2226 – 3219M

Diploma Programme
Programme du diplôme
Programa del Diploma

Markscheme

May 2026

Economics

Higher level and standard level

Paper 2

24 pages

International Baccalaureate®
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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 or within the question, 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 *current account deficit* indicated in bold in the text (**Text A**, 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 when imports are greater than exports (net exports are negative) ***OR*** inflow of funds/credits are less than outflow of funds/debits	
2	*Accurate definition*	2
	An understanding that it is when the sum of net exports (of goods and services) plus net income plus net current transfers is negative	

(ii) Define the term *minimum price* indicated in bold in the text (**Text C**, 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 the price (**one** of the following): • imposed/decided/set by the government or some authority • below which producers/sellers may not charge • set above the market equilibrium price	
2	*Accurate definition*	2
	An understanding that it is the price (any **two** of the following): • imposed/decided/set by the government or some authority • below which producers/sellers may not charge • set above the market equilibrium price	

(b) (i) After the rise in the minimum price in Pakistan in 2023, the quantity of sugar produced increased by 3%. Calculate the price elasticity of supply (PES) for sugar (**Text C**, paragraph 2). **[2]**

Relative change in P = $\frac{10 - 7.5}{7.5}$
= 33.33% **OR** 0.33...

PES = $\frac{3}{33.33}$ **OR** PES = $\frac{0.03}{0.33}$
= 0.09 **[1]**

*An answer of 0.09 without working is sufficient for **[1]**.*

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

*Any valid working (e.g. percentage change in price, correct use of the PES formula) is sufficient for **[1]**, provided the formula is not inverted.*

(ii) Using **Table 1**, calculate the value of PKR 9000 in US dollars in 2022. **[2]**

9000 (rupees) = 9000/204.87 (USD) **[1]**

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

= 43.93 **[1]**

*An answer of 43.93 without working is sufficient for **[1]**.*

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

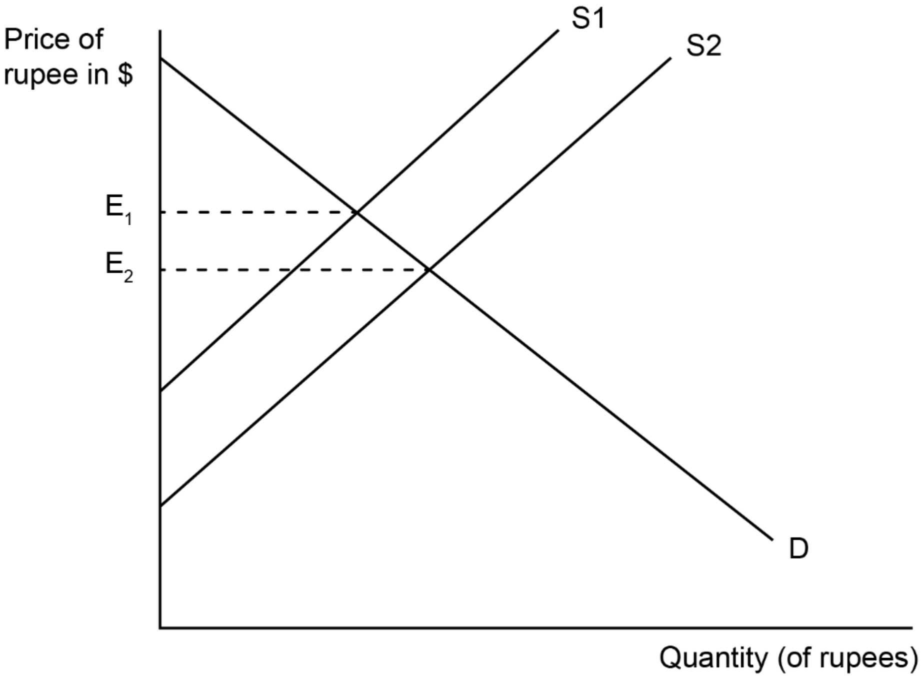
2021 **OR** 2020 – 2021 **OR** 2020

(c) Using an exchange rate diagram, explain why inflation might cause the value of the PKR (Pakistan's currency) to depreciate (**Text A**, paragraph 2). **[4]**

