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IAL Economics (WEC04)

Unit 4: Developments in the Global Economy

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## **Introduction**

There were over 400 students sitting this exam.

In Section A, question 2 was the most answered question amongst all the three essays followed by question 1. Question 3 was attempted by a very small number of students. In Section B, question 5 proved to be the more popular option than question 4. Slightly stronger performances were seen on question 3 from Section A and in question 4.

Most responses to the essay questions in Section A showed good levels of depth and breadth. It is pleasing to notice the students taking on board the advice that has been offered to them. However, some students struggled to understand the requirements of the question and often did not add enough evaluation to their answers. Some students merely listed points but did not develop them further.

Typically, examiners are looking at three well developed and contextualised analysis points and two well developed and contextualised evaluative points for 15 mark essay questions. Similarly, examiners are looking at four very well developed and contextualised analysis points and three well developed and contextualised evaluative points for the 25 mark essays.

Likewise in answers to Section B, some students did not make appropriate use of the relevant data provided in the extracts. Despite this general trend, there were several good scripts. Students were able to integrate most of their analysis with application to context and evaluated their arguments in sufficient detail.

The questions were accessible at all levels and provided good opportunities for students to differentiate by ability. Answering the exact question asked, integrating data with analysis and strong evaluation continue to remain the essential ways that the A-grade students achieve higher marks.

Moreover, students are also highly encouraged to have better structure to their answers. Many have written the essays in bullet points and some have written in long blocks/paragraphs without making clear distinction between analysis and evaluation. This was also seen throughout all the higher mark questions in the data response section.

## SECTION A

### Q1(a)

Only a few students have been able to assess the case for governments in developing countries stimulating economic growth by promoting joint ventures between local businesses and transnational companies. A point well explained related to increased investment. Many students were not able to identify any other point, or develop further analysis points. They were unable to provide chains of reasoning linking their arguments to any developing countries of their choice. This gave them a high score, putting them in level 3.

Those students who listed points and who showed a lack of understanding of the case for were not able to access more than level 1. A few, who were able to explain their arguments but had weak development, were not able to achieve more than level 2. Their points lacked chains of reasoning and did not link it to economic growth, therefore were unable to access level 3.

However many students were not able to evaluate the question effectively, where they were not able to examine the case against. They provided other strategies to promote economic growth (this relates to the question asked in part 1(b)) and did not directly answer the question. As a result, they did not gain access to the highest level. This was seen in answers of students of all abilities.

### Q1(b)

Many students were able to evaluate strategies, other than promoting joint ventures that a government in a *developing* country might use to increase *economic development*. Whilst students were able to analyse some of their arguments in detail, their evaluation points were not always developed and some linked to economic growth. Therefore students did not access level 5.

The most common analysis points made by students were on education and training, and infrastructure. Most of them were able to explain arguments in detail. There were a handful of students who were only able to give a couple of arguments for analysis and evaluation. They also did not discuss their points in detail and therefore were not able to access the higher levels.

The most common evaluation points revolved around significance of each policy and its effectiveness. Few students evaluated only 1 point and this often tended to be less developed. Many students often listed their points.

Many added depth to answers using diagrammatic analysis and by referring to a developing country, which is not a requirement of the question but was credited. They were able to achieve level 5. Others were not able to develop their arguments in much detail and could not access the higher levels.

## Q2(a)

Majority of the students attempted this question. Many effectively answered the question but a few students did not read the question carefully and just answered it in context of income inequality within countries. They answered the question in the context of countries, as required by the question.

Most of the students were able to assess the likely causes of changes in income inequality *between* countries. They used difference in training, education and infrastructure as their main arguments. They were able to provide logical chains of reasoning in context of the countries they have chosen. This gave them high scores, putting them in level 3 for all their analysis.

They were not able to make well-developed evaluative comments and were unable to access level 5. Although some students revealed well-developed analysis points, they were unable to explain their evaluative comments in depth and could not access many further marks.

Few students were able to identify points but not develop them in context of the question. Some students answered it in relation to wealth inequality and did not link it to a country. Hence they were unable to access higher levels.

## Q2(b)

Students were not able to access the higher levels as they were not able to present an assessment of the view that strategic reasons the main cause for imposing restrictions on free trade. Many students did not often effectively discuss strategic reasons but discussed other reasons for protectionism.

A few good answers were seen for this question, particularly where students were able to write their arguments in context of a country in a positive way. Many students were able to add sufficient depth and integrate their analysis and application to a greater extent.

Responses that received higher levels had strong analysis and evaluation points. Many students discussed points on the strategic reasons and then further analysed points on dumping, raising tax revenue and protecting domestic industries. These points were more well-developed than the key requirement of strategic reasons.

