



Mark Scheme (Results)

October 2020

Pearson Edexcel International Advanced Level
In Economics (WEC04/01)
Unit 4: Developments in the Global Economy

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

****SECTION A: ESSAYS – PLEASE USE DETAILED MARKING CRITERIA WHICH ARE TO BE FOUND AT THE END OF THIS MARKSCHEME****

FOR ALL QUESTIONS: No mark schemes can cover all possible responses. Therefore reward analysis which is relevant to the question, even if this is not identified in the mark scheme

Question Number	Indicative content	Mark
1 (a)	<ul style="list-style-type: none"> • Understanding of specialisation (on macro scale) • Specialisation according to the law of comparative advantage: trade would enable economies to access points outside their PPFs – allow a diagrammatic or mathematical illustration of comparative advantage • Increased economies of scale results in lower LRAC for a country therefore leading to higher international competitiveness • Increased external economies that help lower LRAC for all the firms in the market • Lower prices for goods and services, leading to lower global inflation rates (welfare gain through trade) • To the extent that this leads to more international trade, this may improve a country's trade balance, and generate economic growth and employment <p><i>Evaluative comments could include:</i></p> <ul style="list-style-type: none"> • <i>Prioritisation of the benefits discussed</i> • <i>Weaknesses in the comparative advantage model; e.g. ignores transport costs</i> • <i>Increased vulnerability to external shocks (for e.g. changes in commodity prices)</i> • <i>Discussion of the extent to which countries can specialise</i> • <i>Benefits may depend on whether it is developing or developed economy and what it is specialising in</i> • <i>Over-dependency on imports of other products; countries may lack finance to pay for imports e.g. foreign currency gap</i> • <i>Possibility of deteriorating terms of trade for some countries</i> 	

	<p>• <i>Trade will only mutually benefit countries after specialisation if terms of trade lies between two opportunity cost ratios</i></p> <p>NB Award maximum of 12 marks (Level 4) if a candidate does not refer to a country in their response</p>	<p>(15)</p>
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Question Number	Indicative content	Mark
1 (b)	<ul style="list-style-type: none"> • Understanding of world trade patterns • Understanding of emerging and developing economies / rapidly growing economies (e.g. China, India, other South East Asian nations, many of the Sub-Saharan economies etc.) <p>Possible impacts could include:</p> <ul style="list-style-type: none"> • Changes in the countries that are net exporters and net importers as these countries run trade surpluses, and perhaps the more developed countries run trade deficits • Rapidly growing economies in Asia tend to produce and export manufactured goods (secondary sector), whereas those in Sub-Saharan Africa have tendency to produce and export primary products • Developed economies respond by specialising more in high-tech secondary sector, tertiary and quaternary sector goods and services • Developed economies tend to move to importing more goods and exporting more services • Increase in the overall size of trade flows • Increase in proportion of world trade conducted by developing/emerging economies • Increase in trade deficits and surpluses for individual countries • Increase in investment flows to and from developing/emerging countries <p><i>Evaluative comments could include:</i></p> <ul style="list-style-type: none"> • <i>Prioritisation of impacts</i> • <i>Significance of each impact</i> • <i>It depends on protectionist measures</i> • <i>Different impacts more or less important for different rapidly growing economies</i> • <i>SR vs LR distinction between likely impact</i> • <i>There are exceptions to the above generalisations, and different regions of countries may vary</i> 	(25)

Question Number	Indicative content	Mark
2 (a)	<ul style="list-style-type: none"> • Understanding of aid • Understanding of economic development <p><u>Case for aid:</u></p> <ul style="list-style-type: none"> • Reduction in absolute poverty – help reduce child and maternal mortality, increasing HDI • Reduction of inequality and relative poverty as GNI per capita incomes would increase • Increase level of human capital – through resources provided for education; increase in the mean years of schooling would increase standard of living • To provide funds for investment in healthcare – will improve life expectancy • To provide funds for investment in infrastructure – essential for industrialisation; will help create jobs and thereby reduce poverty • To fill in the savings and foreign exchange gap – can be used to invest in capital, which would not be possible due to low levels of savings to finance investment • To promote entrepreneurship – help establish new businesses and lead to higher development; reduces poverty by increasing incomes • Aid might not need to be paid back where it is on favourable terms; it can come with technical support and guidance helping to ensure it is successful 	