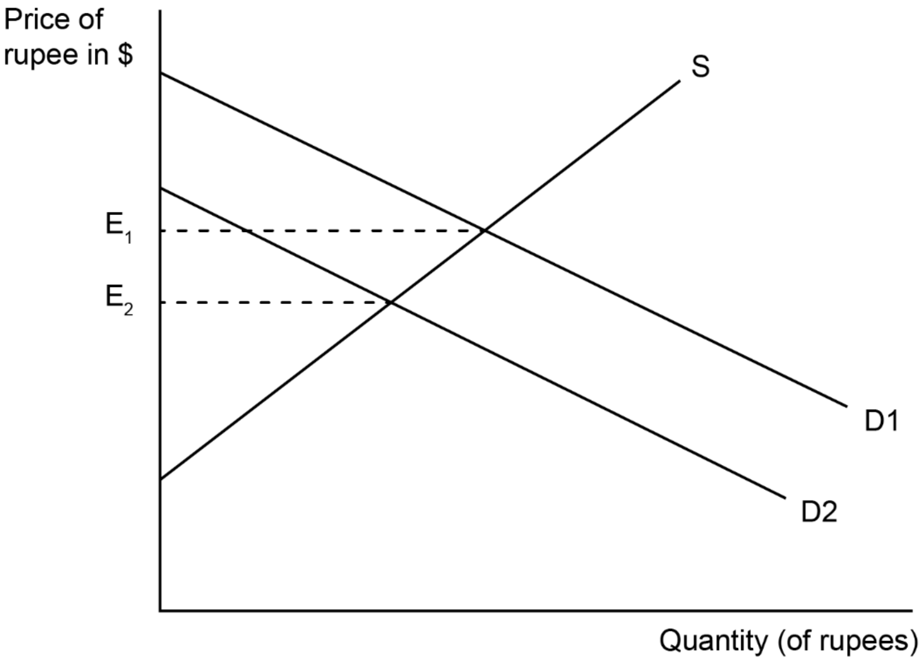
Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram* ***OR*** *an accurate written response.*	1–2
	For a correctly labelled exchange rate diagram, showing the supply curve moving right (OR the demand curve moving left) and the exchange rate decreasing ***OR*** for an explanation that inflation will (**either** of the following): • make imports relatively cheaper, (increasing demand for imports and therefore) leading to rupees being sold (to buy other currencies to pay for the imports) • make exports relatively more expensive, (reducing demand for exports and therefore) leading to less rupees purchased/demanded (to pay for the exports) • result in capital flight leading to rupees being sold (to buy other/more stable currencies).	
2	*There is a correct diagram* ***AND*** *an accurate written response.*	3–4
	For a correctly labelled exchange rate diagram, showing the supply curve moving right (OR the demand curve moving left) and the exchange rate decreasing ***AND*** for an explanation that inflation will (**either** of the following): • make imports relatively cheaper, (increasing demand for imports and therefore) leading to rupees being sold (to buy other currencies to pay for the imports) • make exports relatively more expensive, (reducing demand for exports and therefore) leading to less rupees purchased/demanded (to pay for the exports) • result in capital flight leading to rupees being sold (to buy other/more stable currencies).	

If the diagram does not match the explanation (but each considered separately is correct), then there is a maximum of ***[2].***

EITHER



OR



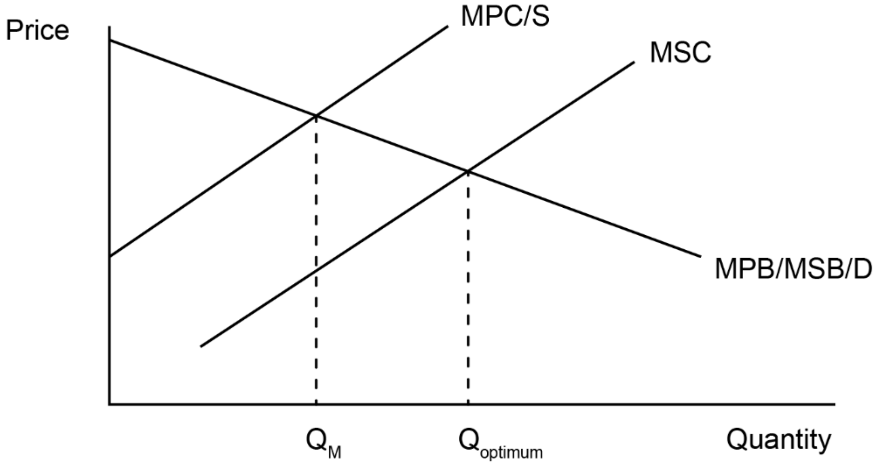
The vertical axis may be labelled:

- *exchange rate*
- *price/value of rupee (PKR) in another currency*
- *other currency/rupee (PKR)*
- *other currency per rupee (PKR)*

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

(d) Using an externalities diagram, explain why the quantity of electricity generated from the hydropower project is below the socially optimum output due to the additional infrastructure created (**Text A**, paragraph 3). **[4]**