Evaluation points were not well written. Students drew on these concepts to lesser extent in the answers, especially on strategic reasons. They did not often develop their arguments further and often gave effects as evaluation.

Students who listed points were not able to access more than level 1. Few, who explained their points but had limited development, were not able to achieve more than level 2 for their analysis. It is important that all students explain strategic reasons before further analysing the other reasons to gain access to the higher levels. Students who answered this question, therefore, found it difficult to access highest levels.

### **Q3(a)**

There were a few students who attempted this question. Few students were able to analyse their points in context of a country (although this was not required) to answer this question and were therefore able to add depth to their arguments. Almost all students attempted to discuss why fiscal deficit is an issue in their analysis. They were, however, unable to make any clear distinction between structural and cyclical deficits and were not able to get higher levels for analysis or evaluation.

Those who were unable to sufficiently develop their points but had identified why structural deficit is a more serious issue were able to access no more than level 2. A few students only listed in bullet point format, and they were able to access level 1. There were no chains of reasoning provided.

In evaluation, students tried to explain why fiscal deficit is not an issue. But this was not directly answering the question. Moreover, depth of arguments was relatively limited. They attempted to evaluate using points on the time period and magnitude of the deficit but without development.

### **Q3(b)**

Students produced some good answers to this question, and in particular were able to apply their answers to a country of their choice. It was clear that when the students included context they were able to include far more detail, and integrate their analysis and application to a greater extent.

Majority of the students evaluated the likely economic effects of a reduction in public expenditure as a proportion of GDP. Several students discussed effects on inflation, economic growth, employment and budget balance. They were able to evaluate each of the points analysed in context.

Responses that received higher levels made well developed analysis points. They showed good depth to their arguments but often lacked the necessary depth in their evaluative comments. Some students were unable to develop their analysis arguments, often just listing them without providing context. Many students did not make reference to Venezuela or a country of their choice and hence, did not attain higher levels.

Across scripts, there was little application to a country. Applying answers with country reference may provide students with a framework in which to base more in-depth analysis and evaluation.

## **SECTION B**

### **Q4(a)**

This question was generally well answered and students were able to define absolute poverty. They were a handful of students who were confused with relative poverty. Those who accurately defined, they obtained full marks for knowledge. Examiners are looking for two separate pieces of data reference and only a few students were able to access both application marks as they correctly identified these from the extract.

### **Q4(b)**

Most students have been able to evaluate the likely economic benefits of fair trade schemes to developing countries and added reasonable depth to all their answers. For listing various benefits, they could only access level 1. Many were able to add development of their benefits but did not get level 3 if they did not write it in context of the question given. Hence, they were only able to get level 2. For 16 mark question, 8 marks are available for knowledge, application and analysis and 8 marks for evaluation.

Level 1 would be identification of a benefit, level 2 would be identification of a benefit and use of data from the extract OR development of a benefit, and level 3 would be identification of a benefit, use of data AND development of their benefit. For arguments which do not contain relevant data in extract, students needed to develop their point effectively to access the higher level.

Students used a wide range of benefits – on price fluctuations, on how the additional income can be used and higher prices paid to farmers. However, many students did not apply this in context of the question and struggled to access higher levels.

Evaluation points were not as well developed although many students made an attempt to evaluate the analysis points they had analysed. Students who listed their points without any development accessed only level 1. To access the higher levels, students need to demonstrate good depth and breadth in their answers. Typically, examiners are looking for 3 well developed analysis points and 3 well developed evaluation points in 16 mark questions.

This suggests that additional practice in reading and understanding the kind of extracts found in data response questions would be beneficial, as would practice in how to integrate application with students' own analysis to make a complete and well explained argument.

#### **Q4(c)**

Students were unable to analyse two problems the governments of low-income countries might experience when attempting to develop 'their manufacturing sectors'. Many explained the problem of lack of available skilled workers, but often found it difficult to identify and develop another point.

As most students were not able to add sufficient depth to their answers, they could not access all 3 marks for each point. However, a handful of students explained benefits of developing the primary sector which did not directly answer the question and did not receive any marks. Few students did not include any application from the data provided and therefore did not access any application marks.

#### **Q4(d)**

Although students were able to use extract 2 to assess the role of NGOs in promoting economic development, they were unable to consistently apply it in context. They struggled to account for aptly detailed explanations to earn level 3 marks for knowledge, application and analysis. For every 12 mark question, 8 marks are available for knowledge, application and analysis and only 4 marks for evaluation.

Level 1 would be identification of a role, level 2 would be the identification of a role and use of data from the extract OR development of their point, and level 3 would be identification of a role, use of data AND development of their role. For their arguments which do not contain any relevant data in the extract, students needed to develop their point effectively to access the higher level.

Some students' answers often lacked depth and breadth. They were able to apply the data from the extracts but with no further development, and this got credited at Level 2 if mentioned along with identification of a role of the NGO.