	<p><i>Evaluative comments</i></p> <p><u><i>Case against aid:</i></u></p> <ul style="list-style-type: none"> • Dependency theory – reinforces dominance of powerful developed countries over developing countries • Dependency culture – countries can potentially become dependent and will not pursue macroeconomic policies to become independent • Corruption – aid might not reach those for whom it is intended and may be diverted to government officials • May be political influence from donor countries • Inefficient allocation of resources – aid distorts market forces leading to misallocation of resources • Danger of tied aid / aid fatigue / wrong type of aid – it might stifle development • IMF and World Bank conditions attached to aid – might include cuts in food subsidies to reduce the government spending, removal of import controls which could harm the countries’ development • Proportion of aid given to developing countries has been relatively small as to the rich countries • Aid in the form of concessionary loans involves interest repayments and hence carries an opportunity cost – less spending on education and health services <p>NB Award a maximum of 12 marks (Level 4) if a candidate does not refer to developing countries in their response</p>	<p>(15)</p>
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Question Number	Indicative content	Mark
2 (b)	<ul style="list-style-type: none"> • Understanding the rate of economic growth • Understanding of market orientated strategies <p>Market orientated strategies include:</p> <ul style="list-style-type: none"> • Privatisation • Promotion of FDI • Trade liberalisation • Microfinance schemes • Freely floating exchange rates • Removal of government subsidies <p>Analysis should explicitly link the market orientated strategy with how it increases the rate of economic growth</p> <p>Candidates may also offer diagrammatic analysis to support their answer/arguments</p> <p><i>Evaluative comments could include:</i></p> <ul style="list-style-type: none"> • <i>Problems of each of the strategy discussed</i> • <i>Assessment of the significance of the strategies considered in analysis</i> • <i>Prioritisation of the points made that are supported by reasoned arguments</i> • <i>Contrast on the effectiveness of strategy given between different countries</i> • <i>Different countries experience different impacts of the strategies they implement on economic growth</i> • <i>Interventionist strategies may be more successful</i> <p>NB Award maximum of 20 marks (Level 4) if the candidates do not refer to developing countries in their answer</p> <p>NB Award maximum of 20 marks (Level 4) if the candidates do not relate their arguments to the rate of economic growth.</p>	(25)

Question Number	Indicative content	Mark
3 (a)	<p>Understanding of current account deficit</p> <p>Possible causes include:</p> <ul style="list-style-type: none"> • Inability to compete with the goods produced by relatively low wage countries • Relocation/offshoring of manufacturing industries to countries with low relative unit labour costs and weak regulations • Relatively low productivity has meant that goods and services are not competitive • Low levels of investment in human capital (lack of investment in education and training), which reduces skill levels relative to trading partners and restricts countries from selling high value exports • High marginal propensity to import • Economies may have experienced a relatively high inflation rate • Slowdown in other countries/trading partners • Manufacturing base eroded during period of high exchange rate • A deterioration in other elements of the current account (current transfers and investment income) 	

	<p>Evaluative comments could include:</p> <ul style="list-style-type: none">• <i>Prioritisation of factors</i>• <i>Different factors important for different countries</i>• <i>Significance of factors in short run and long run: may be short-term only as when economic growth falls, current account deficits could decrease again</i>• <i>Short run versus long run impacts</i>• <i>Some TNCs are moving production back (reshoring) as labour and transportation costs have been increasing</i>• <i>If inflation is similarly high or higher in countries where the imported goods originate from, there is no significant change in price competitiveness</i>	<p>(15)</p>
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Question Number	Indicative content	Mark
3 (b)	<p>Understanding of an appreciation of the currency <i>Economic impact will depend on the extent of the appreciation and whether it is short or long term</i></p> <ul style="list-style-type: none"> • Worsening the current account of balance of payments because exports would become less price competitive, imports become more price competitive – reducing price competitiveness <p><i>But: depends on PED for imports and exports; also it will not worsen non-price competitiveness</i></p> <ul style="list-style-type: none"> • Decrease in net exports and hence, aggregate demand: leading to lower economic growth, high unemployment and lower living standards <p><i>But: other components may offset decrease in AD. E.g. rise in investment /consumption; depends on the size of multiplier effect, spare capacity</i></p> <ul style="list-style-type: none"> • Inflation: appreciation may cause a fall in cost of imported raw materials and finished goods leading to lower cost-push inflation <p><i>But: depends on the extent to which these lower costs are passed on to consumers</i></p> <ul style="list-style-type: none"> • Decrease in debt burden for government and for banks with external debts <p><i>But: lower inflationary pressures would increase the real value of debt</i></p>	

