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General comments

This paper proved to be accessible for the majority of students and produced a wide range of answers. Some responses were very good indeed, showing high levels of economic understanding and analysis.

Unfortunately, some candidates made careless mistakes which cost them marks. Some candidates did not have enough knowledge and either wrote answers of little merit or left the page blank

Particular areas of the specification which appeared to cause the most serious problems for students included:

- Trade unions
- Government regulation
- Balance of payments
- Functions of WTO

On the other hand these areas of the specification were generally answered well:

- Demand and supply
- Minimum wage
- Small firms
- MNCs

Question 1

1a (i) and (ii) Most candidates were able to show the higher minimum wage but not all were able to then show the impact on quantity of labour employed.

1a (iii) Most candidates were able to explain what a minimum wage was and attempt some form of analysis. Better candidates offered both sides of the argument but only a few went on to deliver a reasoned judgement or conclusion.

1b Some candidates were confused and offered demand factors rather than supply.

1c (i) and (ii) The definition was well answered but part (ii) not so well understood, again, there were many candidates who offered factors affecting price elasticity of demand rather than supply.

1c (iii) Mostly well answered.

1e Generally not well answered with many candidates offering little more than an explanation of what a trade union is. Few were able to develop a meaningful discussion as to the extent to which they benefit their members.

Question 2

2a (i) A significant number of candidates thought that 'others' was the name of a company and therefore gave the wrong answer

2a (iii) Often wrongly answered as a monopoly

2a (iv) Mostly well answered with specialist and niche market being popular

2b Although many could argue that finance was the main limitation on the growth of small firms, not many were able to offer a counter argument or a reasoned conclusion.

2c (ii) Fixed and variable costs were usually well understood.

2c (iii) and (iv) For most candidates the calculations tended to be straightforward and gained them full marks, some however, seemed baffled by the questions and scored few, if any, marks.

2d Not a well answered question. Many students chose to write an answer on the use of taxation to deal with externalities rather than regulation as per the question. Consequently, their marks were limited. Those that did read the question carefully generally did well

Question 3

3a (i) (ii) and (iii) Mostly well answered and good interpretation of the data in Figure 3a.

3a (iv) Many candidates were able to offer one limitation of GDP as a measure of economic growth but struggled with the second.

3a (v) A clear awareness was present of the two sides of the argument as to whether economic growth was always desirable, but evaluation marks were often missed. Those responses that did provide a judgement were often perceptive and thoughtful.

3b (ii) Generally well answered.

3b (iii) As with Q 2d, a significant number of candidates did not consider the wording of the question carefully enough and offered a general response on how to reduce employment by using expansionary fiscal or monetary policy. Those that did focus on the structural aspect of unemployment with relevant suggestions did well.

3c (ii) Although most candidates were able to show an understanding of how a rise in interest rates would worsen the balance of payments, the counter argument proved more difficult and many struggled on this question.

Question 4

4a (i) (ii) and (iii) Although exchange rates continue to be a problematic area for some, this section of the specification proved to be more straightforward than in past papers.

4b Surprisingly, many candidates seemed to have little understanding of the functions of the WTO and struggled here, with either erroneous suggestions or blank spaces.

4c (i) Most candidates were able to identify a financial incentive but many went on to identify another financial incentive under the non-financial heading.

4c (ii) Probably the best answered 6 mark question with most candidates aware of potential benefits and drawbacks from MNCs. Relatively few though, were able to access 5 and 6 marks by offering a reasoned judgement or conclusion. This is an area of exam technique that centres may wish to work on.

4d (i) and (ii) Development aid was mostly well understood, although a common error was to confuse it with FDI. The difficulty for many was in part (ii), where they were able to identify an impact of development aid but failed to show how that might have led to increased globalisation.

4e Although many clearly understood the ideas of protectionism and free trade, not many were able to make a convincing argument as to their impact on unemployment. Once again reasoned judgements and conclusions were rare.

Conclusion

Based on observations from this exam series, candidates are advised to:

- Learn definitions
- Use the appropriate economic terminology
- Read the questions carefully
- Take care when interpreting diagrams, graphs and tables
- Look for the command words
- On the 6 mark questions make a reasoned judgement or conclusion

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