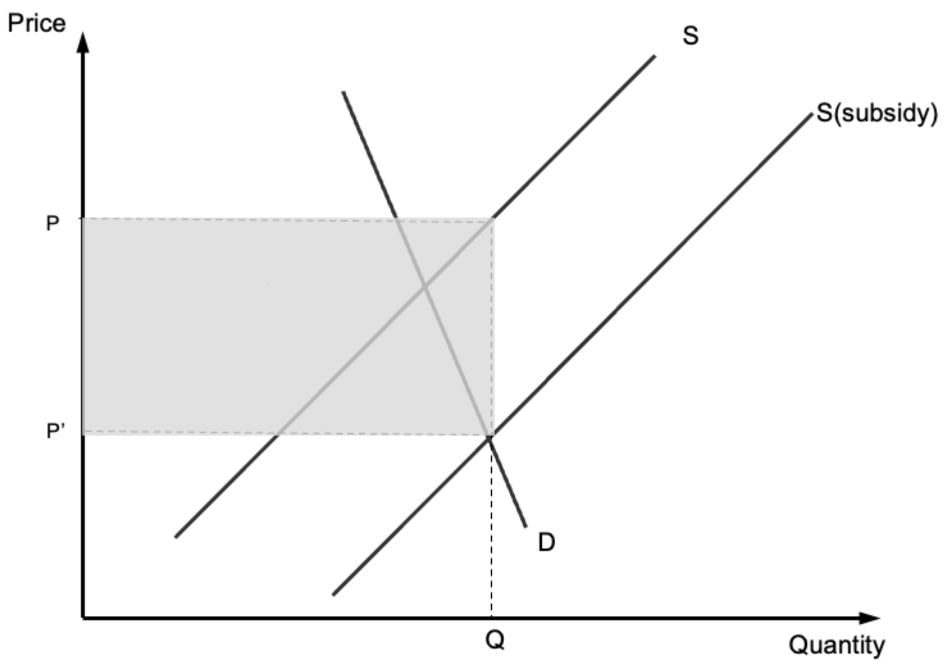
Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram* ***OR*** *an accurate written response.*	1–2
	For a correctly labelled externalities diagram, showing the MSC curve below the S/MPC curve and the market output below the optimum output ***OR*** for an explanation that the project provides positive externalities/external benefits (of production) resulting in (**either** of the following): • any explanation of a relevant external benefit (e.g. greater access to education/healthcare/merit goods) • MSB>MSC • in a welfare loss (potential welfare gain).	
2	*There is a correct diagram* ***AND*** *an accurate written response.*	3–4
	For a correctly labelled externalities diagram, showing the MSC curve below the S/MPC curve and the market output below the optimum output ***AND*** for an explanation that the project provides positive externalities/external benefits (of production) resulting in (**either** of the following): • any explanation of a relevant external benefit (*e.g.* greater access to education/healthcare/merit goods) • MSB>MSC • in a welfare loss (potential welfare gain).	



The vertical axis may be labelled price or P and/or costs and/or benefits. The horizontal axis may be quantity or Q. The supply curve can be labelled S and/or MPC. The demand curve can be labelled D and/or MPB and/or MSB. The welfare loss/potential welfare gain is not required. A title is not necessary.

(e) Using a demand and supply diagram, explain how a subsidy for energy production increases government spending in Pakistan (**Text A**, paragraph 4). **[4]**

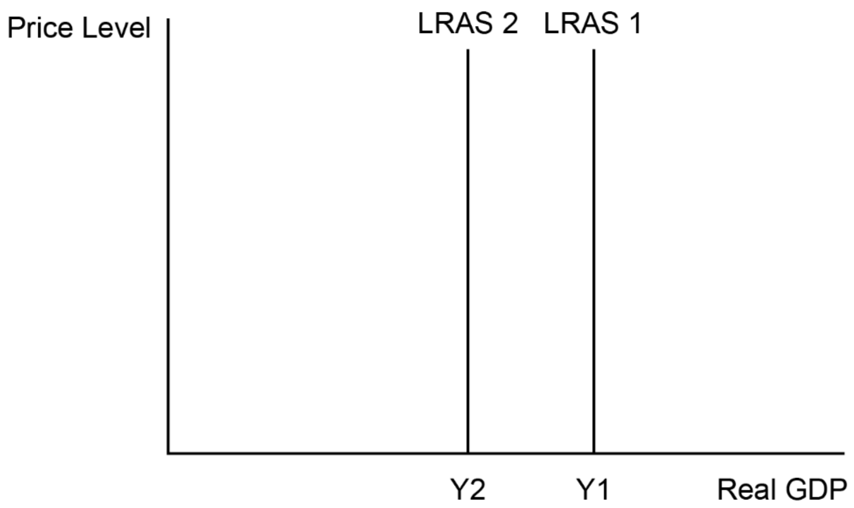
Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram **OR** an accurate written response.*	1–2
	For a correctly labelled demand and supply diagram, showing the supply curve shifting right and indicating the area of the subsidy (which may be delineated in the explanation instead of being shaded/annotated on the diagram) ***OR*** for an explanation that the government is (**both** of the following): • paying producers an amount per unit of output • absorbing part of the (producers') cost of production.	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled demand and supply diagram, showing the supply curve shifting right and indicating the area of the subsidy (which may be delineated in the explanation instead of being shaded/annotated on the diagram) ***AND*** for an explanation that the government is (**both** of the following): • paying producers an amount per unit of output • absorbing part of the (producers') cost of production.	



