2226 – 3215M

Markscheme

May 2026

Economics

Higher level and standard level

Paper 2

23 pages

Notes for examiners:

1. Use the question-specific markscheme together with the markbands. Award up to the maximum marks as indicated.

2. Whenever relevant, carry over marks must be awarded. If a candidate makes an error in calculation but then uses the incorrect figure appropriately and accurately in later question parts, then the candidate may be fully rewarded. This is the "own-figure rule", and you should put OFR on the script where you are rewarding this.

3. A candidate may be penalized for not rounding correctly, failing to give answers correct to 2 dp or, in some cases, for not including the appropriate units. However, a candidate may only be penalized ONCE per script for each type of error.

1. (a) (i) Define the term *transfer payments* indicated in bold in the text (**Text C**, paragraph 4). **[2]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*Vague definition*	1
	The idea that they are payments from the government/taxes to low income/vulnerable groups. ***OR*** A payment from the government without receiving anything in return/change in GDP.	
2	*Accurate definition*	2
	An understanding that it is when the government/taxes provide money/cash/funds to low income/vulnerable groups ***AND*** Aiming to decrease poverty/inequality/improve economic well-being/redistribute income	

(ii) Define the term *balance of trade* indicated in bold in **Table 1**. **[2]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*Vague definition*	1
	The idea that it **measures** exports and imports/the spending on exports and imports/difference between export and imports ***OR*** exports – imports net exports	
2	*Accurate definition*	2
	An understanding that it measures: the value of/receipts/revenue/money from exports (of goods and services) ***minus*** the value of/expenditure/money from imports (of goods and services)/consumption of imports	

(b) (i) After the price increase for electricity in Pakistan in 2024, the quantity of electricity demanded fell by 10%. Calculate the price elasticity of demand (PED) for electricity in Pakistan (**Text C**, paragraph 3). **[2]**

Relative change in P = $\dfrac{35.5 - 29.78}{29.78}$

=0.1920752183 (accept % version, or rounded to 2dp or more)

PED = (–)10 / 19.208

PED = (–) 0.10 / 0.19

*Award **[1]** for valid working unless it has been used in an inverted formula, then it is awarded **[0]***

= (-)0.52, (-) 0.53

*Award **[1]** for the correct final answer.*

*An answer of 0.52 or -0.52 or 0.53 or -0.53 without working is sufficient for **[1]**.*
For full marks to be awarded, the response must provide valid working
*A response which only states the formula or the formula is inverted should be awarded **[0]**.*

*OFR can be applied if the first percentage change is incorrectly calculated, but correctly substituted into the elasticity formula. In this case award **[1]*** for valid use of the formula.

(ii) Using **Table 1** and **Table 2**, calculate total real GDP in Pakistan in millions of US dollars in 2022. **[2]**

1697 × 235.82

*Any valid working should be rewarded with **[1]**.*

= 400 186.54 **OR** 400.19 billion

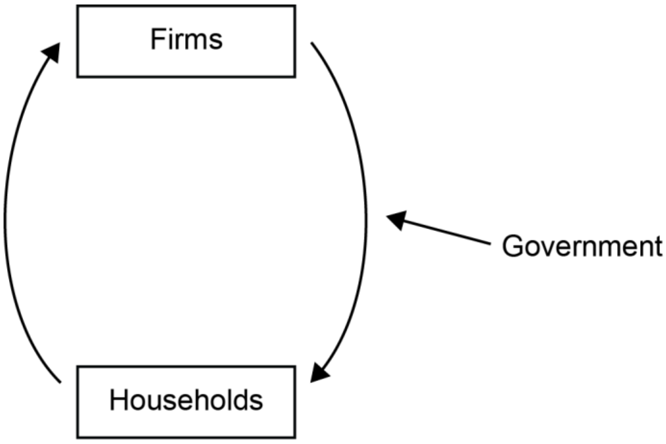
*An answer of 400 186.54 without working is sufficient for **[1]**.*
*An answer of 400 187 is sufficient for **[1].***
Other acceptable formats in thousands or standard form (**10^{11}**.)

(iii) Using **Figure 1**, identify the year in which Pakistan was in a recession. **[1]**

2020

(c) Using a circular flow of income diagram, explain how government spending in Pakistan can increase economic growth (**Text A**, paragraph 1). **[4]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram **OR** an accurate written response.*	1–2
	For a correctly labelled circular flow diagram, showing government spending as an injection ***OR*** for an explanation that government spending is an injection/adds to expenditure/aggregate demand/aggregate supply, which increases output/real GDP.	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled circular flow diagram, showing government spending as an injection ***AND*** for an explanation that government spending is an injection/adds to expenditure/aggregate demand/aggregate supply, which increases output/real GDP.	