	<ul style="list-style-type: none">• Less inward FDI and more outward FDI, hence worsening the financial account position <p><i>But: other factors affect FDI decisions e.g. confidence; repatriation of profits, taxation; interest and dividends (outflows from the current account)</i></p> <ul style="list-style-type: none">• Policy implication: decrease in interest rates to reverse appreciation/prevent further currency rise <p><i>But: this may improve economic growth and could lead to falling unemployment</i></p> <p>Candidates may take positive effects as KAA and negative effects as EV (and vice versa)</p>	<p>(25)</p>
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Question Number	Answer	Mark
4 (a)	<p>Knowledge (1+1 marks)</p> <p>Real GDP growth rate per capita is annual percentage rise in income per person (1), adjusted for inflation (1)</p> <p>Application (1+1 marks) e.g.:</p> <ul style="list-style-type: none"> • In 2017 annual real GDP growth rate per capita was 5.2% (1) and world annual real GDP growth rate per capita was 1.8% (1) • Real GDP growth rate per capita in East Asia rose from 4.9% in 2016 (1) to 5.1% in 2018 (1) • In 2018 GDP growth rate per capita is 3.2% points higher in East Asia compared to world figure • Real GDP growth rate per capita is higher in Asia than the world average (1) <p>2 marks for knowledge; 2 marks for application / data reference</p>	(4)

Question Number		Mark
4 (b)		(16)
Knowledge, application and analysis – indicative content		
	<ul style="list-style-type: none"> • Private consumption: this would increase the domestic demand and as consumption is largest component of AD as a result of a “real wage growth and rising disposable incomes” • Exports: injection into circular flow and component of AD – “rising demand for electrical and electronic goods from developed countries” • Investment: increases the productive potential and shifts AS; injection and component of AD – “private sector investment in these sectors has continued to increase” • Low stable inflation: less uncertainty and could attract more investment; raises international competitiveness through higher value of exports • Expansionary monetary policy: lower interest rate will reduce cost of borrowing for both consumers and firms raising consumption / investment – “reduced their base interest rates to encourage bank lending” • Expansionary fiscal policy: a rise in government spending and lower taxes will reduce leakages and increase injections – “play a more important role in supporting domestic demand” <p>Reward reference to causes of rapid economic growth in China, Indonesia, Malaysia, Vietnam, South Korea and Singapore</p> <p>Candidates may also use an accurately labelled AD/AS diagram to support their answer</p>	

Level	Mark	Descriptor
Level 0	0	A completely inaccurate response.
Level 1	1-3	Shows some awareness of the factors that have contributed to rapid economic growth in East Asia. Material presented is often irrelevant and lacks clear organisation. Frequent punctuation and/or grammar errors are likely to be present and writing is unclear.
Level 2	4-6	Understanding and explanation of the factors that have contributed to rapid economic growth in East Asia. Material is presented with some relevance but there are likely to be passages which lack proper organisation. Punctuation and/or grammar errors are likely to be present which affect clarity and coherence.
Level 3	7-8	Clear understanding and explanation of the factors that have contributed to rapid economic growth in East Asia with appropriate application to context throughout. Material is presented in a relevant and logical way. Some punctuation and/or grammar errors may be found, but the writing is clear and coherent overall.