The vertical axis may be price or P. The horizontal axis may be quantity or Q. Candidates may indicate the cost of the subsidy with shaded areas or numbers/letters in the diagram (eg 'area ABCD'). A title is not necessary.

(f) Using an AD/AS diagram, explain the likely effect of air pollution on Pakistan's potential (full employment) output. (**Text B**). **[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 AD/AS diagram, showing the LRAS shifting left and a reduction in potential output ***OR*** for an explanation that air pollution reduces the quality/quantity of factors of production (labour)/(labour) productivity/efficiency, which decreases (**one** of the following): • potential output • full employment level of output.	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled AD/AS diagram, showing the LRAS shifting left and a reduction in potential output ***AND*** for an explanation that air pollution reduces the quality/quantity of factors of production (labour)/(labour) productivity/efficiency, which decreases (**one** of the following): • potential output • full employment level of output.	



For an AD/AS diagram, the vertical axis may be Average (General) Price Level or Price Level or CPI. The horizontal axis may be real output, real national output, real income, real national income, real GDP or real Y. All abbreviations are acceptable. Keynesian AS curves are acceptable. 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 achieving zero hunger while promoting sustainable agriculture (Sustainable Development Goal #2). **[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/sustainability
- external costs/external benefits
- elasticities

*Economic models to support analysis **may** include:*
- an externalities diagram
- a tariff diagram (tariffs on food imports raise prices for consumers)
- a minimum price diagram
- a subsidy diagram
- a poverty cycle diagram (to show effect of higher food prices)
- an AD/AS diagram and/or PPC diagram
- a Lorenz curve diagram
- an Engel curve 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:*

*Reasons why there **is** progress towards zero hunger and sustainable use of land*	*Reasons why progress towards zero hunger and sustainable use of land may **not** be achieved*
Absolute poverty has fallen and more jobs are available outside agriculture (less insecure employment), increasing the ability to purchase food (**Text A**, paragraph 1).	Around 20% of the population lacks sufficient food (**Text A**, paragraph 1) and food insecurity rose from 15% to 19% between 2012 and 2022 (**Table 2);** food prices continue to rise along with inflation, reducing real incomes and food affordability and (**Text A**, paragraph 1; **Table 1; Figure 1**).
Tariffs (including those on food) have been reduced (**Text A**, paragraph 2) potentially lowering food prices.	High import tariffs on some food products remain as high as 150%(**Text A**, paragraph 2), which may create inefficiencies and reduce access to food and deter local producers from investing in more productive methods.

Agricultural subsidies may reduce prices and increase food production (**Text A**, paragraph 4).	These subsidies are large and thus may result in complacency amongst food producers. Some subsidies mainly support large-scale farmers while small-scale farmers receive limited assistance, worsening inequality and food insecurity (**Text A**, paragraph 4).
Pakistan has committed to reducing emissions by 2030 (**Text A**, paragraph 5), while the construction of the hydropower dam provides cleaner energy (**Text A**, paragraph 3), which may support more sustainable agricultural production and land use in the long run.	Climate change causes floods, droughts and destruction of crops and livestock, increasing prices and shortages of food (**Text A**, paragraph 5); excessive grazing, overuse of fertilisers/pesticides and deforestation damage land resources and reduce sustainability (**Text B**; **Table 2**).
Fewer workers in farming may increase productivity per remaining farmer and reduce environmental degradation (**Text B**).	Farm output may fall with fewer farmers, limiting improvements in food security. Agricultural employment remains insecure (**Text A**, paragraph 1; **Text B**; **Text C**, paragraph 1).
Wheat yields increased from 2.86 to 3.41 tonnes per hectare, suggesting improved agricultural productivity and food supply (**Table 2**).	Higher inflation (**Table 1**, **Figure 1**) may offset the benefits of higher agricultural yields.
Exports of agricultural goods increase foreign exchange earnings and contribute to GDP, supporting economic development (**Text C**, paragraph 1).	Part of agricultural output is exported, reducing the quantity of food available domestically (**Text C**, paragraph 1).
Government support for sugar farmers through minimum prices may stabilise farm incomes and encourage food production (**Text C**, paragraph 2).	Competition in processing agricultural output (*e.g.* sugar mills) is lacking leading to higher prices (**Text C**, paragraph 2); The production of sugar contributes to the unsustainable land use (**Text C**, paragraph 2).
The rise in food insecurity may partly reflect temporary climate shocks (**Text A**, paragraph 5).	Food insecurity/undernourishment have increased since 2012 (**Table 2**); Population growth increases pressure on food supplies, water and land resources (**Table 2**).