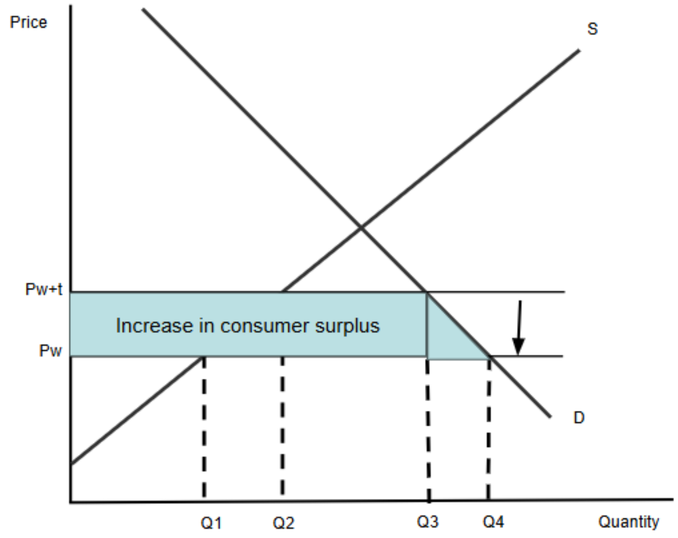
A circular flow diagram needs to include

- *household and firms sectors.*
- *two arrow flows; from households to firms and firms to households*
- *the government sector as an injection*

The government spending can be an injection into the flow from households to firms ***OR*** *into the flow from firms to households OR directly into "Firms" or into "Households". A title is not necessary.*

(d) Using an international trade diagram, explain how consumer surplus is likely to change as the result of the reduction in tariffs on imports into Pakistan (**Text A**, paragraph 2). **[4]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram* ***OR*** *an accurate written response.*	1–2
	For a correctly labelled international trade diagram, showing the world supply/price +tariff line shifting down, *and* an increase in consumer surplus (which may be annotated on the diagram or referenced in the explanation) ***OR*** for an explanation that lower tariffs lead to **lower prices/**increased quantity for consumers, which increases consumer surplus.	
2	*There is a correct diagram* ***AND*** *an accurate written response.*	3–4
	For a correctly labelled international trade diagram, showing the world supply/price +tariff line shifting down *and* an increase in consumer surplus (which may be annotated on the diagram or referenced in the explanation) ***AND*** for an explanation that lower tariffs lead to **lower prices/**increased quantity for consumers, which increases consumer surplus.	

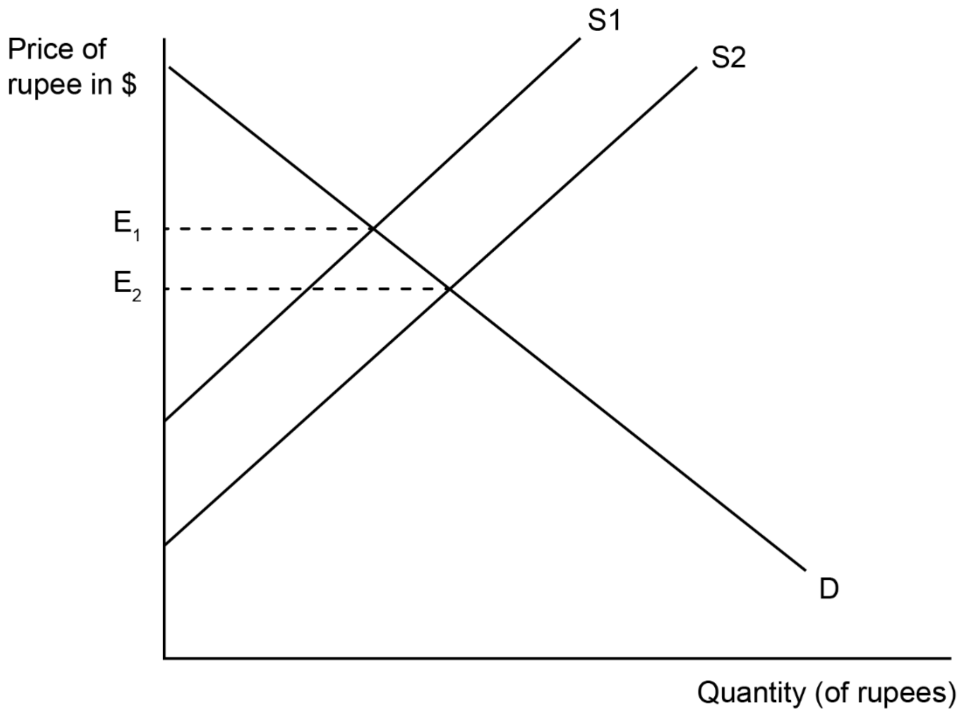


The use of P and Q on the axes is sufficient for an international trade diagram. The world price line may be labelled as S(World), Sw, Pworld, or any similar label (on either end of the line) indicating the horizontal line is the world price/supply. Domestic can be omitted on the other curves. The increase in the consumer surplus can be shown in different ways. A title is not necessary.

Alternatively, the diagram may have three horizontal price/supply lines to show the effect of the tariff, a reduced tariff, and no tariff or the diagram may have two lines labelled with t1 and t2 to distinguish different levels of tariffs. If the explanation is valid, such an approach can be fully rewarded.

(e) Using an exchange rate diagram, explain how increased imports of fossil fuels are likely to affect the exchange rate of the PKR (Pakistan's currency) (**Text C**, paragraph 1). **[4]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram* ***OR*** *an accurate written response.*	1–2
	For a correctly labelled exchange rate diagram, showing the supply curve shifting right and the exchange rate decreasing ***OR*** for an explanation that imports lead to rupees being sold (to buy other currencies to pay for the imports), which will depreciate/lower the exchange rate.	
2	*There is a correct diagram* ***AND*** *an accurate written response.*	3–4
	For a correctly labelled exchange rate diagram, showing the supply curve shifting right and the exchange rate decreasing ***AND*** for an explanation that imports lead to rupees being sold (to buy other currencies to pay for the imports), which will depreciate/lower the exchange rate.	