Evaluation – indicative content		
	<ul style="list-style-type: none"> • Private consumption is likely to be most significant – “Household spending in the region is expected to stay high in the medium-term” • Exports could fall if there is a decline in demand for electronics and electrical goods if there is slowdown in developed countries • Increased protectionism by the USA could restrict exports from East Asian countries • High corporate and household debt are likely to reduce investment – “debt is high relative to the level of GDP per capita” • Inflationary pressures are due to changes in prices of oil and food. Prices are volatile and could increase cost push inflation, leading to greater uncertainty 	

	<ul style="list-style-type: none"> • Monetary policy might not be the foremost contributing factor as interest rates are exhausted as a tool – “limited scope for further cuts in interest rates” • Different reasons for rapid economic growth are important for different countries in East Asia • Economic growth experiences are very diverse in the East Asian region 	
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Level	Mark	Descriptor
Level 0	0	No evaluative comments
Level 1	1-3	For identifying evaluative comments without explanation / one evaluative comment with explanation
Level 2	4-6	For evaluative comments with limited explanations
Level 3	7-8	For evaluative comments supported by relevant reasoning

Question Number	Answer	Mark
4 (c)	<p>Knowledge and analysis of 2 reasons (up to 6 – 2 reasons x 3 marks each):</p> <p>Identification of a measure (1) + development of the measure (up to 2):</p> <ul style="list-style-type: none"> • Subsidies to the domestic producers – these reduce the production costs of the domestic firms, allowing them to lower their prices below those of imported goods; lead to distortion of comparative advantage; less incentive for domestic producers to be efficient • Quotas – a set limit on the number of goods that can be imported, this raises the price of imported goods (as their supply falls), and creates a greater demand for domestically produced goods • Tariffs – these raise the price of imported goods, reducing their price competitiveness on the domestic market; increase government revenues and create a deadweight welfare loss. Answers may make use of a diagram showing the effects of a tariff • Non-tariff barriers, for e.g. bureaucracy and time-consuming customs procedures – these increase costs of the imported goods, reducing their price competitiveness on the domestic market • Currency manipulation – lowering the value of the currency to make the exports relatively cheaper and imports relatively expensive, thereby reducing price competitiveness of imports on the domestic market; reduces consumer surplus due to high import prices <p>One application (2 marks):</p> <p>“significant increases in trade protectionism by the USA might reduce demand for products manufactured in the region” (2)</p>	

Question Number		Mark
4 (d)		(12)
Knowledge, application and analysis – indicative content		
	<ul style="list-style-type: none"> • “Improving infrastructure” – helps raise the total factor productivity through fall of transaction costs, which would increase efficiency and productivity. It can lead to multiplier effects: helps create industrial base that will attract businesses, increasing FDI and thus AS increases • “Increasing the skills of the workforce” – through education and training programmes: this would help increase skills and human capital; resulting in higher productivity leading to an increase in AS • “Incentives to invest in research and development for innovation” – through tax incentives: it helps to increase dynamic efficiency and technical economies of scale; raises exports as cost per unit falls thereby increasing efficiency and productivity, increasing AS <p>Candidates may also use an accurately labelled AD/AS diagram to support their answer</p>	(8)

Level	Mark	Descriptor
Level 0	0	A completely inaccurate response.
Level 1	1-3	Shows some awareness of whether supply-side policies will be successful in increasing productivity in East Asian economies with limited explanation. Material presented is irrelevant and lacks organisation. Frequent punctuation and/or grammar errors are likely to be present and the writing is generally unclear.
Level 2	4-6	Understanding and explanation of whether the supply-side policies will be successful in increasing productivity in East Asian economies. Material is presented with some relevance but there are likely to be passages which lack proper organisation. Punctuation and/or grammar errors are likely to be present which affect the clarity and coherence.
Level 3	7-8	Clear understanding and explanation of whether supply-side policies will be successful in increasing productivity in East Asia with appropriate application to context throughout. Material is presented in a relevant and logical way. Some punctuation and/or grammar errors may be found, but the writing is clear and coherent overall.

Evaluation – indicative content

	<ul style="list-style-type: none"> • Depends on quality of infrastructure projects as no details of these developments were provided • Depends on the quality of the education and training programmes; workers might not take up jobs which demand the skills they acquired • Many firms may not increase their research and development investment, either because they do not rely on it for their innovation or because they are already investing at the right level • Size of investment needed might be significant and hence, could increase the region’s budget deficit and national debt • Time lags and implementation lags – all these policies take time so it is not clear how quickly growth from this investment would be evident 	
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Level	Mark	Descriptor
Level 0	0	No evaluative comments
Level 1	1-2	For identifying evaluative comments without explanation/ one evaluative comment with explanation
Level 2	3-4	For evaluative comments that are supported by relevant reasoning.