Evaluation was limited and students did not explain their arguments well. Some students listed basic evaluation points without development and this gave them access to Level 1 only. Typically examiners are looking for 3 very well developed analysis points and 2 very well developed evaluation points in 12 mark questions.

This question could not be fully answered without an understanding of the role of the NGOs, and many students failed to appreciate this and tried to write answers solely from their own knowledge. Only some were able to offer sound analysis of the evidence.



### **Q5(a)**

This question was not well answered and students were not able to explain the meaning of appreciation of the *won*. They were often confused with the depreciation of a currency. Only a few offered an accurate explanation and hence, obtained full marks for knowledge. Examiners are looking for two separate pieces of data reference and only a few students were able to access both application marks as they correctly identified these from the extract.

### **Q5(b)**

This question was answered reasonably well in terms of its analysis, with some students showing good evaluation of the case against an increase in South Korea's base interest rate. Many students used the extract for their analysis and evaluation arguments. Most common points explained were impact on net trade, consumption and investment. For 16 mark questions, 8 marks are available for knowledge, application and analysis and 8 marks for evaluation.

Level 1 is the identification of a point, level 2 would be the identification of a point and use of data from the extract OR development of their point, and level 3 would be identification of a point, use of the data AND development of their point. For their arguments which do not contain any relevant data in the extract, students needed to develop their point effectively to access the higher level. Few students copied paragraphs from the extract and offered these as their points and were therefore unable to access higher levels.

Evaluation was a little generic but few students offered the case for increase in the base interest rate. They were able to access the higher levels as they answered their questions in context of the question. To get access to higher levels, all students need to be consistent with the context and should show good depth and breadth in the answers. Typically, examiners are looking for 3 well developed analysis and 3 well developed evaluation points in 16 mark questions.

This suggests that additional practice in reading and understanding the kind of extracts found in data response questions would be beneficial, as would practice in how to integrate application with students' own analysis to make a complete and well explained argument.

### **Q5(c)**

This question required the students to assess the macroeconomic effects of an increase in direct taxes. Students were not able to well answer this well as they took a micro view or did not develop these points written. This gave them access to level 1 only. Some students discussed indirect taxes and this was not credited.

Few were able to provide sufficiently detailed explanations of the effects to earn them level 3 mark for knowledge, application and analysis. For every 12 mark question 8 marks are available for knowledge, application and analysis and 4 marks for evaluation.

Level 1 is the identification of effect, level 2 would be the identification of an effect and use of data from the extract OR development of their point, and level 3 would be identification of an effect, use of data AND development of their point. For arguments which do not contain any relevant information in the extract, students needed to develop their point effectively to access the higher level.

Evaluation points were relatively weak across all scripts. Many were able to draw upon short run vs long run, and magnitude of tax considerations, but this was not always developed. Some students listed the points and hence, only accessed level 1.

This question could not be fully or meaningfully answered without reference to the data provided, and many students failed to appreciate this and tried to write answers solely from their own knowledge. Those who made sound reference to the data were able to offer sound analysis of evidence.

#### **Q5(d)**

Not all students were able to analyse two likely economic problems of an ageing population. Most students made an attempt to explain but they did not answer it in the context of the question provided. Only a handful of students explained both, and this gave them access to 3 marks per point made. For those students who only provided analysis of one part of the question, they could only obtain a maximum of five marks if they applied the correct data from the extract.

Not many students were able to access the two application marks as they did not refer to the extract carefully. Some students made reference to their own knowledge and this was not credited.

## Conclusion

- Students must read all the questions carefully, and make sure that they have addressed all parts of a question in their response. In a few different questions on this paper, not understanding requirements of the questions, in terms of depth and breadth, was the main reason for low scores.
- Application is a key assessment objective, and a skill that all students should aim to show throughout their responses, even when a question does not explicitly ask for it. Particularly in response to essay questions in Section A, reference to particular countries and examples would help to improve the quality of responses and allow students to add depth and breadth to their points.
- Evaluation is the highest level assessment objective and on this paper in particular, the ability to evaluate was the main discriminator between the weaker and stronger responses. Indeed in some cases, students did not even attempt any evaluation which immediately constrained their scores on the questions that required this.
- There are no evaluation marks for 8 mark questions. Please use the time given effectively and avoid assessing the analysis points made. Students need to be aware that they need to use the information as indicated by the question to get application marks, wherever applicable.
- To access the highest level, students must show sufficient depth and breadth to their analysis and evaluation points. These points must be consistently written in context of the question. Material also needs to be presented in a relevant and logical way.
- Students are also highly encouraged to have better structure to their answers. They must avoid writing essays and higher mark questions in bullet points or in long blocks/paragraphs without making a distinction between their analysis and evaluation points.

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