Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International GCSE
In Economics (4EC1)
Paper 01R: 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 showed a good understanding with reference to both public and private sectors in relation to providing goods and services.

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 (tertiary 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 the government by many candidates. A range of suitable answers were accepted.

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 2.4 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 buy the computer system 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 oligopolies. 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)
As with 1f) candidates showed an ability to make the correct calculation but some, a lack of understanding by putting % even when the -1.9 had been calculated correctly.

Tip: If the figure is a negative you must ALWAYS show the minus sign, including in the calculation.

2d)
The formula for social benefits was well understood by many candidates but a few failed to give a fully accurate formula by confusing costs and including these in the response.

Tip: Remember to include the FULL formula.

2e)
Many candidates were able to show understanding of the term consumer but some were too vague in their response by writing for example, 'buyer of goods'. It was important to show understanding that did not also define a firm and so to clarify goods were for personal use.

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

2f)
There was an excellent understanding of growth of firms shown with developed factors.

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

2g)
Reasons such as habits and influences of others were 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 and/or put the response in context by relating it eating sugar.

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 fines could be effective 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 draw an elastic demand curve. There were however, a few responses which were unable to show understanding that the curve should be more horizontal than vertical, and have a greater change in quantity then price.

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

3d)
A good understanding of privatisation 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 mostly listed all they knew about PES, many were able to present a reasonable two-sided argument about whether or not the supply of cars was more elastic than the supply of organic strawberries.

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 monthly gross income to be $1027.25 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 the benefits of internal economies of scale for a smaller airline. However, some failed to analyse and tried to list the economies 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)
Examiners were looking for responses which showed a balanced argument regarding whether division of labour could be the best way to increase productivity. Although understanding was shown, responses needed to be presented that analysed and evaluated economic information and used the data provided. Some candidates presented a generic list of the advantages and disadvantages of division of labour which were therefore, only low-level responses.

Tip: 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.