Question Number	Answer	Mark
5 (a)	<p>Knowledge (1+1):</p> <ul style="list-style-type: none">• Investment is expenditure (1) on capital stock of the economy (1)• Investment is a component of aggregate demand/ injection into the circular flow (1) <p>Application (1+1 marks):</p> <ul style="list-style-type: none">• Increase private sector investment (1)• Increased lending is important for investment in the agricultural sector (1) <p>2 marks for knowledge; 2 marks for application / data reference</p>	(4)

Question Number		Mark
5 (b)		(12)
Knowledge, application and analysis – indicative content		
	<ul style="list-style-type: none"> • Greater investment in agriculture will ensure food security; higher supply and increase in employment enables Kenyans to access affordable food and basic necessities, reducing absolute poverty – “Increased lending is important for investment in agricultural sector. 70% of Kenyans are employed in agriculture” • Greater investment into free healthcare: increased life expectancy and less time off work will raise the level of productivity and HDI leading to better living standards – “it intends to offer free healthcare to all citizens in all regions.” • Greater investment into housing will allow for the construction of new homes, increasing supply and therefore making housing more affordable; this is likely to create jobs and increase incomes – “could lead to a “housing multiplier effect” as the money spent directly on a house results in various indirect benefits to the country” <p>NB Candidates my take one side as KAA and the other side as Evaluation</p>	

Level	Mark	Descriptor
Level 0	0	A completely inaccurate response.
Level 1	1-3	Shows some awareness of whether Kenyan President's 'plan to stimulate the economy' through increased investment in agriculture, healthcare and housing will improve standards of living with limited explanation. Material presented is often irrelevant and lacks organisation. Frequent punctuation and/or grammar errors are likely to be present and the writing is generally unclear.
Level 2	4-6	Understanding and explanation of whether the Kenyan President's 'plan to stimulate the economy' through increased investment in agriculture, healthcare and housing will improve standards of living. Material is presented with some relevance but there are likely to be passages which lack proper organisation. Punctuation and/or grammar errors are likely to be present which affect the clarity and coherence.

Level 3	7-8	<p>Clear understanding and explanation of whether the Kenyan President's 'plan to stimulate the economy' through increased investment in agriculture, healthcare and housing will improve standards of living with appropriate application to the context throughout.</p> <p>Material presented in a relevant and logical way.</p> <p>Some punctuation and/or grammar errors may be found, but the writing is clear and coherent overall.</p>
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Evaluation – indicative content		
		<ul style="list-style-type: none"> • Lack of credit availability and rising public sector debt will limit the success of the President's plan – "Analysts claim that the President's plan will be successful if there is an increase in the provision of credit" • "Only 2% of bank lending goes to farmers" – impact may be limited and other policies may be important in ensuring food security with access to affordable food; more incentives must be given to invest in agricultural sector as "98% of agricultural products are sold in the informal sector". This is unlikely to increase incomes and living standards significantly • Free healthcare provision has only been tested in "four of Kenya's 47 regions for a year", there is no guarantee this scheme will work; access is only 16% and this requires considerable provision of credit to raise living standards • Investment unlikely to increase as "builders find it "difficult to access land and apply for housing loans", so "Government's target of building 200 000 homes annually is unlikely to be met" – not raising incomes and wealth of communities, and hence limited impact on living standards
Level	Mark	Descriptor
Level 0	0	No evaluative comments.
Level 1	1-2	For identifying evaluative comments without explanation/ one evaluative comment with explanation.
Level 2	3-4	For evaluative comments supported by relevant reasoning.

