Examiners' Report
Principal Examiner Feedback

January 2022

Pearson Edexcel International Advanced Level
In Economics (WEC14)
Unit 4: Developments in the global economy

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General

This is the January 2022 series for assessment of WEC14 Developments in the global economy. The examination tests the candidates' abilities to select and apply appropriate economic concepts, theories and techniques in a variety of contexts. As Unit 4 is a synoptic unit, the examination may draw on material from Units 1, 2 & 3.

In **Section A**, the multiple-choice section, candidates performed best on international competitiveness and taxation (3 and 4 respectively). The two questions with focus on national debt and specialisation were the least well answered questions in this section (1 and 5 respectively) and this part of the specification may need attention by centres. On the remaining two questions, candidates performed marginally better.

In **Section B**, the data response section, questions are based on information provided in the source booklet.

7a: Candidates only access two marks by correctly calculating Turkey's real interest rate. Most candidates did not score two marks for their calculations.

7b: Most candidates were able to analyse factors, other than changes in interest rates, that may have led to a depreciation of the Turkish lira. However, only a small percentage of candidates could fully explain the impact to access both analysis marks.

Application marks were frequently awarded for appropriate references to Extract A. Some candidates evaluated their analysis points, but this was not credited as this is not a requirement of the question.

7c: This question required an explanation of 'customs union'. Two relevant pieces of data were required to attain the two application marks. Many just mentioned free trade between member countries in the definition and they were only able to access 1 mark.

7d: A vast majority of candidates were able to examine two likely economic benefits to Turkey of joining the European Union. Two knowledge and two application marks were often awarded for relevant use of the source. However, several candidates copied paragraphs from the extract and were not able obtain analysis marks. This is an area which all the centres are advised to address. Many responses were also not able to access evaluation marks as they gave solutions to these problems rather than directly answering the question.

7e: Most candidates made effective use of the source and were able to discuss the likely economic effects of a further increase in the base interest rate. A low proportion of candidates developed their analysis with clear chains of reasoning to achieve at least Level 3 KAA marks. A common feature in responses was to try to cover as many measures as possible but without any development in analysis. As this is a data response question, the candidates are required to examine the factors that have been given in the extract and not from their own knowledge, unless specifically mentioned.

A significant change in the new form of assessment for WEC14 is that 7e has 6 marks out of 14 available for evaluation. In order for candidates to access higher level evaluation marks, they need to develop a chain of reasoning in their evaluative comments.

In **Section C,** candidates have the opportunity to choose two out of three questions. The section was more demanding than previously, and this is reflected in the mean scores on all three questions.

In all three questions candidates' knowledge of relevant economic concepts was sound but they often struggled to apply it to the context of the question. Another challenge was the level of analysis. As in question 7e, answers often lacked a fully developed chain of reasoning. This is because they focussed their explanations on several points, and this meant they did not have time to develop them. Some candidates drew appropriate and accurate diagram(s) and incorporated it within their analysis point. This facilitated them in consistently achieving within the top levels.

Evaluative comments were often made and, whilst some offered supporting evidence and were linked to the context, many were unable to offer logical chain of reasoning. It should be stated that 8 marks are now awarded for evaluation in the essay section. A reference to a country will always form part of the questions in Section C. Candidates are expected to have an awareness of countries to form a basis of their arguments and to achieve the highest levels.

The questions were accessible at all levels and offered good opportunities for candidates to differentiate by ability. Answering the exact question asked, integrating the data with analysis and strong evaluation continue to remain the essential ways that the A-grade candidates achieve higher marks. It appears that most candidates were not actually able to complete the paper in the time available.

Moreover, candidates are highly encouraged to have better structure to their answers. Many have written essay questions in bullet points, and some have written in long blocks/ paragraphs without making a clear distinction between analysis and evaluation. This was also seen in the higher mark question in Section B.

The performance on individual questions is considered in the next section of the report.

Reports on Individual Questions

Section A

Question 1

This question concerned national debt of selected countries and candidates are required to analyse the given chart. This was the weakest amongst all multiple-choice questions. The correct answer is A - In the UK tax revenues must have been lower than public expenditure in previous years.

