



MARKSCHEME

May 2012

ECONOMICS

Standard Level

Paper 2

24 pages

*This markscheme is **confidential** and for the exclusive use of examiners in this examination session.*

*It is the property of the International Baccalaureate and must **not** be reproduced or distributed to any other person without the authorization of IB Cardiff.*

In addition to the assessment criteria use the paper-specific markscheme below. Award up to the maximum marks as indicated.

1. (a) Define the following terms indicated in bold in the text:

(i) minimum price (paragraph ①) [2 marks]

level

0 *Wrong definition* **0**

1 *Vague definition* **1**
The idea that it is a price set by the government (or an authority).

2 *Precise definition* **2**
An explanation that it is any two of the following:

- imposed by the government (or an authority)
- set above the equilibrium (market) price
- price cannot fall below this price.

(ii) free market (paragraph ⑤). [2 marks]

level

0 *Wrong definition* **0**

1 *Vague definition* **1**
The idea that it is a market without government intervention.

2 *Precise definition* **2**
An explanation that it is a market in which resource allocation (or price and/or output) is determined by one of the following:

- demand and supply
- price mechanism
- producers and consumers.

(b) **Using an appropriate diagram, explain the possible effect on the market for cigarettes of the ban on tobacco advertising in Ireland.** *[4 marks]*

level

- | | | |
|---|---|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <p><i>Identification of appropriate theory</i></p> <p>For drawing a demand/supply diagram of the cigarette market showing a decrease in demand and a resulting decrease in price and fall in the equilibrium quantity or for providing an explanation that a ban on advertising would lead to a decrease in demand, leading to a decrease in price and fall in the equilibrium quantity.</p> | 1–2 |
| 2 | <p><i>Correct application of appropriate theory</i></p> <p>For drawing a demand/supply diagram of the cigarette market showing a decrease in demand and a resulting decrease in price and fall in the equilibrium quantity and for providing an explanation that a ban on advertising would lead to a decrease in demand, leading to a decrease in price and fall in the equilibrium quantity.</p> | 3–4 |

Candidates who incorrectly label diagrams can be rewarded with a maximum of *[3 marks]*.

Candidates who interpret this as a market failure question may use MSB/MSB analysis. MPB shifts left towards MSB as a result of the ban on advertising. The effect on the market could be a reduction in the welfare loss. A candidate who selects this approach and does not refer to the change in price may nevertheless be fully rewarded.

The use of P and Q on the axes is sufficient for a demand and supply diagram. A title is not necessary.

For a market failure diagram, the vertical axis may be price, but could be costs or benefits. The horizontal axis is quantity. A title is not necessary.

- (c) **Using an appropriate diagram, explain why, if the demand for cigarettes is inelastic, raising the price may not be effective.** **[4 marks]**

level

- | | | |
|---|---|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a demand diagram of the cigarette market showing an inelastic demand curve so that an increase in price has a proportionately small effect on the quantity demanded or for an explanation that with inelastic demand an increase in price will cause a proportionately lower change in quantity demanded, thus not working to effectively discourage smoking. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a demand diagram of the cigarette market showing an inelastic demand curve so that an increase in price has a proportionately small effect on the quantity demanded and for an explanation that with inelastic demand an increase in price will cause a proportionately lower change in quantity demanded, thus not working to effectively discourage smoking. | 3–4 |

Candidates who incorrectly label diagrams can be rewarded with a maximum of **[3 marks]**.

The use of P and Q on the axes is sufficient for a demand and supply diagram. A title is not necessary.

For full marks, candidates must make it clear that the change in quantity demanded is relatively (proportionately) smaller than the change in price. It is not enough to explain in terms of small changes in quantity demanded with no comparison to the change in price.

A maximum of **[2 marks]** may be awarded for an answer which rests on the assumption that the demand for cigarettes is perfectly inelastic.

If a candidate has incorrectly labelled the diagram in part (b) and been awarded a maximum of **[3 marks]**, then they may achieve full marks in this part of the question, if the labelling mistake has been repeated.

- (d) Using information from the text/data and your knowledge of economics, evaluate the economic effects of the imposition of a minimum price for cigarettes.

[8 marks]

Responses **may** include:

- an explanation and/or a diagram of minimum prices
- an observation that minimum prices are usually set to protect producers, but in this case it is being used to solve a market failure.