Question Number	Answer	Mark
5 (c)	<p>Knowledge and analysis of 2 reasons (up to 6 - 2 reasons x 3 marks each):</p> <p>Identification of a reason (1) + development (up to 2):</p> <ul style="list-style-type: none"> • A rise in public sector debt could lead to inflationary pressures if it is due to discretionary fiscal policy • A high public sector debt implies increased interest payments: danger of financial crowding out, loss of confidence in markets leading to a fall in FDI • Reduction in the country's credit rating and higher future borrowing costs; with a possibility of needing assistance from the IMF or World Bank • Higher interest payments represent a big cost to future generations: less money will be available for spending on social services; high opportunity cost of interest payments • A rise in the public sector debt may lead to loss of confidence in the currency: this may cause a fall in its value <p>One application (2 marks):</p> <p>Use of Figure 2, for example:</p> <ul style="list-style-type: none"> • Kenya's public sector debt is rising from around 44% in 2011 (1) to around 58% of GDP in 2018 (1) • Kenya's public sector debt increases by 14% points between 2011 and 2018 (2) 	(8)

Question Number		Mark
5 (d)		(16)
Knowledge, application and analysis – indicative content		
	<ul style="list-style-type: none"> • Likely to increase AD as a result of FDI inflows and increase in net exports; increases economic growth via the multiplier – “contributed 9.7% to GDP in 2017” • An important source of foreign exchange as tourists spend on goods and services provided in the domestic economy; it helps fill foreign exchange gap – “In 2017 tourists spent \$1.2 billion in Kenya” • Increased employment opportunities as tourism is a labour-intensive industry, thus a significant number of jobs may be created – “create employment, directly or indirectly, for nearly 1.1 million people.” • Tourism provides an incentive to conserve the environment and preserves its national / cultural heritage; may be a major source of attraction to tourists – “improving the country’s wildlife safari parks. Kenya has over 50 national parks” • Demand for tourism is likely to be income elastic; the industry would prosper during a period of world economic growth as incomes start to rise – “Kenya Airways is continuing to expand and in October 2018, it introduced direct flights to the USA” • Helps attract FDI by TNCs who might invest in infrastructure, hotels and associated services to promote development • Balance of payments improves through the inflows into financial account (FDI) and inflows into current account (from tourists) 	

	<ul style="list-style-type: none"> • Increased tax revenues for the government from higher profits, incomes, expenditure by the tourists; revenues may be used to reduce inequality • Reference to external benefits from tourism 	
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Level	Mark	Descriptor
Level 0	0	A completely inaccurate response.
Level 1	1-3	Shows some awareness of the potential benefits to the Kenyan economy of an increase in tourism with limited explanation. Material presented is irrelevant and lacks organisation. Frequent punctuation and/or grammar errors are likely to be present and the writing is generally unclear.
Level 2	4-6	Understanding and explanation of the potential benefits to the Kenyan economy of an increase in tourism. Material is often presented with some relevance but there are likely to be passages which lack proper organisation. Punctuation and/or grammar errors are likely to be present which affect clarity and coherence.
Level 3	7-8	Clear understanding and explanation of the potential benefits to the Kenyan economy of an increase in tourism with appropriate application to context throughout. Material is presented in a relevant and logical way. Some punctuation and/or grammar errors may be found, but the writing is clear and coherent overall.

Evaluation – indicative content

	<ul style="list-style-type: none"> • Deterioration in current account of BOP – <ul style="list-style-type: none"> ◦ Profits might be repatriated to foreign shareholders of the TNCs – affects the investment income component ◦ Outflows because of the need to import food/gifts that are demanded by tourists and materials needed for hotels – affects the trade in goods component • Expanding tourism may not be as significant as would be the case if it developed agriculture or manufacturing sectors • Jobs may be seasonal: most jobs may be unskilled and low paid, with high skilled and high paid jobs going to most of foreign employees of TNCs • Tourists might cause external costs (e.g. a rise in waste, pollution, water shortages) that can cause Kenya to impose restrictions on tourists • As demand for tourism is income elastic, revenues from tourists might fall during a recession • Crises such as “an Ebola disease outbreak” and “conflicts and civil wars” implies that demand for tourism may be unpredictable • Not desirable as Kenya may have a comparative advantage in producing primary products • Foreign exchange earnings from tourism may be small as a percentage of GDP 	
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Level	Mark	Descriptor
Level 0	0	No evaluative comments.
Level 1	1-3	For identifying evaluative comments without explanation / one evaluative comment with explanation.
Level 2	4-6	For evaluative comments with limited explanations.
Level 3	7-8	For evaluative comments supported by relevant reasoning.