The vertical axis may be
- *exchange rate*
- *price/value of rupee/PKR in another currency*
- *other currency/ rupee*
- *other currency per rupee/PKR*

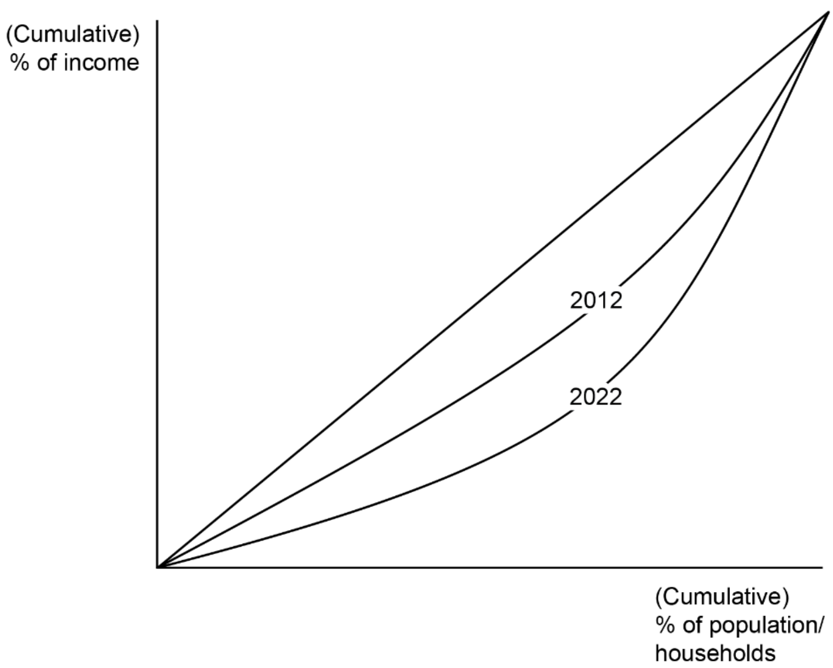
The horizontal axis may be quantity or quantity of PKR/rupee
All abbreviations are acceptable.

A title is not necessary.

(f) Using a Lorenz curve diagram, explain how the distribution of income in Pakistan changed between 2012 and 2022 (**Table 2**). **[4]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram **OR** an accurate written response.*	1–2
	For a correctly labelled Lorenz diagram, showing the curve shifting further away from the line of perfect equality ***OR*** for an explanation that a higher Gini coefficient/Gini coefficient has changed from 0.295 to 0.307, which indicates a more unequal distribution of income.	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled Lorenz diagram, showing the curve shifting further away from the line of perfect equality ***AND*** for an explanation that a higher Gini coefficient/Gini coefficient has changed from 0.295 to 0.307, which indicates a more unequal distribution of income.	

*Candidates who incorrectly label diagrams can be awarded a maximum of **[3].***



For the vertical axis, the label may be cumulative percentage of income ***OR*** *percentage (%) of income (GDP and GNI are valid alternatives to income, but wealth is not acceptable). For the horizontal axis, the label may be cumulative percentage of population/households or percentage of population/households. All abbreviations are acceptable. The diagonal line need not be labelled. A title is not necessary.*

(g) Using information from the text/data and your knowledge of economics, discuss whether Pakistan is making effective progress towards providing affordable and reliable energy for all, in a way that is sustainable (Sustainable Development Goal #7). **[15]**

Command term
"Discuss" requires candidates to offer a considered and balanced review that includes a range of arguments, factors or hypotheses. Opinions or conclusions should be presented clearly and supported by appropriate evidence.

Terminology/definitions ***may*** *include:*
- sustainable development
- external costs/external benefits
- elasticities

Economic models to support analysis ***may*** *include:*
- an externalities diagram
- a subsidy (for energy) diagram
- an indirect tax diagram (to show effect of a carbon tax)
- a poverty cycle diagram (to show effect of higher energy prices etc)
- an AD/AS diagram (to show effect of increased investment in energy)
- a PPC diagram

N.B. *It should be noted that diagrams that have already been given in answers to parts (c), (d), (e) or (f), and then referred to in part (g), should be rewarded.*