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 *primary sector* indicated in bold in the text (**Text D**, 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 it is land/primary products/commodities/natural resources.	
2	*Accurate definition*	2
	An understanding that it is the extraction/production of land/natural resources/primary products/commodities (derived from the factor of production land).	

(ii) Define the term *inflation* indicated in bold in the text (**Text D**, paragraph 5). **[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 rising prices.	
2	*Accurate definition*	2
	An understanding that it is a persistent/sustained rise in the (average/general) price level.	

(b) (i) Using information from **Table 5**, calculate the change in Brazil's real GDP (USD) in millions between 2014 and 2020. **[2]**

12 071 × 203.46 = 2 455 965.66

6923 × 213.2 = 1 475 983.6 **[1]**

1 475 983.6 − 2 455 965.66 = (−)979 982.06 **[1]**

Candidates may instead calculate the relative change in real GDP as (-)39.90% or (-)39.9%. This approach may be fully rewarded.

*Any valid working (calculation of either of the real GDP values) is sufficient for **[1]**.*

*An answer of (–)979 982.06 or (–)39.9(0)% without working is sufficient for **[1]**.*

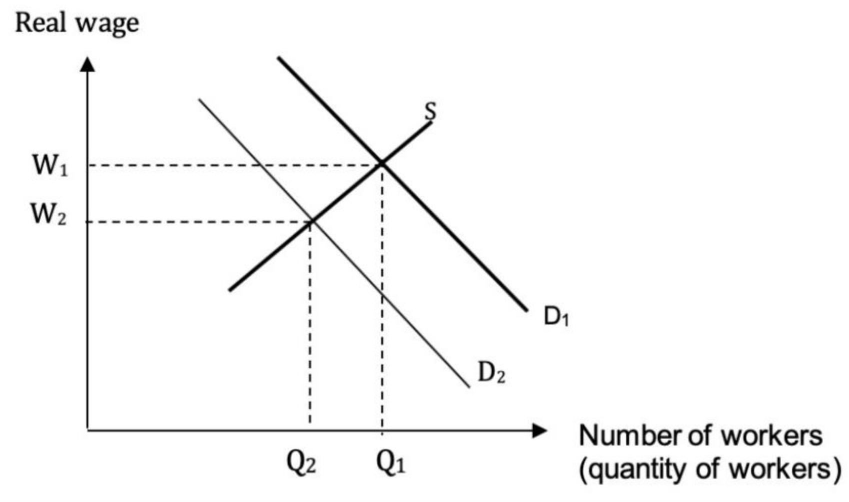
To be awarded full marks, the response must include valid working and the final answer.

(ii) Using information from **Table 3**, identify whether the BRL (Brazil's currency) has appreciated **OR** depreciated **OR** was constant against the US dollar between 2012 and 2022. **[1]**

*Depreciated **[1]***

(iii) Using information from the text (**Text D,** paragraph 6), sketch a labour market diagram to show the effect of automation on employment in the automobile industry. **[2]**