Section A Part (a) Questions: Performance Criteria for Mark base 15		
Level 0	0	<ul style="list-style-type: none"> No rewardable material
Level 1	1-3	<ul style="list-style-type: none"> Displays knowledge presented as facts without awareness of other viewpoints Demonstrates limited understanding with little or no analysis Attempts at selecting and applying different economic ideas are unsuccessful Material presented is often irrelevant and lacks organisation. Frequent punctuation and/or grammar errors are likely to be present and the writing is generally unclear.
Level 2	4-6	<ul style="list-style-type: none"> Displays elementary knowledge of well learnt economic facts showing a generalised understanding together with limited analysis i.e. identification of points or a very limited discussion Displays a limited ability to select and apply different economic ideas Material presented has a basic relevance but lacks organisation, but is generally comprehensible. Frequent punctuation and/or grammar errors are likely to be present which affects the clarity and coherence of the writing overall.
Level 3	7-9	<ul style="list-style-type: none"> Displays knowledge and understanding of economic principles, concepts and theories as well as some analysis of issues i.e. answer might lack sufficient breadth and depth to be worthy of a higher mark Shows some ability to apply economic ideas and relate them to economic problems Employs different approaches to reach conclusions Material is presented with some relevance but there are likely to be passages which lack proper organisation. Punctuation and/or grammar errors are likely to be present which affect the clarity and coherence.
Level 4	10-12	<ul style="list-style-type: none"> Displays a good knowledge of economic principles, concepts and theories together with an analysis of the issues involved Demonstrates an ability to select and apply economic ideas and to relate them to economic problems Evidence of some evaluation of alternative approaches leading to conclusions Material is presented in a generally relevant and logical way, but this may not be sustained throughout. Some punctuation and/or grammar errors may be found which cause some passages to lack clarity or coherence.

Level 5	13-15	<ul style="list-style-type: none">• Displays a wide range of knowledge of economic principles, concepts and theories together with a rigorous analysis of issues• Demonstrates an outstanding ability to select and apply economic ideas to economic problems• Evaluation is well balanced and critical leading to valid conclusions• Material is presented in a relevant and logical way. Some punctuation and/or grammar errors may be found, but the writing is clear and coherent overall.
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Section A Part (b) Questions: Performance Criteria for Mark base 25		
Level 0	0	<ul style="list-style-type: none"> No rewardable material
Level 1	1-5	<ul style="list-style-type: none"> Displays knowledge presented as facts without awareness of other viewpoints Demonstrates limited understanding with little or no analysis Attempts at selecting and applying different economic ideas are unsuccessful Material presented is often irrelevant and lacks organisation. Frequent punctuation and/or grammar errors are likely to be present and the writing is generally unclear.
Level 2	6-10	<ul style="list-style-type: none"> Displays elementary knowledge of well learnt economic facts showing a generalised understanding together with limited analysis i.e. identification of points or a very limited discussion Displays a limited ability to select and apply different economic ideas Material presented has a basic relevance but lacks organisation, but is generally comprehensible. Frequent punctuation and/or grammar errors are likely to be present which affects the clarity and coherence of the writing overall.
Level 3	11-15	<ul style="list-style-type: none"> Displays knowledge and understanding of economic principles, concepts and theories as well as some analysis of issues i.e. answer might lack sufficient breadth and depth to be worthy of a higher mark Shows some ability to apply economic ideas and relate them to economic problems Employs different approaches to reach conclusions Material is presented with some relevance but there are likely to be passages which lack proper organisation. Punctuation and/or grammar errors are likely to be present which affect the clarity and coherence.
Level 4	16-20	<ul style="list-style-type: none"> Displays a good knowledge of economic principles, concepts and theories together with an analysis of the issues involved Demonstrates an ability to select and apply economic ideas and to relate them to economic problems Evidence of some evaluation of alternative approaches leading to conclusions Material is presented in a generally relevant and logical way, but this may not be sustained throughout. Some punctuation and/or grammar errors may be found which cause some passages to lack clarity or coherence.

Level 5	21-25	<ul style="list-style-type: none">• Displays a wide range of knowledge of economic principles, concepts and theories together with a rigorous analysis of issues• Demonstrates an outstanding ability to select and apply economic ideas to economic problems• Evaluation is well balanced and critical leading to valid conclusions• Material is presented in a relevant and logical way. Some punctuation and/or grammar errors may be found, but the writing is clear and coherent overall.
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