*Answers **may** include:*

*Ways in which progress towards the SDG **is** being achieved in way that is sustainable*	*Ways in which progress is **not** being achieved in way that is sustainable*
Population with access to electricity and clean fuel is rising (**Table 2**)	Renewable energy share falling and GHG emissions rising leading to climate change impacts (**Text A**, paragraph 5; **Table 2**)
"Pakistan has committed to lowering GHG emissions by 15% by 2030" (**Text A**, paragraph 6).	Increased population and urbanization lead to more demand for energy (Text B; **Table 2**)
Projects for cleaner energy being financed by World Bank (**Text A**, paragraph 3)	Lack of tax revenue and budget deficit make it difficult for government to finance energy projects (**Text A**, paragraph 3; **Table 1**)
Investment in energy projects raises real GDP and provides positive externalities (**Text A**, paragraph 3)	Consumption of energy can also have negative externalities (**Text B**)
If renewables and hydropower are used more, there will be less need for imports of fossil fuels which will help balance of trade and exchange rate (**Text A**, paragraph 2; **Table 1**)	Imports of technology and fuels for energy becoming more expensive as the rupee has depreciated. And they lead to a widening balance of trade deficit. High prices of energy possibly causing high rate of inflation (and vice-versa) (**Text A**, paragraph 2; **Text C**; **Table 1**)
Government is providing subsidies for energy (**Text A**, paragraph 4)	Subsidies for energy may be regressive (help high income-earners relatively more) and they strain government finances (**Text A**, paragraph 4).
Energy needed for development and can have positive consumption externalities (**Text C**)	Some households lack access to electricity/clean cooking fuel (**Text C,** paragraph 1; Table 2)
A carbon tax is recommended to reduce demand for non-clean energy and to provide more government funds (**Text C**, paragraph 2)	A carbon tax can be regressive (**Text C**, paragraph 4)
Price rises can reduce demand for non-clean energy (**Text C**, paragraph 3)	Demand for energy is price-inelastic. Therefore, price rises lead to higher costs for households, particularly low-income households who spend a larger proportion of their income on energy (**Text C**, paragraph 3)

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

Marks	Level descriptor
0	• The work does not meet a standard described by the descriptors below.
1 -3	• The response indicates little understanding of the specific demands of the question. • Economic theory is stated but it is not relevant. • Economic terms are stated but they are not relevant *or* are used incorrectly • The response contains no evidence of synthesis or evaluation. • The response contains no use of text/data *or* it is merely copied.
4-6	• The response indicates some understanding of the specific demands of the question. • Relevant economic theory is described. • Some relevant economic terms are included. • The response contains evidence of relevant but superficial synthesis or evaluation. • The response contains limited use of text/data.
7-9	• The response indicates understanding of the specific demands of the question, but these demands are only partially addressed. • Relevant economic theory is partly explained. • Some relevant economic terms are used appropriately. • Where appropriate, relevant diagram(s) are included. • The response contains evidence of appropriate synthesis or evaluation but lacks balance. • The response includes some relevant information from the text/data.
10-12	• The specific demands of the question are understood and addressed. • Relevant economic theory is explained. • Relevant economic terms are used appropriately. • Where appropriate, relevant diagram(s) are included and explained. • The response contains evidence of appropriate synthesis or evaluation that is mostly balanced. • The use of information from the text/data is generally appropriate, relevant, and applied correctly.
13-15	• The specific demands of the question are thoroughly understood and addressed. • Relevant economic theory is fully explained. • Relevant economic terms are used appropriately throughout the response. • Where appropriate, relevant diagram(s) are included and fully explained. • The response contains evidence of effective and balanced synthesis or evaluation. • The use of information from the text/data is appropriate, relevant, and is used to formulate a reasoned argument supported by analysis/evaluation.

2. (a) (i) Define the term *floating exchange rate* indicated in bold in the text (**Text D**, paragraph 2). **[2]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*Vague definition*	1
	The idea that it is a currency/exchange rate that fluctuates/changes/no intervention	
2	*Accurate definition*	2
	An understanding that it is an exchange rate that is determined by market forces/demand and supply (without intervention).	

(ii) Define the term *foreign direct investment (FDI)* indicated in bold in the text (**Text D**, paragraph 6). **[2]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*Vague definition*	1
	The idea that it is: **one** of the following: • long-term investment in another country • investment by a firm in business operations/development/multinational corporation (MNC) abroad/overseas • investment in another country representing at least 10% ownership • investment in productive facilities (fixed/physical capital) in another country.	
2	*Accurate definition*	2
	An understanding that it is: **two** of the following: • long-term investment in another country • investment by a multinational corporation (MNC) abroad/overseas • investment in another country representing at least 10% ownership • investment in productive facilities (fixed/physical capital) in another country.	

(b) (i) Using information from **Table 5**, calculate the change in Brazil's unemployment in millions between 2018 and 2020. **[2]**