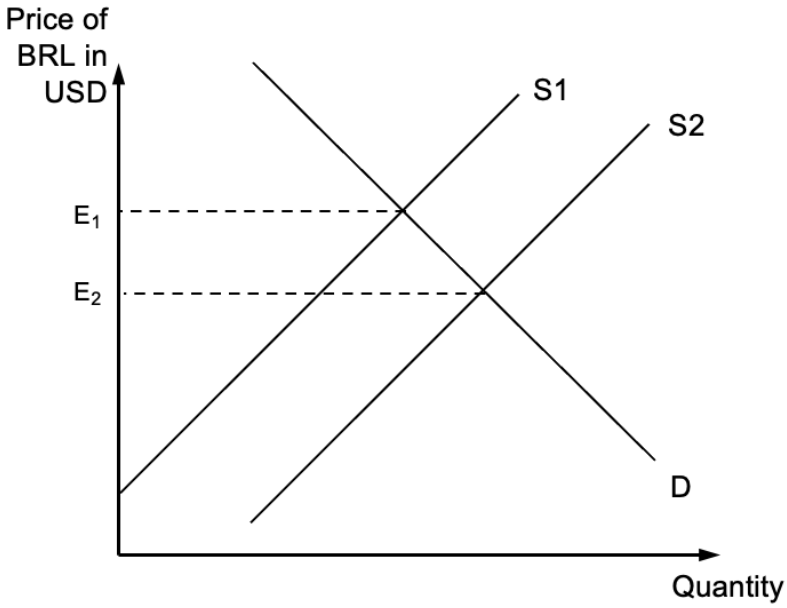
Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*For sketching a diagram showing a fall in demand and a fall in quantity **OR** a surplus/disequilibrium at the initial wage **BUT** there are some incorrect/missing labels/projection*	1
2	*For sketching a correctly labelled diagram showing a fall in demand and a fall in quantity **OR** a surplus/disequilibrium at the initial wage*	2



For a labour market diagram, the vertical axis may be labelled price of labour, real wage, real wage rate, wage rate, W or wage. The horizontal axis may be labelled quantity, Q, quantity of labour/workers, labour. ASL, ADL, DL and SL are acceptable labels for curves. A title is not required.

(c) Using an exchange rate diagram, explain why the production of Brazilian soybeans might have increased as a result of 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 (**both** of the following): • the Bank of Brazil sells BRL (to buy other currencies), lowering the exchange rate • the lower exchange rate (depreciation) reduces the (export) price of soybeans.	
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 (**both** of the following): • the Bank of Brazil sells BRL (to buy other currencies), lowering the exchange rate • the lower exchange rate (depreciation) reduces the (export) price of soybeans.	



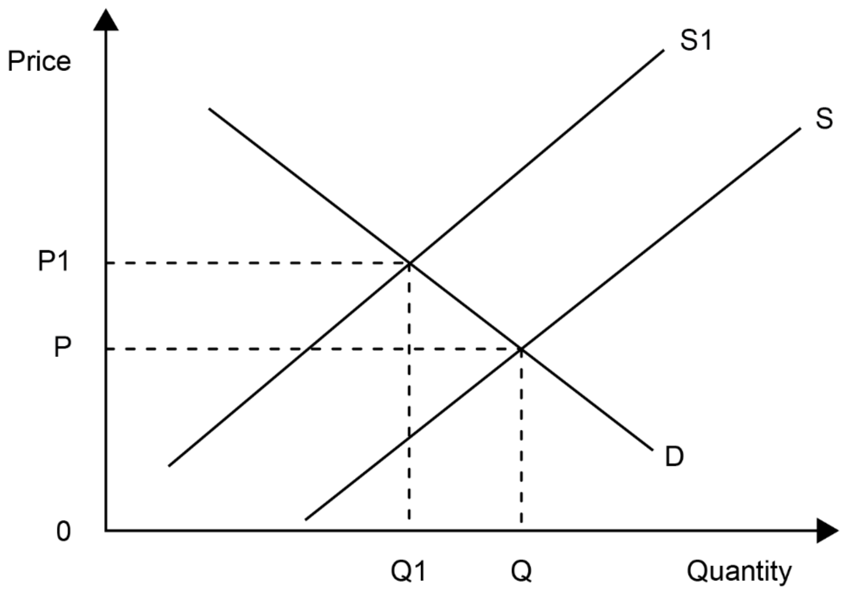
The vertical axis may be labelled:

- *exchange rate*
- *price/value of real (BRL) in another currency*
- *other currency/real (BRL)*
- *other currency per real (BRL)*

The horizontal axis may be quantity or quantity of reals (BRL). A title is not required.

