



Examiners' Report Principal Examiner Feedback

Summer 2025

Pearson Edexcel International GCSE
In Economics (4WEC2) Paper 01R

UNIT 2: Macroeconomics and the Global
Economy

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General

Overall, candidates generally demonstrated a secure understanding of economic concepts, and responses indicated that they had been well prepared for this paper. Across all sections, there was frequent use of accurate economic terminology. More able candidates showed strong application of their knowledge to the specific demands of the questions, while weaker responses tended to rely on general reasoning rather than economic principles. The paper required candidates to apply their understanding, and the strongest responses showed clear development of arguments. Timing was handled well by the majority of candidates.

Guidance on how the levels based questions (6, 9 and 12) are marked:

When marking levels-based questions, such as those worth 6, 9 or 12 marks, examiners apply a holistic approach. This means we do not award marks for individual points of Knowledge, Application, Analysis or Evaluation, as we do with the shorter 2- and 3-mark questions. Instead, we assess the overall quality of the response and place it in the level that best fits, using the level descriptors in the mark scheme.

Key Principles:

- Examiners always read the entire response first before making any judgement.
- Examiners use the descriptor table (not the AO grid at the top of the mark scheme) when deciding on a level and a mark.
- The indicative content in the mark scheme is not exhaustive; it offers examples of what candidates might include. Valid responses that are not listed are always credited if they fulfil the descriptors.
- Examiners do not cap marks for lack of balance, generic responses or the absence of context. A one-sided response may still reach a higher level if the quality of reasoning and explanation is strong.
- Similarly, the presence of a brief or simplistic evaluation does not automatically lift a response into Level 2 or above.

Marking within Levels:

For 6-mark questions (2 marks per level):

- If both bullet points in a level are clearly met, examiners award the higher of the two marks.
- If the response only partially meets one or both bullets, examiners award the lower mark.

For 9-mark questions (3 marks per level):

- Examiners will identify the most appropriate level and then begin at the mid-point (e.g. 2, 5 or 8 marks).
- Examiners will then move up or down within the level depending on how well the response matches the descriptors.

For 12-mark questions (4 marks per level):

- Examiners read the whole response and then begin by selecting the appropriate level.
- Although there is no 'true' mid-point, 3 marks would represent the mid-point of L1, 7 marks for L2, and 11 marks for L3.
- Examiners then adjust within the level according to the strength of reasoning, development, structure and application to context.

Additional Points

- Context can be taken from the extract or drawn from wider economic understanding. Responses can still achieve high marks without referring directly to the stimulus material.
- While a conclusion is expected in 12-mark questions, it is not awarded a separate mark. However, strong concluding judgement may strengthen the overall impression of the response.
- Examiners do not reward formulaic writing or the number of points made. What matters is how well the candidate develops and supports their argument.

This approach ensures that candidates are rewarded fairly for the overall quality of their work, not just for ticking off a checklist of features.

Report on individual questions

Question 1a:

Most candidates were able to correctly identify the type of unemployment.

Question 1b:

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

Question 1c:

A wide range of definitions were accepted for full marks, provided they were accurate, even if they did not match the wording of the mark scheme precisely. Full marks were awarded for definitions that clearly referred to the **value** of imports exceeding the **value** of exports. This could also be expressed in reverse, for example, stating that the value of exports is less than the value of imports. Any terminology indicating a comparison such as 'greater than' or 'exceeds' was accepted, as long as it related to value. However, only one mark was awarded where definitions referred to the **quantity** or **amount** of imports exceeding that of exports, as this lacks the required level of precision. Similarly, responses that simply stated that

'imports are greater than exports' were only credited with one mark. A significant number of candidates were limited to one mark because they omitted the term '**value**' in their definition.