Arguments for:

- cigarettes are a demerit good and so their consumption should be reduced
- a higher price could discourage people from smoking (*paragraph 4*)
- the imposition of a minimum price could save lives (*paragraph 3*)
- the costs of health care could be reduced
- negative externalities such as passive smoking will be reduced
- a higher price will particularly discourage young people (*paragraph 4*), whose demand is likely to be more elastic because they earn lower incomes.

Arguments against:

- informal (parallel/underground/black) markets may appear, reducing the effectiveness of the minimum price
- demand for cigarettes is inelastic, so relatively few consumers will be discouraged from smoking (*paragraph 5*)
- retailers may suffer through fewer sales
- a minimum price may be difficult to enforce
- the option of increasing indirect tax on tobacco may be more effective and adds to state resources for implementing alternative policies (*paragraph 1*)
- state financing of education campaigns, persuasion through further advertising, provision of medical advice and counselling support may be better than minimum price
- price controls reduce freedom of choice for consumers and producers
- the cost of living will increase for consumers who buy cigarettes
- distributional effects because lower income households' real incomes will fall more.

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

Level

0	No valid discussion.	0
1	Few relevant concepts recognized. Little discussion or only basic understanding.	1–2
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	3–5
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	6–8

2. (a) Define the following terms indicated in bold in the text:

(i) appreciation (paragraph 5) [2 marks]

level

0	<i>Wrong definition</i>	0
1	<i>Vague definition</i> The idea that it is an increase in the value (or price) of a currency.	1
2	<i>Precise definition</i> An explanation that it is an increase in the value (or price) of one currency in terms of another in a floating exchange rate system (due to the forces of supply and demand).	2

(ii) unemployment (Table 2). [2 marks]

level

0	<i>Wrong definition</i>	0
1	<i>Vague definition</i> The idea that it is the number of people out of work.	1
2	<i>Precise definition</i> An explanation that it is any two of the following: <ul style="list-style-type: none">• the number of people without a job• who are actively seeking work• who are able and willing to work.	2

(b) Using an appropriate diagram, explain how a decrease in exports may have affected the level of employment in Mexico. **[4 marks]**

level

- | | | |
|---|--|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a correctly labelled AD/AS diagram showing a shift in AD to the left/decrease or for an explanation that a decrease in exports will reduce AD, output and consequently the numbers employed. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a correctly labelled AD/AS diagram showing a shift in AD to the left/decrease and for an explanation that a decrease in exports will reduce AD, output and consequently the numbers employed. | 3–4 |

Candidates who incorrectly label diagrams can receive a maximum of **[3 marks]**.

For AD/AS, the vertical axis may be price level or average price level. The horizontal axis may be output, real output, national output, real national output, national income, or GDP. A title is not necessary.

Candidates may show a labour market diagram, with demand deficient unemployment, caused by the fall in exports and, if properly drawn and explained, full marks should be awarded.

For a labour market diagram, the vertical axis may be wages, wage rate, or the price of labour. The horizontal axis should be quantity of labour, employment, number of workers, or simply labour or workers.

(c) Using an appropriate diagram, explain the possible effect on Mexico's inflation of an appreciation of the peso. [4 marks]

level

- | | | |
|---|--|-----|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a correctly labelled AD/AS diagram showing a shift in AD to the left inducing a lower price level or for explaining that a higher currency value will make imports cheaper/exports more expensive and consequently reduce AD and so inflation. | 1-2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a correctly labelled AD/AS diagram showing a shift in AD to the left inducing a lower price level and for explaining that a higher currency value will make imports cheaper/exports more expensive and consequently reduce AD and so inflation. | 3-4 |

Candidates who incorrectly label diagrams can receive a maximum of [3 marks].

For AD/AS, the vertical axis may be price level or average price level. The horizontal axis may be output, real output, national output, real national output, national income, or GDP. A title is not necessary.

Candidates may draw a diagram showing a shift of AS to the right, explaining this by a fall in the price of imported raw materials and finished goods. This response should be fully rewarded.

If a candidate has incorrectly labelled the diagram in part (b) and been awarded a maximum of [3 marks], then they may achieve full marks in this part of the question, if the labelling mistake has been repeated.

- (d) Using information from the text/data and your knowledge of economics, evaluate the possible effects on the Mexican economy of a continuing current account deficit.