$0.123 \times 106 = 13.038/13.04$

$0.137 \times 102 = 13.974$ million

$13.974/13.97 - 13.038/13.04$

*Award **[1]** for valid working*

= **0.936, 0.94 , 0.93**

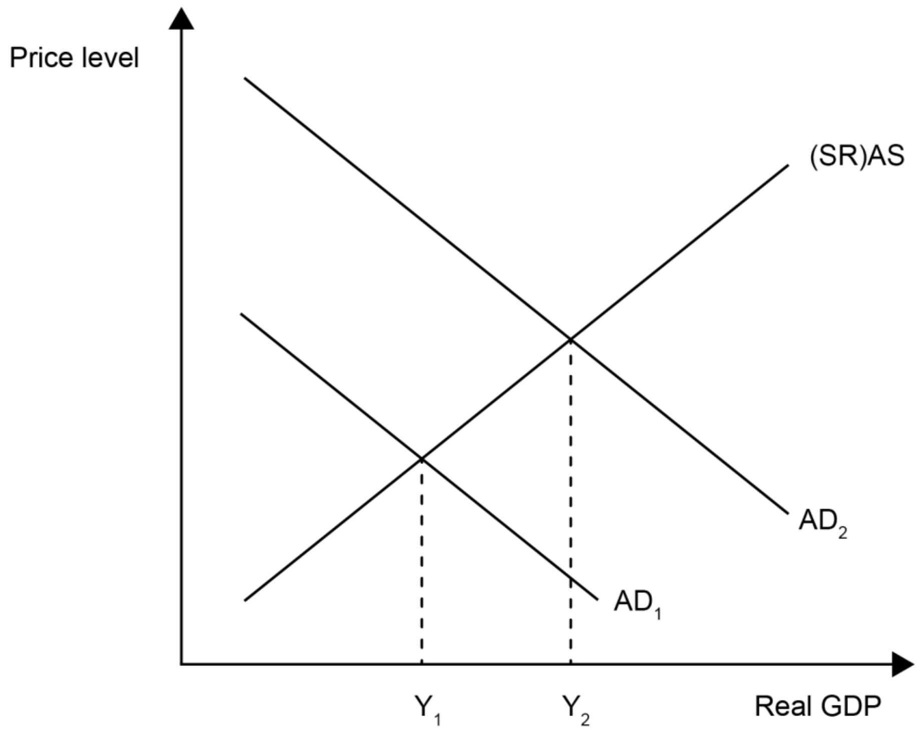
*Award **[1]** for the correct final answer.*

OFR maximum of [1]

(ii) Using information from **Table 3**, identify whether the purchasing power of consumers in Brazil increased **OR** decreased **OR** was constant in 2012. **[1]**

Decreased ***[1]***

(iii) Using information from **Table 3**, sketch an AD/AS diagram to show how real GDP changed in Brazil during 2022. **[2]**

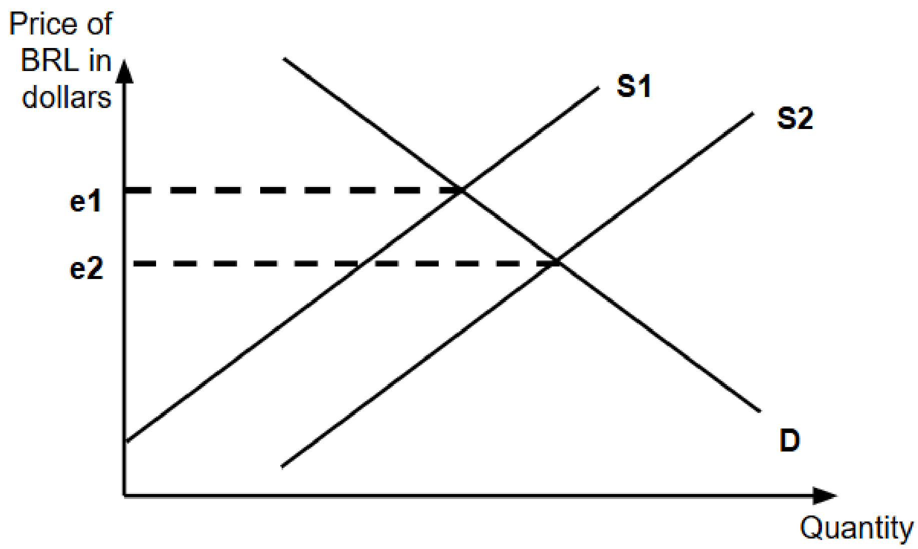


The vertical axis may also be labelled GPL, APL or PL. The horizontal axis may also be labelled real output, real national output, real income, real national income, or real Y. A title is not required. A Keynesian AS diagram is acceptable.

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	For sketching an AD/AS diagram that shows the AD increasing but there are some incorrect/missing labels/projections.	1
2	For sketching a correctly labelled AD/AS diagram that shows the AD increasing	2

(c) Using an exchange rate diagram, explain how the prices of imports into Brazil were affected by the Central Bank of Brazil's intervention in the foreign exchange market (**Text D**, paragraph 2). **[4]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram **OR** an accurate written response.*	1–2
	For a correctly labelled exchange rate diagram, showing supply shifting right and the exchange rate falling ***OR*** for an explanation that the Bank of Brazil intervention (selling BRL) lowers/depreciates the exchange rate, which increases import prices	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled exchange rate diagram, showing supply shifting right and the exchange rate falling ***AND*** for an explanation that the Bank of Brazil intervention (selling BRL) lowers/depreciates the exchange rate, which increases import prices	