Question 1d:

To gain any credit for this question, candidates had to identify a valid benefit of using quotas. No marks were awarded where no benefit was stated. The benefit could appear anywhere in the response, including at the end, and did not need to be the first point made. A wide range of valid benefits were accepted, including reducing unemployment, protecting domestic or infant industries, improving the current account, reducing imports, encouraging local production, limiting unfair competition, preserving jobs, improving the balance of payments and contributing to economic growth. The benefit could relate to firms, the wider economy or the government. For the development mark, examiners looked for a clear explanation of **how** or **why** quotas would produce the benefit identified such as by restricting foreign competition, increasing demand for domestically produced goods or helping firms to survive and maintain profits. As this question was worth only 2 marks, a high level of development was not required, unlike higher tariff questions. A noticeable number of candidates left this question blank.

Question 1e:

Candidates were awarded full marks for correctly calculating the answer as €885. Some candidates placed the euro symbol after the number (e.g. 885€), which was accepted. There was no requirement to include a currency symbol in the working and no marks were awarded for stating a formula or giving a definition. One mark was given where the correct numerical answer of 885 was provided but the euro sign was omitted. Similarly, one mark was awarded for using the correct method (e.g. 750×1.18) even if the final answer was incorrect. If the response gave £885, one mark was awarded to reflect the correct value but incorrect currency. Most candidates answered this question correctly, and few inaccurate responses were seen.

Question 1f:

To gain full marks for this question, candidates were required to shift the supply curve to the right and label it appropriately such as S (tariff) or S1. Any reasonable label was accepted, including simply 'S'. One mark was awarded for this correct shift and labelling. Arrows on their own, without a clearly labelled new supply curve, were not credited. A further mark was awarded for labelling a lower price on the vertical axis and another for labelling a higher quantity on the horizontal axis. Again, any clear labels such as P, P1, Q or Q1 were accepted. However, these marks were only awarded if a correctly shifted supply curve was present; candidates could not gain the price or quantity marks in isolation. No marks were awarded where both curves were shifted, where the demand curve was shifted or where the supply curve was incorrectly shifted to the left. A high proportion

of candidates answered this question correctly and were awarded all three marks.

Question 1g:

No marks were awarded for defining pollution permits, as this was not required by the question. Responses that simply repeated phrases from the stem or question, such as 'it protects the environment', were not credited, unless they clearly developed why the environment would be protected. One mark was available for identifying a valid benefit. Examples included reduced air pollution, improved public health, lower carbon emissions or greater efficiency among airlines. The benefit could appear anywhere in the response, including at the end, but it had to be clearly stated in order for any development marks to be awarded. Without an identified benefit, no further marks could be given. Up to two additional marks were available for explaining the benefit or its cause or consequence. Common development points included references to firms investing in greener technology, pollution permits creating a cost for polluting, incentives to cut emissions or revenue raised for government. In many cases, the benefit and development points were interchangeable, depending on how the candidate had structured the response. For context, candidates needed to apply material from the extract meaningfully. Simply inserting airline names or copying phrases from the stem without further use was not rewarded. However, responses could still be awarded full marks even if they were generic and did not refer specifically to airlines. Stronger responses demonstrated clear use of economic reasoning, while many candidates were limited to 2 marks for identifying a valid benefit and offering a limited explanation of how pollution permits reduce pollution or protect the environment.

Question 1h:

This question was marked using a levels-based approach, meaning individual points of Knowledge, Application or Analysis were not awarded in isolation. Examiners were instructed to take a holistic view, reading the entire response before assigning it to the most appropriate level based on the descriptor table. There were three levels available, with Level 3 requiring a contextualised argument that clearly showed causes or consequences and linked points effectively through analysis. No marks were awarded for simply providing a definition of GDP and responses that did only this were awarded 0 marks. The focus was on identifying and explaining the **benefits of using GDP as a measure of economic growth** for example, its ease of calculation, its value for international comparison or its usefulness to governments in informing policy. Candidates were not rewarded for the number of benefits mentioned; full marks could be achieved through a well-developed analysis of a single valid benefit. Application could take the form of references to India or the data in the stem, but candidates could still access the highest level through effective use of economic concepts alone, without specific contextual references. Responses that discussed **how to increase GDP or the benefits of**

economic growth were not answering the question and were awarded no marks. Many weaker responses relied heavily on copying from the stem and lacked meaningful analysis, placing them in Level 1. Typically, Level 1 responses listed undeveloped benefits without explanation. To reach Level 2 or Level 3, candidates needed to show why GDP is a useful measure of growth, with at least some consequence or link in their reasoning. The presence of developed cause-and-effect analysis often indicated a Level 2 or above response. Although some candidates included evaluation, this was not required and was not rewarded. Overall, the majority of responses were placed in Level 1 or Level 2 and the question was not well attempted by many candidates.