[8 marks]

Responses **may** include:

- a definition of current account deficit
- a need to attract sufficient surplus in capital/financial account to balance the CAD
- the impact a surplus on the financial/capital account will have on the net foreign debt
- a need to pay interest on the net foreign debt
- the impact this interest payment will have on the incomes section of the current account
- the consequent impact of this for future current account balances
- a continued CAD is likely to deplete a country's currency reserves
- negative net exports may reduce aggregate demand and therefore hinder growth and increase unemployment
- the CAD as a percentage of GDP is low and hence it may be argued that the continuing CAD is not a problem (*Table 1 and 2*)
- it may be argued that many imports are needed for later stages of production and not current consumption (*Table 1*)
- it may be argued that the CAD represents a failure to export enough to cover the cost of imports
- it may be argued that the continuing CAD may weaken the currency thus offsetting the effects of the appreciation of the peso (*Para 5*)
- it may be argued that the continuing CAD may require the government to impose a contractionary fiscal or monetary policy therefore lowering GDP further (fallen by 6.6% in 2009 *Table 1*)

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

Level

0	No valid discussion.	0
1	Few relevant concepts recognized. Little discussion or only basic understanding.	1–2
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	3–5
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	6–8

3. (a) Define the following terms indicated in bold in the text:

(i) recession (paragraph 2) [2 marks]

level

0	<i>Wrong definition</i>	0
1	<i>Vague definition</i> The idea that it is when an economy experiences negative economic growth.	1
2	<i>Precise definition</i> An explanation that it is when an economy experiences negative economic growth (a fall in GDP) for at least two quarters consecutively.	2

(ii) budget deficits (paragraph 3). [2 marks]

level

0	<i>Wrong definition</i>	0
1	<i>Vague definition</i> The idea that they are related to government spending and revenue.	1
2	<i>Precise definition</i> An explanation that they are when government expenditure exceeds government revenue (taxation).	2

(b) Using an appropriate diagram, explain the likely effect on potential output of an aging population. **[4 marks]**

level

- | | | |
|---|--|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a correctly labelled LRAS or PPC diagram showing a shift to the left/decrease in potential output of an economy or for explaining that as the average age of the population increases the proportion of the population participating in the labour force will decline hence reducing the potential output of an economy. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a correctly labelled LRAS or PPC diagram showing a shift to the left/decrease in potential output of an economy and for explaining that as the average age of the population increases the proportion of the population participating in the labour force will decline hence reducing the potential output of an economy. | 3–4 |

Candidates who incorrectly label diagrams can receive a maximum of **[3 marks]**.

For AD/AS, the vertical axis may be price level or average price level. The horizontal axis may be output, real output, national output, real national output, national income, or GDP. A title is not necessary.

For a PPC, the axes could be two alternative products, one on each axis, e.g. Good A and Good B or Schools and Motor Cars; or two groups of products, e.g. Consumer Goods and Producer Goods. A title is not necessary.

- (c) **Using an AD/AS diagram, explain how tightening fiscal policies could damage an economic recovery.** **[4 marks]**

level

- | | | |
|---|--|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a correctly labelled AD/AS diagram showing a shift to the left/decrease in AD or for explaining that tighter fiscal policy will involve increased taxation and/or decreased government spending leading to reduced aggregate demand and thus slowing a recovery. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a correctly labelled AD/AS diagram showing a shift to the left/decrease in AD and for explaining that tighter fiscal policy will involve increased taxation and/or decreased government spending leading to reduced aggregate demand and thus slowing a recovery. | 3–4 |

Candidates who incorrectly label diagrams can receive a maximum of **[3 marks]**.

For AD/AS, the vertical axis may be price level or average price level. The horizontal axis may be output, real output, national output, real national output, national income, or GDP. A title is not necessary.

If a candidate has incorrectly labelled the diagram in part (b) and been awarded a maximum of **[3 marks]**, then they may achieve full marks in this part of the question, if the labelling mistake has been repeated.

- (d) Using information from the text/data and your knowledge of economics, evaluate possible policy options for addressing the debt crisis facing many economies in Europe.