(d) Using a demand and supply diagram, explain the likely effects of the currency depreciation on the Brazilian market for sugarcane (**Text D**, paragraph 5). **[4]**

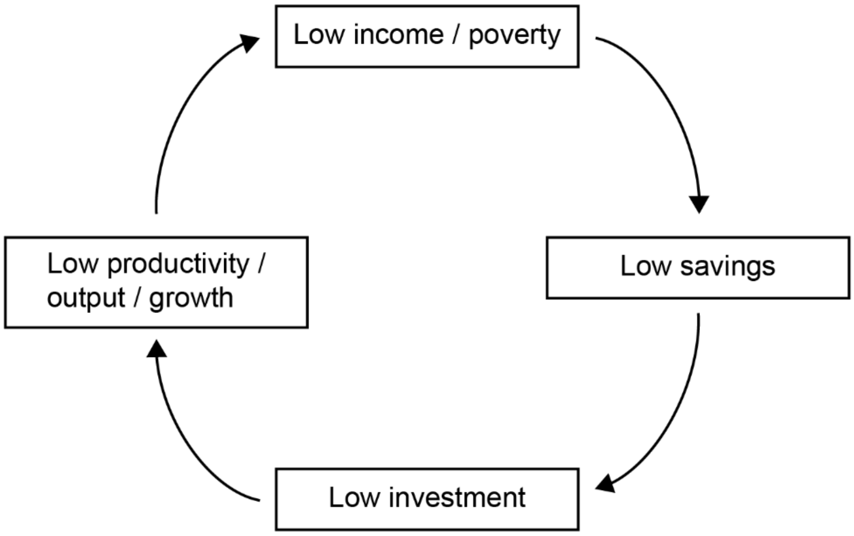
Level		Marks
0	*The work does not meet a standard described by the descriptors below.*	0
1	*There is a correct diagram **OR** an accurate written response.*	1–2
	For a correctly labelled demand and supply diagram, showing a fall in the supply, an increase in price and a fall in quantity ***OR*** for an explanation that the higher price/cost of imported fertiliser increases the cost of production (for producers), increasing price and/or decreasing quantity (of sugar cane).	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a correctly labelled demand and supply diagram, showing a fall in the supply, an increase in price and a fall in quantity ***AND*** for an explanation that the higher price/cost of imported fertiliser increases the cost of production (for producers), increasing price and/or decreasing quantity (of sugar cane).	



For a demand and supply diagram, the vertical axis should be price or P. The horizontal axis should be quantity or Q. A title is not required.

(e) Using a poverty cycle diagram, explain the likely effect of Brazil's cash payments to families on living standards in Brazil (**Text E**, paragraph 5). **[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 valid poverty cycle diagram, beginning and ending with low income/poverty and any **two** of the following: • low savings • low investment or low spending on education • low levels of human capital/labour force participation • low productivity/productive capacity/growth/output ***OR*** for an explanation that cash payments help break the poverty cycle through (**either** of the following): • higher income/financial stability • investment in education/human capital • increased productivity therefore raising living standards	
2	*There is a correct diagram **AND** an accurate written response.*	3–4
	For a valid poverty cycle diagram, beginning and ending with low income/poverty and any **two** of the following: • low savings • low investment or low spending on education • low levels of human capital/labour force participation • low productivity/productive capacity/growth/output ***AND*** for an explanation that cash payments help break the poverty cycle through (**either** of the following): • higher income/financial stability • investment in education/human capital • Increased productivity therefore raising living standards.	

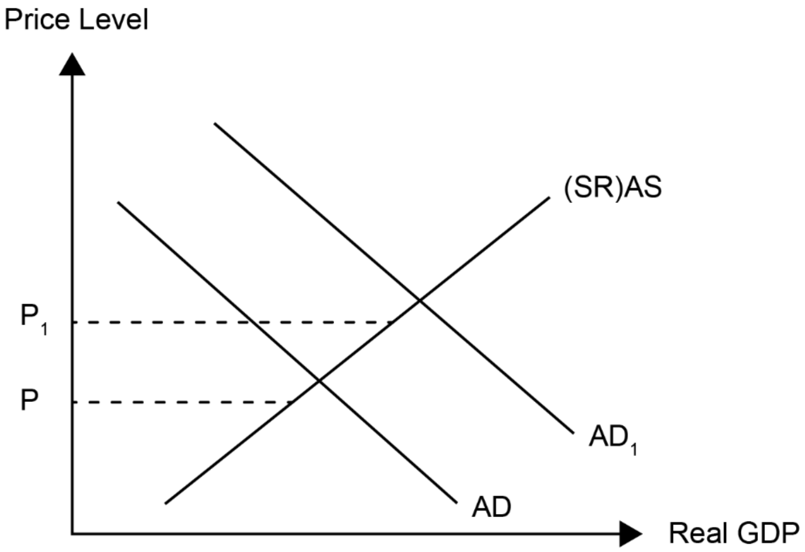


Any poverty cycle diagram is acceptable, so long as it is consistent with the explanation.