The vertical axis may be

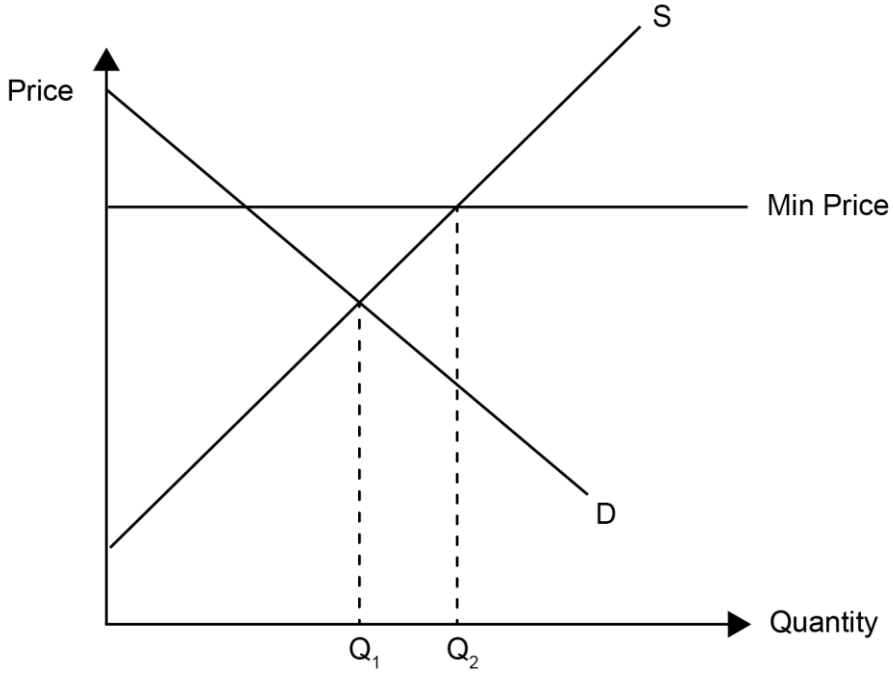
- *exchange rate*
- *price/value of BRL in another currency*
- *other currency/ BRL or other currency per BRL*

The horizontal axis may be quantity or quantity of BRL. All abbreviations are acceptable. A title is not necessary.

VAM – students may respond using the market for another currency in terms of BRL. This can be fully awarded if explained correctly.

(d) Using a demand and supply diagram, explain how minimum prices may lead to lower unemployment in Brazil's agricultural sector (**Text D**, paragraph 7). **[4]**

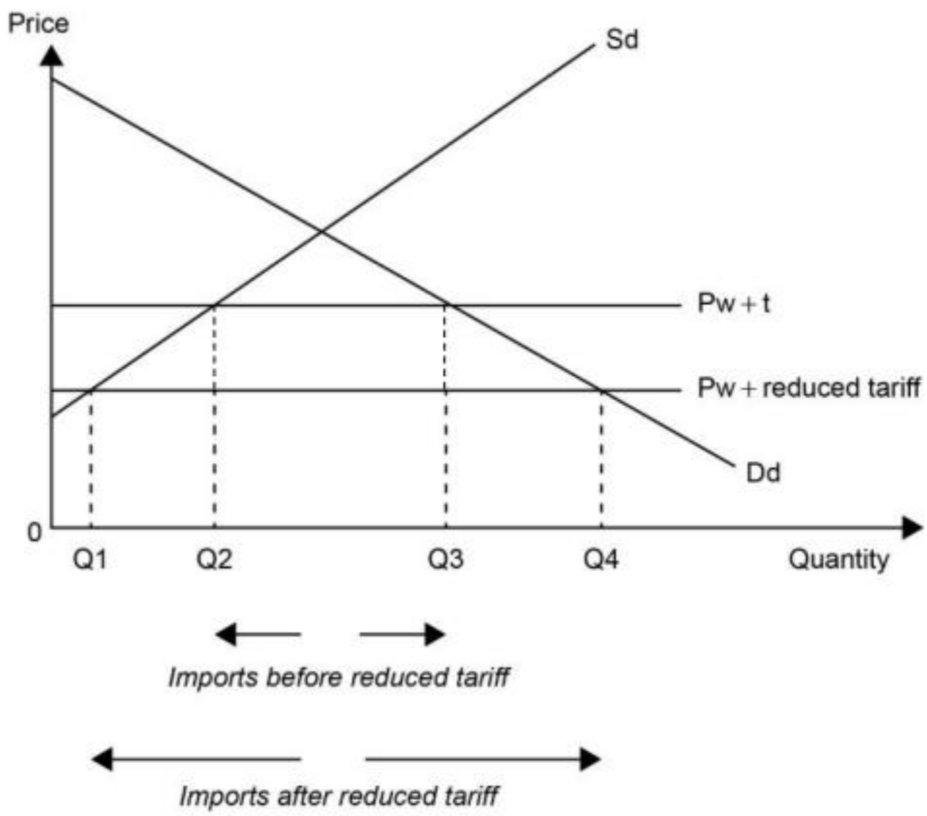
Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram **OR** an accurate written response.*	1–2
	For a correctly labelled demand and supply diagram, showing a minimum price and an increase in quantity supplied **OR** for an explanation that producers can increase quantity (supplied)/income/revenue as government purchases the excess/surplus, which will then allow producers to employ more workers.	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled demand and supply diagram, showing a minimum price and an increase in quantity supplied ***AND*** for an explanation that producers can increase quantity (supplied)/income/revenue as government purchases the excess/surplus, which will then allow producers to employ more workers.	



"Min Price" can also be shown on the vertical axis. The axes may be labelled "P" and "Q". A title is not required.

