



Pearson
Edexcel

Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International GCSE
In Economics (4EC1)
Paper 01: Microeconomics and Business
Economics

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Introduction

A good awareness of economics was shown by students taking this, the second paper of the new International GCSE specification and the first January paper. In general, students appeared to be well prepared for most of the topic areas required by paper 1. Where applicable on the new levels-based questions, the ability of the most able students was shown through relating their knowledge and understanding to the evidence presented, whereas those struggling with such concepts typically answered questions with a more generic approach. The levels of response questions required understanding to be developed and applied to the relevant evidence. Although some adapted this approach there were instances where a more basic understanding was demonstrated, thus limiting the attainment of higher levels.

Question 1

1c)

Candidates struggled to give a full and accurate definition of supply and often missed either 'willing' or 'able' to sell, although they often managed to achieve 1 mark by referring to 'at a given price' and/or 'at a given time'.

Tip: 'What is meant by' questions have two marks and require two parts to the definition. No marks are awarded for examples.

1d)

This question was well answered by students who had good knowledge of this part of the specification (secondary sector).

Tip: There is only one mark available for 'state' questions and examiners do not expect you to write a lot.

1e)

Another encouraging set of responses, showing good understanding of labour by many candidates. A range of suitable answers were accepted including reference to human capital, and the workforce.

Tip: Do not use examples for 'define' questions. We are only looking for a definition of the term.

1f)

Occasionally candidates showed a lack of understanding by putting % or \$ even when the 0.4 had been calculated correctly.

Tip: It is recommended that you always show your working in a 'calculate' question.

1g)

Again, a very good understanding shown of this part of the specification, along with pleasing (well-practiced) diagrams.

Tip: You must label the new shift and the new equilibrium points to gain marks. Do not shift both curves as this will not show understanding of the scenario in the question.

1h)

The first 3-mark 'explain' question on the paper allowed candidates to present a good range of opportunity costs. Some of these were developed to secure a second mark (usually through reference to a lack of resources) but few placed the answer in the context of the opportunity cost being given up in order to build the hospital instead.

Tip: There are NO marks for definitions on 'explain' questions. They require a reason/benefit etc, development and context.

1i)

Again, a range of responses which accurately focused on the firm not aiming to profit maximise. However, sometimes these were with limited economic application. Candidates sometimes struggled to show clear development and/or thorough analysis which made access to level 3 unlikely.

Tip: Do not present a counter argument for analyse questions - there are no marks for doing this and it will mean you have less time to spend on other questions.

Question 2

2c)

The formula for profit was well understood by many candidates but a few failed to give the full formula by omitting 'total' from either revenue or costs.

Tip: Remember to include the FULL formula.

2d)

As with 1f) candidates showed an ability to make the correct calculation but some, a lack of understanding by putting % even when the 1.2 had been calculated correctly.

Tip: Units are an important part of the answer so make sure you use the right ones (or none if appropriate, such as when calculating elasticity).

2e)

Many candidates were able to show understanding of the term finance but some were too vague in their response by writing for example, 'money'.

Tip: Try not to be vague or ambiguous in your response.

2f)

There was an excellent understanding of market structures shown with development relating to the firm having no competition, being unique or having no substitutes.

Tip: There is only 1 mark for knowledge on 'describe' questions so do not give more than 1 type/reason/benefit etc.

2g)

The fact that public goods are non-excludable and non-rivalrous was understood by many candidates but this needed to be explained in order to access more than just a knowledge mark. Better responses linked the development in that benefits could be enjoyed even when paying nothing and/or put the response in context by relating it to consumption of street lighting.

Tip: There is 1 x AO2 mark for 'explain' questions, meaning that the answer needs to be put in context in order to receive full marks.

2h)

Candidates were able to offer a range of arguments why remaining a small firm may be more beneficial than becoming a large firm but they were not always balanced or assessed using the data provided. Developed analysis was again, typically, the main factor limiting progression through the levels.

Tip: Assess questions require a balanced two-sided argument which is applied. There is no requirement for a conclusion or judgement but the argument(s) and counter argument(s) presented should be developed and thorough. Simply copying the extract or re writing parts of it is not going to lead to high marks!

Question 3**3c)**

Candidates were often able to show the PPC curve accurately shifting outwards, However, some failed to fully label the diagram.

Tip: Be very clear when drawing your lines. Ambiguity is likely to result in no marks.

3d)

A good understanding of the demand for labour was shown by candidates' responses but once again, it was often the level of development and a lack of thorough analysis that sometimes led to lower attainment in the levels.

Tip: One-sided arguments only for analyse questions. Focus on developing applied points to present a strong analysis of the situation.

3e)

Although a small number of candidates tried to assess fireworks themselves, many were able to present a reasonable two-sided argument about the positive and negative externalities presented by fireworks.

Tip: Although no conclusion is needed, it is important to provide balance between the arguments in order to score high marks on 'assess' questions.

Question 4

4a)

Many candidates were able to calculate the correct quantity of cakes to be 90 but there were also a small number who failed to use units.

Tip: It is a good idea to show your workings and you should always use units where appropriate.

4b)

More able candidates were able to analyse why governments may want to control takeovers, showing a good understanding of the problems associated with lack of competition. Some failed to analyse though and tried to list reasons rather than develop points.

Tip: There is no set number of points required on any levels-based question but each point made needs to be developed to move up through the levels.

4c)

A number of candidates tried to evaluate whether VAT should be increased and so failed to answer the question. Examiners were looking for responses which showed a balanced argument regarding whether PED could be useful in making the decision to increase VAT. Although understanding was shown, responses needed to be presented that analysed and evaluated economic information and used the data provided.

Tip: Make sure you read the question carefully. A supported conclusion/judgement is needed for evaluate questions.

Summary

Based on their performance in this exam, candidates are offered the following advice:

- Be careful to read the whole of the question. Certain requirements are given which were not acted upon by some candidates in this series, e.g. when answers are required 'to two decimal places'.
- Candidates need to understand the requirements of the command words in the questions. This will allow them to access marks requiring each of the four assessment objectives.

- Quantitative Skills will be tested throughout the paper. These may be in the form of diagrams/graphs, calculations or using the data in the Extracts to provide the application in the questions.
- Application marks will not be awarded for simply repeating evidence in the extracts. The evidence needs to be used in the response.
- Analyse questions do not require evaluation but the command words 'assess' and 'evaluate' do require a two-sided argument in order to achieve full marks. The evaluate question also requires a judgement/conclusion.
- There may be more answer space provided than you need to write your responses. This is also indicated on the front cover of the question paper.
- The use of relevant evidence is required throughout and this can be from the Extracts provided and using examples provided by the candidates themselves. The Extracts are there for a reason – so please use them!
- As the descriptor tables for analyse, assess and evaluate questions do not change between questions with the same command word or exam series, it is advisable to practice writing responses using them.