[8 marks]

Responses **may** include:

- a definition of debt crisis

Possible policies:

- tighter fiscal discipline which may include cuts to welfare spending (*paragraph 4*):
 - will reduce the budget deficit
 - may reduce the need to borrow funds
 - may increase the incentive to work to maintain the same standard of living
 - will reduce aggregate demand and further increase unemployment
 - is likely to worsen the distribution of income and wealth
 - may bring debt level closer to EU limit of 60% (*paragraph 2*)
- increased taxation (*paragraph 4*):
 - will reduce the budget deficit
 - may reduce incentives to work
 - may reduce the need to borrow funds
 - may reduce disposable incomes of consumers
 - may reduce consumer spending, business investment and hence aggregate demand
 - may reduce economic growth
- raising the retirement age (*paragraph 4*):
 - will reduce government spending on the old age pension
 - may reduce the budget deficit
 - may reduce the need for government to borrow
 - is likely to increase the number in the labour force
 - may impact on wage rates and the numbers unemployed
 - may increase government revenue from taxation as workers working longer
- financial assistance from other European countries or the EU or IMF (*paragraph 4*):
 - may provide a short term solution to the debt crisis
 - may allow the countries in crisis some time in which to readjust their fiscal and monetary policies
 - may lead to higher taxation in the donor countries
 - may discourage fiscal discipline as other countries or the EU are taking responsibility for solving the crisis
 - may lead to strict conditions being imposed with regard to budget deficits and liberalization of markets *etc.* (similar to Structural Adjustment Programs)
- tighten monetary policies (*paragraph 5*):
 - likely to involve higher interest rates
 - likely to discourage borrowing with consequent negative effects on consumption spending and investment spending
 - may reduce economic growth.

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

Level

0	No valid discussion.	0
1	Few relevant concepts recognized. Little discussion or only basic understanding.	1–2
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	3–5
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	6–8

4. (a) Define the following terms indicated in bold in the text:

(i) **protectionism** (*paragraph 2*) [2 marks]

level

0 *Wrong definition* 0

1 *Vague definition* 1
The idea that it is to do with restricting trade.

2 *Precise definition* 2
An explanation that it involves government intervention in order to restrict trade between countries.

(ii) **exchange rate** (*paragraph 3*). [2 marks]

level

0 *Wrong definition* 0

1 *Vague definition* 1
The idea that it is to do with the value (price) of a currency.

2 *Precise definition* 2
An explanation that it is the value (price) of one currency expressed in terms of another (*e.g.* US\$1 = 6.83¥).

(b) Explain how the fixed value of the yuan may have adversely affected US producers. *[4 marks]*

level

- | | | |
|---|---|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For explaining that the value of the Chinese currency has been kept artificially low or for explaining that this has depressed the price of Chinese exports to the USA and made US domestic products less competitive in the USA. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For explaining that the value of the Chinese currency has been kept artificially low and for explaining that this has depressed the price of Chinese exports to the USA and made US domestic products less competitive in the USA. | 3–4 |

(c) **Using an appropriate diagram, explain how China has prevented its currency from rising in value.** **[4 marks]**

level

- | | | |
|---|--|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a correctly labelled exchange rate diagram showing a shift to the right/increase in supply of the Chinese currency maintaining downward pressure on the yuan or for explaining that sales of the yuan will lead to a rightward shift of the supply curve causing downward pressure on the value of the yuan. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a correctly labelled exchange rate diagram showing a shift to the right/increase in supply of the Chinese currency maintaining downward pressure on the yuan and for explaining that sales of the yuan will lead to a rightward shift of the supply curve causing downward pressure on the value of the yuan. | 3–4 |

Candidates may take an alternative approach by indicating the fixed exchange rate below the free market equilibrium and for explaining that the Chinese government will sell yuan at that fixed exchange rate. Examiners should be aware that if candidates take this approach it should be rewarded.

Candidates who incorrectly label diagrams can receive a maximum of **[3 marks]**.

For an exchange rate diagram, the vertical axis may be exchange rate, price of yuan in \$US, price of yuan, \$/yuan or \$US. The horizontal axis should be quantity, or quantity of yuan. A title is not necessary.

(d) Using information from the text/data and your knowledge of economics, evaluate the possible effects of a currency appreciation on the Chinese economy. [8 marks]

Responses **may** include:

- reduced prices for imports to China
- increased demand for imports to China (goods and services) (*paragraph 5*)
- improved standard of living as a result of increased purchasing power
- domestically produced goods become less price competitive in China
- higher prices for exports from China
- reduced demand for Chinese exports (goods and services)
- reduced employment/increased unemployment in China as a consequence of increased imports/reduced exports
- reduced current account surplus in the balance of payments (*paragraph 4*)
- reduced inflationary pressures, which may offset the effects of a loss in competitiveness for Chinese exports
- improved economic relations with the USA.