Question 2a

Most candidates were able to correctly identify option C as the correct answer.

Question 2b

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

Question 2c:

This is the only 'State' question on the examination paper. Candidates were asked to state a type of poverty. Candidates did not have to explain their answer. Overall, this question was answered well by all candidates.

Question 2d:

As is often the case with definition questions, a range of responses outside the mark scheme were seen and accepted, provided they were accurate. Candidates could be awarded full marks for any precise definition of a direct tax, even if it did not match the wording of the mark scheme. One mark was awarded for clearly identifying who is being taxed, for example, stating that the tax is imposed/charged/levied on individuals or firms. Simply referring to a tax being added or imposed without specifying the taxpayer was not sufficient. Either individuals or firms needed to be mentioned, but both were not required. The second mark was given for identifying what is being taxed such as income, wealth or profits. Partial definitions, such as "taxes on profits" (which lacks who is taxed) or "taxes imposed on firms" (which lacks what is taxed) could be credited with 1 mark. Full marks required both elements: who is taxed and what they are taxed on. Responses that defined an indirect tax were not credited. No marks were awarded for vague or incorrect statements, such as defining it as a tax paid directly to the government or describing it as progressive. A large number of responses lacked precision and could not be rewarded.

Question 2e:

No marks were awarded for defining privatisation, as this was not the focus of the question. To access any marks candidates had to identify a valid

disadvantage of privatising school meals. Accepted disadvantages included lower pay or poorer working conditions for staff, job losses, increased prices, reduced quality, negative impacts on living standards or adverse effects on the wider economy or government. The disadvantage could relate to any stakeholder group such as employees, schoolchildren, the wider community or the government, and could appear anywhere in the response. Without a valid disadvantage clearly identified, no further marks could be awarded. Up to two additional marks were given for explaining the cause or consequence of the disadvantage. Many candidates linked their development to profit maximisation, with firms reducing costs at the expense of quality or employment. In such cases, a statement like "private firms aim to maximise profit by cutting costs" could be credited with one development mark. The disadvantage and its development were often interchangeable, depending on the structure of the response; for example, "lower quality food" could serve as either. Context marks were only awarded where the context from the stem such as school meals was used meaningfully within the explanation; simply copying out terms or inserting them without development did not meet the threshold. Responses could still be awarded full marks even if they were entirely generic. Stronger responses used appropriate economic terminology and reasoning, while many candidates were limited to 2 marks for identifying a valid disadvantage and offering a brief explanation of its cause or consequence.

Question 2f:

One mark was awarded for each correctly labelled stage of the economic cycle. The accepted answers were *Boom*, *Downturn* and *Recession* with *Slump* or *Depression* also accepted in place of *Recession*. No other terms were credited for these labels. Spelling errors were not penalised, provided it was clear that the intended word was correct particularly in the case of 'recession'.

Question 2g:

This question was marked using a levels-based approach, meaning individual points of Knowledge, Application, Analysis or Evaluation were not credited in isolation. Examiners took a holistic view, reading the full response before placing it in the most appropriate level based on the descriptor table. There were three levels available, with Level 3 requiring a contextualised, two-sided argument that demonstrated clear analysis and understanding. Responses did not automatically achieve Level 2 or above simply by including a statement of evaluation, nor were they restricted to Level 1 if evaluation was absent. The level awarded depended entirely on how well the response matched the descriptors. No marks were awarded for simply defining subsidies. A number of candidates drew directly from the extract to outline benefits such as improved air quality, reduced pollution or environmental protection. Others discussed how subsidies could encourage innovation in solar-powered stoves and further reduce environmental harm. These benefits were credited, though stronger responses developed the analysis independently, rather than relying solely on repetition of the

information provided. In many cases, candidates just paraphrased the information given without adding any economic theory. In contrast, the counter argument often helped differentiate stronger responses, with better candidates exploring issues such as opportunity cost and concerns about the effectiveness of subsidies in reducing pollution.

