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Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International GCSE Economics
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Introduction

This was the third opportunity to sit the paper and overall, candidates' performance showed a sound grasp of economic concepts. Answers suggested that candidates, overall, had been prepared for this paper. There appeared to be use of economic terminology throughout all sections of the paper.

Better candidates demonstrated excellent application of their knowledge to the precise question set, whilst some candidates attempted questions from a 'common sense' approach rather than demonstrating any economic concepts.

The examination paper required candidates to apply their understanding; some candidates performed strongly, with clear development of points. Examination timing skills appeared to be very good.

Question 1c:

There were two parts to the explanation of GDP and candidates should have referenced that it is the market value of all goods and services, and this was produced in a year. Candidates had to provide both parts to gain 2 marks. Many candidates were able to gain both marks for this question.

Question 1d:

Again, this question required candidates to give two parts to their explanation of a positive impact of economic growth. This question was well answered with many candidates being able to give a positive impact and then explain why this positive impact might occur.

Question 1e:

Some candidates were able to calculate the correct answer so achieved 2 marks. Marks were not awarded if the percentage sign was missing. This was not very well answered with many candidates unable to score any marks on this question. It is essential that candidates show their workings to gain 1 mark if an incorrect answer is given or if units are missing otherwise marks cannot be awarded.

Question 1f:

Marks were awarded for the labelling of the economic cycle. Overall, this question was well answered by candidates with many being able to correctly identify all three stages.

Question 1g:

A mark was available for any suitable reason and many candidates referred to poor pay or to generous welfare benefits. An additional mark was available for developing the stated reason in terms of how generous welfare benefits might

result in voluntary unemployment. The third mark was available for either applying this to education or for the application of economic concepts.

Question 1h:

This question was marked using a levels-based mark scheme. The question focused on how the reduced cost of transport has contributed to the increase in globalisation. Application could have been references to the information in the stem of the question or candidates' own knowledge of the use of transport. Some candidates gave a list rather than developing or analysing how a reduced cost of transport might have helped contribute to an increase. Again, some candidates evaluated, and marks cannot be awarded for evaluation on a 6 mark question.

Question 2c:

This is the only 'State' question on the examination paper. Candidates were asked to state a disadvantage of free trade. The most popular response was an increase in unemployment caused by more imports. Candidates did not have to explain their chosen disadvantage. Overall, this question was answered well by all candidates.

Question 2d:

Marks were awarded for a reference to the price of one currency in terms of another currency. Many stated value rather than price of the currency so were only awarded 1 mark for this.

Question 2e:

This question looked at why a fall in the value of the euro may have resulted in a positive impact on Germany's current account. Many candidates were able to show this and there has been an improvement on the quality of responses for this area of the specification. Marks were awarded for the development of the reason and either application of the economic concept or application to the context.

Question 2f:

This question asked for one way privatisation could improve productivity in Indian airports. Many candidates gave a definition of privatisation which cannot be rewarded. Marks were awarded for the way rather than a definition of privatisation. Some candidates were able to develop their way and apply this to the context. Overall, this question did not score as highly as the previous 3-mark question.

Question 2g:

This was the first 9-mark levels-based question on the examination paper. Many candidates were able to assess the advantages of using benefit payments to

redistribute income in Canada. The counter argument mainly focused on the opportunity cost of using benefit payments in the long term. A conclusion was not required for the 9 mark Assess questions.

Question 3c:

This question required candidates to explain one advantage for Indonesia of the palm oil plantations being owned by foreign MNCs. Many reasons were accepted such as reducing unemployment, increased revenue for the Indonesian Government and skills/technology transfer for Indonesian workers. Further marks were awarded for developing this advantage and contextualising by the either the use of the data in the question or the application of economic concepts. Overall, this question was well answered.

Question 3d:

This 6-mark question concerned the impact on unemployment of a recession in a country such as Italy. This was very poorly done by the vast majority of candidates. Many candidates did not understand the link between unemployment and a recession and instead described how unemployment could be reduced.

Question 3e:

This question was answered slightly better compared to the previous 9-mark question on the examination paper. Some candidates were able to give the benefits of lowering interest rates in China to stimulate economic growth. Unfortunately, many candidates just copied out the extract without evaluating the likely effectiveness of monetary policy to increase economic growth. The counter argument was often not as detailed and mainly focused on inflation. Again, a conclusion was not required but many candidates did provide a conclusion which is unnecessary.

Question 4a:

Many candidates correctly calculated the fiscal deficit so gained 2 marks. Again, many candidates did not include the correct units of €m despite this being in the question and therefore only received 1 mark. It is essential that workings are shown, and the correct unit and decimal place is used to gain 2 marks.

Question 4b:

This question required a one-sided argument regarding how the Estonian Government might use fiscal policy to control inflation. Some candidates were able to show how an increase in taxation helps to reduce demand in the economy and therefore reducing inflation. Some candidates did not know what fiscal policy was or confused this with monetary policy. Overall, candidates did not perform as well on this question compared to other 6-mark questions on the paper.

Question 4c:

This was the highest mark question on the paper. Many candidates were able to explain the advantages of using subsidies to protect the environment. The counter argument mainly focused on the cost of the subsidies and how effective they would be in tackling pollution levels. Better responses used the information in the extract rather than just copying it. A conclusion was required for this question and this was often lacking or was just a repeat of the points made previously.

Summary

There are several points which could raise performance in future sittings. Based on their performance on this paper candidates are offered the following advice:

- Read the questions carefully in terms of the command words. It was clear that some candidates were not aware of the demands of the question or how to structure their responses.
- 'What is meant questions' will always require two parts to the explanation and examples are not rewarded.
- Quantitative Skills will be tested throughout the paper and these may be in the form of calculations, diagrams or using the data from the Extracts.
- For calculation questions, it is essential that the answer has the correct units or is to two decimal places (if specified).
- The 'Explain' questions will always have one context mark and this can be for either using (not just copying) the information from the stem or for a detailed application of the economic concept so ensure that there is sufficient development in the response to gain all 3 marks. Marks cannot be awarded for definitions so do not waste time giving a definition in any of the 3-mark questions.
- Analyse – this question only requires a one-sided argument and evaluation is not required for a 6-mark Analyse question.
- The command words 'Assess and 'Evaluate' are evaluative command words so candidates must provide both sides of an economic argument to achieve full marks.
- Use of relevant application is required throughout and this can be from the Extracts provided or using examples provided by the candidate themselves. The Extracts are there for a reason – so use them.
- Use economic concepts rather than generic 'common sense' answers.
- Examination timings – make sure there is enough time to answer the 12-mark question.

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