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

Level

0	No valid discussion.	0
1	Few relevant concepts recognized. Little discussion or only basic understanding.	1–2
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	3–5
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	6–8

5. (a) Define the following terms indicated in bold in the text:

(i) **economic development** (*paragraph ①*) *[2 marks]*

level

0 *Wrong definition* **0**

1 *Vague definition* **1**
The idea that it involves better living standards.

2 *Precise definition* **2**
An explanation that it is an improvement in welfare measured from a number of viewpoints, such as an increase in *GDP per capita*, improvements in health, improvements in education, or any other appropriate indicators.

(ii) **interest rates** (*paragraph ②*). *[2 marks]*

level

0 *Wrong definition* **0**

1 *Vague definition* **1**
The idea that they are the costs of a loan.

2 *Precise definition* **2**
An explanation that they are the cost of borrowing and/or the reward for lending (saving) money.

(b) Using a circular flow diagram, explain how micro-credit increases economic activity in a developing economy. [4 marks]

level

- | | | |
|---|--|------------|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a correctly labelled circular flow diagram showing that the investment due to the borrowed micro-credit funds is an injection into the circular flow of income or for explaining that micro-credit schemes will increase investment, which is an injection into the circular flow. This will increase AD and so there will be increased economic activity. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a correctly labelled circular flow diagram showing that the investment due to the borrowed micro-credit funds is an injection into the circular flow of income and for explaining that micro-credit schemes will increase investment, which is an injection into the circular flow. This will increase AD and so there will be increased economic activity. | 3–4 |

Candidates who incorrectly label diagrams can receive a maximum of [3 marks].

- (c) Using a poverty cycle diagram, explain how micro-credit can “help relieve some of the worst aspects of poverty” (*paragraph 5*). [4 marks]

level

- | | | |
|---|---|-----|
| 0 | <i>Inappropriate answer</i> | 0 |
| 1 | <i>Identification of appropriate theory</i>
For drawing a correctly labelled poverty cycle diagram including investment or for explaining that micro-credit loans fill the savings/investment gap and allow the poverty cycle to be broken, increasing incomes and therefore reducing the worst aspects of poverty. | 1–2 |
| 2 | <i>Correct application of appropriate theory</i>
For drawing a correctly labelled poverty cycle diagram including investment and for explaining that micro-credit loans fill the savings/investment gap and allow the poverty cycle to be broken, increasing incomes and therefore reducing the worst aspects of poverty. | 3–4 |

There may be different poverty cycle diagrams used to show the above, and any appropriate diagram, which must include investment, may be fully rewarded, if explained correctly.

Candidates who incorrectly label diagrams can receive a maximum of [3 marks].

- (d) **Using information from the text/data and your knowledge of economics, evaluate micro-finance as a means of promoting economic development.** [8 marks]

Responses **may** include:

Possible advantages:

- allows even those in poverty to borrow funds (*paragraph 1*)
- has allowed many women to borrow funds (*paragraph 1 and 3*)
- allows individuals to establish businesses such as tailors and hairdressers (*paragraph 2*)
- allows more people to be employed
- allows higher incomes
- allows more savings to occur – fills the savings gap and breaks the cycle
- increased incomes allow the purchase of more goods and services and hence improved standards of living
- releases potential entrepreneurship.

Possible disadvantages:

- some lenders are very focused on making profits for themselves (*paragraph 2*)
- some large firms have moved into the business of micro-finance
- small loans may not assist some to escape poverty as some do not have the necessary entrepreneurial skills (*paragraph 5*)
- in some cases high rates of interest of up to 125 % (*paragraph 4*) are charged
- some loans involve exploitation of borrowers (*paragraph 3*)
- some of the loan costs are hidden from borrowers
- increasing micro-finance rates has pushed up interest rates across Mexico (*paragraph 6*)
- micro-finance banks are not putting their profits into development, which is restricting the process of economic development (*paragraph 6*)
- micro-finance on its own may not be sufficient as a means to promote economic development – other policies will also be needed.

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

Level

0	No valid discussion.	0
1	Few relevant concepts recognized. Little discussion or only basic understanding.	1–2
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	3–5
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	6–8