Some responses offered alternative policies such as fines or regulation instead of subsidies; however, this was not accepted as evaluation unless there was first some consideration of the disadvantages of subsidies themselves. Alternative policies were not required for full marks. Simplistic or generic evaluation such as paraphrased points or brief commentary was characteristic of Level 1 or the bottom of Level 2. More developed evaluation that used economic concepts and theory more effectively could lift a response to Level 2 or 3. Application could come from the extract or from the candidate's own understanding of economic concepts, and responses were not capped for being generic or one-sided. The focus of higher-level responses needed to remain on the **benefits to the environment** of using subsidies; broader evaluations of subsidy policy in general were not credited beyond their relevance to environmental impact. A conclusion was not required, but examiners were advised to read it in case it contributed something of merit. Most responses fell into Level 1 or low Level 2, with a significant number unable to move beyond the lowest level due to limited development or lack of balance.

Question 3a:

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

Question 3b:

Many candidates were able to calculate the correct answer as \$60bn (option B).

Question 3c:

No marks were awarded for defining a fiscal deficit, although many responses began with this. Examiners were advised to watch for confusion between a fiscal deficit and a current account deficit. If the response referred to imports and exports, even if it included otherwise valid points, it was not credited and awarded 0 marks. Candidates also received no credit for simply repeating phrases from the question or stem. One mark was awarded for identifying a valid disadvantage of a fiscal deficit. Acceptable examples included inflation, higher taxes, lower living standards, increased debt, opportunity cost or lower economic growth. The disadvantage could appear anywhere in the response, but it had to be clearly identified in order to access the remaining two marks. Without this, no further marks were awarded. Up to two additional marks were given for explaining the cause or consequence of the disadvantage. For example, many candidates linked a fiscal deficit to higher taxation and its effect on disposable income or public services. The disadvantage and its development were often closely related,

for instance, 'higher taxes' and 'lower living standards' could be treated as either, depending on how the response was structured. Contextual references such as figures from the stem (e.g. \$1.6tn to \$2.6tn) were only credited when integrated meaningfully into the response; simply inserting them without development was not sufficient. Candidates could still achieve full marks without referring to the US or the specific data, provided their response was generic but well explained. Stronger responses used appropriate economic terminology and clear reasoning, whereas many candidates were limited to 2 marks for identifying a valid disadvantage with a brief or partial explanation.

Question 3d:

This question was marked using a levels-based approach, with no credit given for isolated points of Knowledge, Application, or Analysis. Examiners were instructed to take a holistic view of the response and place it in the most appropriate level based on the descriptor table. There were three levels, with Level 3 requiring a contextualised argument that clearly linked causes and consequences through developed analysis. No marks were awarded for simply defining inflation or shoe leather costs, and responses that referred to literal shoes such as the cost of making or buying footwear were also given 0 marks, as this demonstrated a misunderstanding of the economic concept, which is clearly stated in the specification. To achieve credit, candidates needed to explore how and why shoe leather costs might increase, for example, by referring to the increased effort or time spent searching for better prices during periods of inflation. Any valid line of reasoning was accepted. Candidates were not rewarded for the number of points made; full marks could be awarded for the clear development of a single valid impact. Application could come from the extract or from wider economic understanding and generic responses were not capped. Candidates could still access Level 3 without direct reference to the UK or the data provided. However, many responses relied heavily on copying from the stem without offering analysis, which generally placed them in Level 1.

To access Level 2 and above, the response needed to go beyond assertion and show some form of consequence or reasoning as to why shoe leather costs might increase. Evaluative comments were disregarded, as evaluation was not required for this question. Overall, most responses fell into Level 1 or low Level 2, and a high number of candidates left the question blank or showed significant confusion about the concept.