(e) Using an international trade diagram, explain the likely effect of the reduction in Mercosur's external tariff on imports into Brazil (**Text E**, paragraph 2). **[4]**

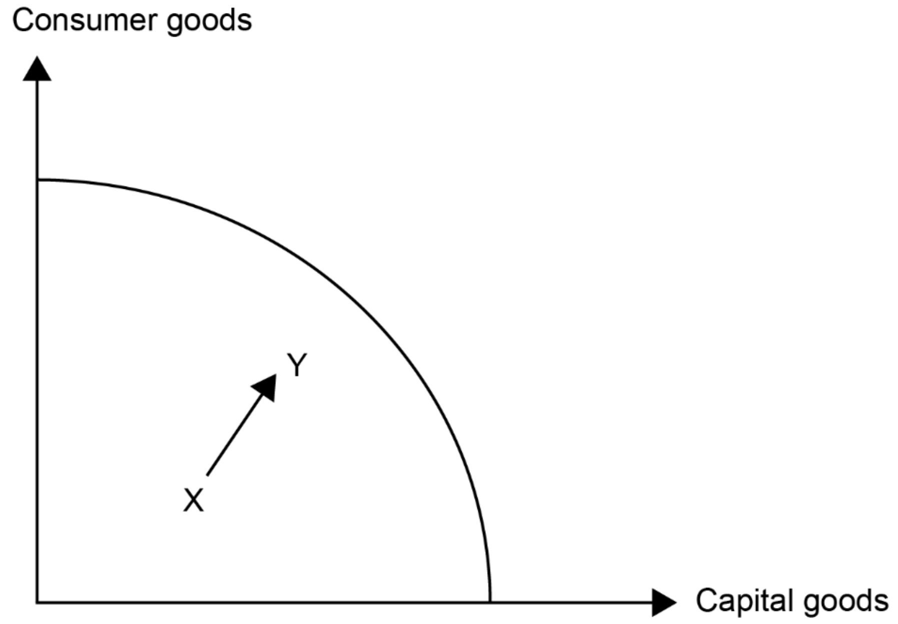
Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram* ***OR*** *an accurate written response.*	1–2
	For a correctly labelled international trade diagram, showing the world supply/price +tariff line shifting down *and* an increase in imports (which may be annotated on the diagram or referenced in the explanation) ***OR*** for an explanation that the price of imports will decrease, resulting in an increase in the quantity demanded/ decrease in domestic quantity supplied, which leads to an increase in imports.	
2	*There is a correct diagram* ***AND*** *an accurate written response.*	3–4
	For a correctly labelled international trade diagram, showing the world supply/price +tariff line shifting down *and* an increase in imports (which may be annotated on the diagram or referenced in the explanation) ***AND*** for an explanation that the price of imports will decrease, resulting in an increase in the quantity demanded/ decrease in domestic quantity supplied, which leads to an increase in imports.	



The axes may be labelled "P" and "Q". A title is not required.
*Candidates must **EITHER** explicitly show imports increasing from Q2-Q3 to Q1-Q4 in the diagram, **OR** state it in the explanation. There must **EITHER** be reference to the price/tariff decrease in the diagram.*

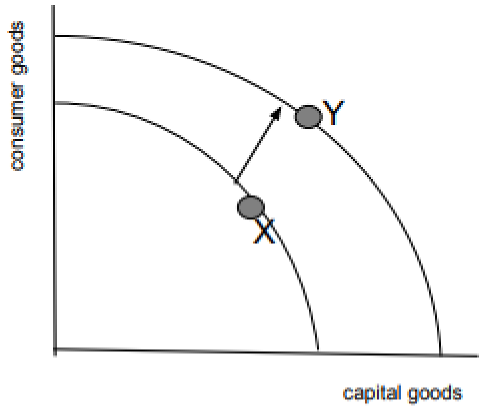
(f) Using a production possibilities curve (PPC) diagram, explain how a successful trade deal with the European Union (EU) might increase the employment of resources in Brazil (**Text E**, paragraph 4). **[4]**

Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram **OR** an accurate written response.*	1–2
	For a correctly labelled production possibilities curve diagram showing a movement toward the PPC (or a movement to the PPC) ***OR*** for an explanation that a successful trade deal with the EU should increase exports/aggregate demand/(SR)aggregate supply, which results in increase in output/quantity/production/closer to potential output/real GDP/economic growth.	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled production possibilities curve diagram showing a movement toward the PPC (or a movement to the PPC) ***AND*** for an explanation that a successful trade deal with the EU should increase exports/aggregate demand/(SR)aggregate supply, which results in increase in output/quantity/production/closer to potential output/real GDP/economic growth.	



The axes can be labelled Good X and Good Y (simply X and Y is not acceptable) or other appropriate labels. A movement from a point inside the PPC to a point on the PPC should also be rewarded. A title is not required.

A shift outwards may be accepted only if the explanation clearly links the trade deal to increased output because of access to quantity/quality of resources or investment should be shown on the diagram (X to Y below).



(g) Using information from the text/data and your knowledge of economics, discuss the likely consequences of the depreciation of the BRL (Brazil's currency) on Brazil's economic growth and level of unemployment. **[15]**

Command term

"Discuss" requires candidates to offer a considered and balanced review that includes a range of arguments, factors or hypotheses. Opinions or conclusions should be presented clearly and supported by appropriate evidence.