Question 2

For this question candidates needed to identify the theory that suggests industrialisation is a strategy to promote economic growth and development. The correct answer is D – the Lewis structural dual-sector model. Many confused this for the Harrod-Domar model.

Question 3

Many candidates correctly identified the most likely reason for an increase in Denmark's international competitiveness. The correct option is C – increase in labour productivity relative to other countries. This was the strongest amongst all multiple-choice questions.

Question 4

The correct answer is B. Many candidates were able to correctly identify that increasing the highest rate of income tax from 45% to 47 would cause the value of Spain's Gini coefficient to fall and the country's Lorenz curve to shift inwards. Candidates should be aware of the difference between percentage change and percentage point change.

Question 5

Candidates tended to perform less well on this question, which asked candidates to analyse the table showing he maximum production possibilities for two countries. The correct is A, which is where neither country will benefit from specialisation and trade.

Question 6

For this question, candidates needed to calculate Australia's terms of trade in 2020 using 2019 as the base year. The correct answer is B. There should be careful consideration given to calculating index numbers as candidates often do not get the right equation to calculate.

Section B

The source booklet focused on the economy of Turkey. It included three graphs showing interest rate, inflation rate and exchange rate between January 2018 and December 2020. There was one extract that highlighted Turkey's currency depreciation.

Question 7a

Candidates needed to calculate Turkey's real interest rate in July 2020. Although many scored the maximum of 2 marks, some were not able to calculate this correctly. It is important to use the data carefully for calculation-based questions.

Question 7b

This question required candidates to analyse two factors, other than changes in interest rates, that may have led to a depreciation of the Turkish lira. Most responses included current account deficit and increase in capital flight, which were given in Extract A. Some candidates copied and pasted paragraphs from the text but did not attain any further marks. Many were unable to access the two application marks as they could not read the exchange rate chart accurately.

Question 7c

Many candidates were able to successfully explain customs union and only a few did not attain full marks. A common response was to explain it in terms of free trade between member countries with common external tariff on imported goods outside the bloc. To access both the application marks, candidates had to include two pieces of data from the extract. Some candidates only offered one, and not both. Given the nature of the question, it is key to cover all aspects of the answer in knowledge and application.

Question 7d

The question required candidates to examine two likely economic benefits to Turkey of joining the European Union. Most candidates were able to identify the benefits from the extract and were also able to gain the two application marks required. However, many found it difficult to analyse the points, and struggled in understanding that this question related to benefits to Turkey and not the EU. Many copied paragraphs from the extract and did not explain it. This did not allow them to gain the higher marks.

Evaluation was lacking and not very well written with some only identifying a point and not explaining it well. There were some candidates who did not make an attempt of writing any points. For 8-mark questions and above, evaluation is a key requirement and should be included.

Question 7e

Candidates needed to use the source to discuss the likely economic effects of a further increase in the base interest rate. It is important that candidates select any two effects and develop their analysis by focusing on those points rather than trying to cover as many measures as possible, some of which are not in the source provided. This will allow candidates to access the higher levels of response.

A handful of candidates were able to successfully identify and explain effects such as on consumption and investment. They were able to integrate this with the application given in the source from Extract A and with support from an accurately drawn AD/AS diagram. This gave them access to Level 3. However, many candidates just copied the source and did not explain their points. This gave them access to Level 1 only.

Evaluation points made were fairly sound. They included references to short run vs long run considerations. Many included time lags as an evaluative comment but were not able to successfully support this point using a logical chain of reasoning. Candidates should ensure that they do this as opposed to listing a number of separate undeveloped points.

Section C

General points:

Candidates often make a number of valid separate points but do not develop a coherent chain of reasoning. In addition, a large number of candidates do not include any form of contextual reference and consequently will not achieve the higher level marks. Context can be from the stem provided in the question and/or from other examples effectively used by the candidate. A reminder that just writing a country name in the answer does not merit as application.

For evaluation, candidates should provide a partially developed chain of reasoning to attain at least Level 2. Writing a list of points will only give candidates access to Level 1. An informed judgement is needed in order to gain a Level 3 evaluation mark.