Question 3e:

A number of candidates simply gave definitions of monetary policy or unemployment without any development. These responses were awarded 0 marks, as no marks were available for Knowledge alone. To be credited, responses needed to explain how monetary policy could reduce unemployment in France. Valid lines of reasoning included how lower interest rates might encourage consumer spending and business investment, potentially increasing demand for labour. Responses had to

focus specifically on unemployment; many candidates failed to answer the question as set and instead discussed the role of monetary policy in reducing inflation or increasing economic growth. Such responses were not credited, even if they included accurate economic reasoning. For the counter argument or balance, examiners accepted any valid points explaining why monetary policy might not reduce unemployment. These included issues such as time lags, the nature of the unemployment in question or the risk of inflationary pressure arising from expansionary monetary policy. Responses that simply suggested using fiscal or supply-side policy instead of monetary policy were not credited as evaluation unless they had first outlined a limitation of monetary policy itself. Evaluation had to be relevant and grounded in an assessment of monetary policy to score well. Application could come from the data provided in the extract or through use of relevant economic theory. Many candidates used the data table effectively to support their arguments. One-sided responses were not capped and could still achieve the higher levels, provided the analysis was well developed and contextualised. A conclusion was not required, but examiners were asked to read it in case it added anything of merit. A large number of responses copied heavily from the stem or misunderstood the focus of the question. Many were unable to move beyond Level 1, or only just reached Level 2. Confusion between monetary, fiscal and supply-side policy was common, and where responses focused entirely on the wrong policy area, 0 marks were awarded.

Question 4a:

Candidates were awarded 2 marks for giving the correct answer of 19.73% with both the percentage sign and the value correctly rounded to two decimal places. Where the final answer was 19.73 without the percentage sign, 1 mark was awarded. If the correct answer was not given but the candidate had shown accurate working, including multiplication by 100, 1 mark was awarded. It was essential that any working included the multiplication by 100 to be credited; answers showing 19% without supporting working, or with working that lacked $\times 100$, were awarded 0 marks. No marks were given for stating a formula or definition alone. Most candidates answered this correctly.

Question 4b:

This question required a one-sided argument regarding how being a member of the WTO could help Ghana. This was very well answered with some very detailed analysis in terms of being able to resolve trade disputes and help increase exports to other countries. Some candidates confused this with being a member of a trading bloc so scored 0 marks if this was the case. Candidates could access Level 3 with a well-developed explanation of just one benefit, provided the analysis was detailed and demonstrated a clear chain of reasoning. Application could come from the context in the stem or through the use of economic concepts and theory. Basic assertions, such as stating that exports would increase without explaining why, were characteristic of Level 1. To reach Level 2 or 3, responses needed to go

beyond assertion and show cause-and-effect reasoning. Overall, candidates did perform better on this question compared to other 6-mark questions on the paper.

Question 4c:

This question was marked using a holistic, levels-based approach, with responses placed in one of three levels according to the descriptor table. Examiners were looking for a contextualised, two-sided argument focused specifically on the impact of globalisation on the environment, culminating in a supported judgement or conclusion. A response did not automatically reach Level 2 or above simply by including a statement of evaluation, nor was evaluation required to move out of Level 1. The mark awarded was based entirely on the overall quality and coherence of the response, rather than the presence or absence of individual components. No marks were awarded for definitions and responses that simply defined globalisation without further development were given 0 marks. Valid benefits of globalisation for the environment often stemmed from how the government could use the revenue from cocoa exports to help protect the environment and how cocoa farmers might adopt better environmental practices as required by global cocoa buyers. Valid disadvantages, most often drawn from the extract, included intensive cocoa farming can lead to soil degradation and deforestation. While many candidates covered multiple benefits and drawbacks, the number of points made was not assessed; instead, credit was given for the depth of analysis and the clarity of reasoning. Application was rewarded whether it came from the data provided in the extract or from accurate use of economic theory. Weaker responses tended to rely heavily on the wording of the stem or offered lists of advantages and disadvantages without development, typically placing them in Level 1 or low Level 2. Stronger responses offered more balanced reasoning and made clear links between cause and consequence, often moving into mid-Level 2 or higher. Although a conclusion was required for the 12-mark question, but many conclusions simply repeated earlier points. While a few candidates demonstrated the depth and balance required for Level 3, the majority of responses remained in Level 1 or Level 2.

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.