Answers ***may*** *include:*
- terminology: depreciation, economic growth, and unemployment
- a poverty cycle diagram (for example, linked to economic growth)
- a Lorenz curve diagram to show reduced income inequality (linked to economic growth)

NB diagrams that have already been given in answers to parts (c), (d), (e) or (f), and then referred to in part (g), should be rewarded.

Although the likely effects of depreciation on economic growth and unemployment have been separated in the following, mark scheme, students might well combine the two.

Consequences of depreciation for economic growth:

Positive consequences	Negative consequences
• Increases the price of imports (in terms of BRL) and decreases the price of exports (in terms of foreign currencies), which will probably increase net exports, causing AD to increase and promoting growth of real GDP (**Table 3**) • Depreciation has possibly encouraged FDI (**Text D**, paragraph 6) due to the incentive of more competitive exports. If FDI increases productivity, this may eventually lower inflation • The development of the automobile parts sector and encouragement of FDI have meant less reliance on imported components (**Text D**, paragraph 6) • The improvement in development indicators (absolute poverty has fallen and HDI has risen) imply that there has been growth (**Table 4**)	• About 90% of Brazil's imports are manufactured goods, for example, machinery and tractors (**Text D**, paragraph 1) higher prices for these goods could restrict economic growth • Brazilian sugar cane farmers have been negatively affected due to input costs (**Text D**, paragraph 5) • Depreciation has encouraged dependency on foreign demand (**Text D**, paragraph 4) – this could harm economic growth if world prices of agricultural/primary goods fall, or if recessions occur in countries such as China, a major trading partner **Text D**, paragraph 1) • The large current account deficit in 2022 (**Text D**, paragraph 2) indicates likely negative effects of depreciation on economic growth due to rising import prices • **Text D**, paragraph 6 indicates that Brazil has been able to partly shield itself from higher prices caused by depreciation-however, it might be necessary to import some auto-parts from specialist companies abroad, and this will result in leakages from the circular flow of income, negatively affecting economic growth • Brazil, as a member country of Mercosur, has not been able to reach a deal with the EU-there are tariffs on about 90% of Mercosur's exports to the EU- this limits the effects of depreciation on Brazil's economic growth Text E • The rate of inflation was 9.3% in 2022 (**Table 3**) in the same year as the Central Bank of Brazil intervened in the foreign exchange market to sell its own currency-it is likely that cost-push inflation was the consequence, which reduces economic growth

	• Increased soybean production may lead to deforestation and negative externalities, which could damage long-term sustainable growth.(**Text D**, paragraph 4)

Consequences of depreciation for unemployment:

Positive consequences	Negative consequences
• Lower export prices for overseas purchasers should encourage employment in Brazil, reducing unemployment • The expansion of agricultural output (**Text D**, paragraph 3) suggests a favourable impact on unemployment-AD is increased, and this could help to reduce demand-deficient unemployment, and structural unemployment if new skills are acquired • service industries are growing-they employed 70% of the workforce in 2021 (**Text D**, paragraph 7), suggesting a move toward high income status as opposed to being an upper-middle income country (**Text D**, paragraph 1) – this could be linked to the positive effects of depreciation on the economy, through economic growth	• Overall employment in agriculture and industry has been falling (**Text D**, paragraph 7), and **Table 3** shows that unemployment was 9.2% in 2022- references to **Table 5** also indicate high unemployment • economic growth has not been strong enough to absorb new entrants to the labour force • The Brazilian government's attempts to encourage employment in the agricultural sector (**Text D**, paragraph 7) through minimum prices also suggest limited effects of depreciation on unemployment • Depreciation has not necessarily helped employment in the automobile industry, as automation has contributed to structural unemployment (**Text D**, paragraph 6)

Marks	Level descriptor
0	• The work does not meet a standard described by the descriptors below.
1–3	• The response indicates little understanding of the specific demands of the question. • Economic theory is stated but it is not relevant. • Economic terms are stated but they are not relevant or are used incorrectly. • The response contains no evidence of synthesis or evaluation. • The response contains no use of text/data or it is merely copied.
4–6	• The response indicates some understanding of the specific demands of the question. • Relevant economic theory is described. • Some relevant economic terms are included. • The response contains evidence of relevant but superficial synthesis or evaluation. • The response contains limited use of text/data.
7–9	• The response indicates understanding of the specific demands of the question, but these demands are only partially addressed. • Relevant economic theory is partly explained. • Some relevant economic terms are used appropriately. • Where appropriate, relevant diagram(s) are included. • The response contains evidence of appropriate synthesis or evaluation but lacks balance. • The response includes some relevant information from the text/data.
10–12	• The specific demands of the question are understood and addressed. • Relevant economic theory is explained. • Relevant economic terms are used appropriately. • Where appropriate, relevant diagram(s) are included and explained. • The response contains evidence of appropriate synthesis or evaluation that is mostly balanced. • The use of information from the text/data is generally appropriate, relevant, and applied correctly.
13–15	• The specific demands of the question are thoroughly understood and addressed. • Relevant economic theory is fully explained. • Relevant economic terms are used appropriately throughout the response. • Where appropriate, relevant diagram(s) are included and fully explained. • The response contains evidence of effective and balanced synthesis or evaluation. • The use of information from the text/data is appropriate, relevant, and is used to formulate a reasoned argument supported by analysis/evaluation.

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