal Examiner Feedback

November 2024

Pearson Edexcel International GCSE
In Economics (4WEC2)
Unit 2: Macroeconomics and the Global Economy

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General

Overall, the performance of candidates exhibited a strong 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 why a government wants to reduce poverty and inequality.

Question 1b:

This question proved to be more difficult for candidates with some unable to correctly identify a benefit of using GDP as a measure of growth.

Question 1c:

There were two parts to the definition of what is meant by 'deflation'. 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. No marks were awarded for examples. Many candidates gave a micro rather than a macro definition of deflation by only referring to the price of goods and services falling rather than the average price level or general price level.

Question 1d:

Some candidates were able to give an impact on globalisation such as an increase in globalisation from a reduction in the cost of communication. The second mark was awarded for the development this in terms of why globalisation is likely to increase. Just stating it was because it was cheaper was not enough for the development mark as this is in the question itself.

Question 1e:

Some candidates were able to calculate the net pay so achieved 2 marks. A candidate could only score 1 mark if the € sign was missing. 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 completion of the economic cycle with Boom, Downturn and Recession. Most candidates were able to score all 3 marks.

Question 1g:

This proved to be a more challenging question than anticipated. Many candidates just repeated the information provided rather than giving a valid reason for fines such as to prevent laws being broken. Other candidates gave a definition of fines 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 connection between the exchange rate and the current account in Türkiye. Application could have been references to the information in the stem of the question or candidates' own knowledge and how the exchange rate may affect the number of tourists coming to Türkiye and consequently the current account.

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 to protect domestic jobs as the correct answer.

Question 2c:

This is the only 'State' question on the examination paper and candidates were asked to state a possible trading bloc. Overall, this question was answered well by all candidates.

Question 2d:

This was well answered poorly with many candidates being unable to score any marks. Many candidates simply rearranged the words to state it was when a firm bought assets. Very few candidates could provide an accurate definition.

Question 2e:

This question asked for a possible reason why there might be a trade-off between economic growth and environmental protection. It did not ask why economic growth could result in damage to the environment and many candidates answered this question instead, scoring 0 marks.

Question 2f:

This was a proved challenging for some candidates who incorrectly shifted the demand curve rather than the supply 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 impact of AI on the levels of structural unemployment. Many candidates ignored this part of the question and instead assessed the impact of AI on productivity or the costs of a firm.

Question 3a:

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

Question 3b:

Many candidates were able to calculate the correct answer as £1 300.

Question 3c:

This question required candidates to explain the likely impact on productivity from changes to business tax rates in Italy. Many candidates just repeated the stem without being able to link to productivity. Many candidates gave responses solely based on output rather than productivity so could not score any marks. Marks were awarded for developing why productivity was likely to increase 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 regulations can help to protect the environment in the US. This was well answered by many candidates with many accessing at least level 2 for some analysis and an application.

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. Many ignored the question in terms of asking if income tax was a reliable source of income and instead assessed the use of progressive taxation in Australia.

Question 4a:

Many candidates were able to correctly calculate the percentage change in GDP for India 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 how benefits offered by the Indian Government can help to reduce poverty. This was very well answered with some very detailed analysis in terms of people being able to gain skills to gain employment and how cash transfers could help with providing basic needs in terms of food and housing. 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. Candidates were able to evaluate the use of monetary policy to control inflation in India. 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 sittings. 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.