Candidates are not expected to incorporate four/five analysis and three/four evaluation points. They can select two analysis points and develop them by focusing on those points rather than trying to cover as many points as possible.

Question 8

This question asked candidates to evaluate factors that have contributed to increased globalisation in the last 50 years. In addition, to access high Level 4 for KAA, candidates are required to refer to examples of countries in their answer.

Not many candidates were able to entirely explain the factors identified. They discussed the effects of globalisation instead. This meant that they were not able to access any marks as their answer was not correct. The most common points written by those who did get it right focused on lower transportation costs and communication costs. Most of the answers only carried a two-stage chain of

reasoning, and therefore, they were not able to access Level 3 KAA. Those who identified a range of factors without any linked development were only able to access Level 1 KAA.

Evaluation included an attempt to discuss the short run versus long run impact. Many were only able to develop one argument with the other points often just been identified. Those who listed evaluation points achieved Level 1.

Question 9

This question had asked the candidates to evaluate the possible reasons why developed countries might restrict free trade. To access Level 4 for KAA, candidates are required to refer to a developed country of their choice or the EU in their answer.

Most were able to identify two main reasons. The most common points being focused on protecting domestic industries and to reduce their current account deficit. Some answers carried a two-stage chain of reasoning without application to terminology and concepts, and therefore, candidates were not able to access Level 3 KAA. Those who offered the effects of a tariff did not attain marks.

Candidates struggled to evaluate effectively. The most common comment mentioned was on the size of the protectionist measure, which some could explain in good depth. Rest of the points were quite generic and not very well developed; they did not achieve more than Level 1.

Question 10

This question asked the candidates to evaluate economic factors that constrain the growth and development of a developing country. In addition, to access Level 4 for KAA, candidates are required to refer to both growth and development in their answer.

The most common factors mentioned were linked to primary product pendency, lack of education and poor infrastructure. Most answers demonstrated chains of reasoning, but they were not always completely developed or had stages omitted. These candidates were not able to access more than Level 3 KAA. Many candidates listed a range of points, and they were only able to access Level 1.

Evaluative comments were not well written. Many offered solutions to the problems that they identified and did not directly evaluate the question asked. It is very important to remember that in questions where reasons have been asked, candidates do not evaluate them with solutions. Those who made an attempt, however, did not always explain in good depth. Rest of their points were again quite generic, did not include any chains of reasoning and hence did not achieve more than Level 1.

Paper Summary

The main implications for centres regarding future teaching, learning and examination preparation are:

- Ensure that all parts of the specification are taught and internally assessed. This needs to include addressing all the quantitative skills (as found on page 69 of the specification).

- Candidates must read all 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 its depth and breadth, was the main reason for low scores.

- Encourage candidates to draw accurate, appropriate, legible and labelled diagrams to support their arguments, even if not required. This would help add depth to arguments.

- Section B: Ensure that candidates refer to the relevant extracts but do not copy from them. Brief quotations are acceptable but, in themselves, will not achieve higher level marks. Remember that the 4- and 6-mark questions do not require evaluation, so please use the time given effectively and avoid assessing the analysis points made.

- Section B 14-mark question and Section C essays: Encourage candidates to develop a chain of reasoning by analysing two salient points in depth. By contrast, covering a lot of points in a superficial way will limit the mark to a low Level 2 at best. In addition, analysis needs to be contextualised by using relevant source information (Section B), appropriate examples (Sections B and C) or context at the start of Section C questions.

  In addition, ensure that candidates are aware that evaluative comments should be linked to the context of the question being asked. These should have a chain of reasoning or sufficient development to be able to achieve at least Level 2. To achieve Level 3 for evaluation in Section C it is necessary to include an informed judgement.

- Candidates are encouraged to have a clear structure to their answers. They must avoid writing essays in bullet points or in long blocks/paragraphs without making a distinction between their analysis and evaluation points.

- Encourage candidates to make full use of the specimen papers, previous examination papers, mark schemes and principal examiner reports.