*Alternatively, the poverty cycle may be constructed to show the effects of **higher** investment/education. If it includes the concepts listed above, this can be fully rewarded.*

(f) Using an AD/AS diagram, explain how increased exports might affect the rate of inflation in Brazil (**Text D**, 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 AD/AS diagram showing an increase in AD and the price level ***OR*** for an explanation that increased exports would cause total expenditure (aggregate demand) to increase, and therefore increase the price level/(the rate of) inflation (in Brazil).	
2	*There is a correct diagram* ***AND*** *an accurate written response.*	3–4
	For a correctly labelled AD/AS diagram showing an increase in AD and the price level ***AND*** for an explanation that increased exports would cause total expenditure (aggregate demand) to increase, and therefore increase the price level/(the rate of) inflation (in Brazil).	



For an AD/AS diagram, the vertical axis may be Average (General) Price Level or Price Level or CPI. The horizontal axis may be real output, real national output, real income, real national income, real GDP or real Y. All abbreviations are acceptable. A Keynesian AS is acceptable. A title is not necessary.

(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 living standards in Brazil. **[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:*
- depreciation
- living standards

*Economic models to support analysis **may** include:*
- a Lorenz curve diagram
- a PPC diagram
- an externalities diagram
- an AD/AS diagram

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

Positive consequences	**Negative consequences/ limitations**
• The depreciation improves the competitiveness of Brazilian exports, increasing exports (**Text D**, paragraph 3), aggregate demand and employment, thereby improving material living standards. • The depreciation may also create opportunities for domestic producers as firms such as vehicle manufacturers source more inputs locally rather than importing them (**Text D**, paragraph 6).	• However, the depreciation also raises import prices, contributing to cost-push inflation (**Text D**, paragraph 5), especially since Brazil relies heavily on imported manufactured goods and capital goods (**Text D**, paragraph 1). Higher inflation (**Table 3**) reduces real incomes/purchasing power. • The depreciation may also contribute to demand-pull inflation as rising net exports increase aggregate demand, further increasing the price level and reducing real incomes. • Real GDP per capita fell between 2012 and 2022 (**Table 3**), suggesting that economic growth may not have translated into higher average material living standards for all. • **Table 3** shows positive economic growth (3% in 2022), although real GDP per capita has decreased, which could point to population growth offsetting the benefits of the depreciation.

• Agricultural producers such as soybean and coffee exporters benefited from higher export revenues due to increased international competitiveness (**Text D**, paragraphs 1 and 4). As agricultural workers often have relatively low incomes, this may help reduce poverty and income inequality. • Poverty fell from 4.5% to 3.5% and the Gini coefficient decreased from 0.537 to 0.520 between 2012 and 2022 (**Table 4**), suggesting improvements in material living standards for some groups.	• Other agricultural producers who rely on imported inputs, such as sugar cane farmers using imported fertilisers, face higher costs of production and lower profits (**Text D**, paragraph 5). Therefore, depreciation may affect producers unevenly and exacerbate existing inequalities (**Text E**, paragraphs 3 and 4) • Households' real income in the bottom 40% fell between 2016 and 2019 (**Text E**, paragraph 4), suggesting that many lower-income households did not significantly benefit from depreciation and export growth. • The growth of export-oriented agriculture contributed to deforestation and environmental degradation (**Text D**, paragraph 4), reducing sustainability and non-material living standards, particularly for indigenous communities.
• The depreciation may have contributed to FDI inflows into industries such as automobile production (**Text D**, paragraph 6), as Brazilian assets and production facilities become cheaper in foreign currency terms. Inward FDI increases AD and AS, supporting sustained economic growth. • Growth in the automobile industry and other export sectors may create employment opportunities and help diversify the economy away from dependence on agriculture, where incomes and prices tend to be volatile.	• The depreciation appears to have largely benefitted the agricultural export sector, potentially increasing overreliance on primary products (**Text D**, paragraph 4), which may expose workers and firms to volatile world prices and unstable incomes. • Growth in industries such as automobile manufacturing has been accompanied by automation, contributing to structural unemployment (**Text D**, paragraph 6). Overall employment in agriculture and industry has been falling (**Text D**, paragraph 7), while unemployment remained relatively high at 9.2% in 2022 (**Table 3**).
• Increased export revenues may increase government tax revenue, allowing greater spending on healthcare, sanitation and poverty reduction programmes. Government support programmes assisted 21.7 million families in 2023 (**Text E,** paragraph 5), while access to safe sanitation increased from 41% to 50% between 2012 and 2022 (**Table 4**). • The Human Development Index increased from 0.730 to 0.760 between 2012 and 2022 (**Table 4**), suggesting improvements in non-material living standards such as health and education.	• Income inequality remains high despite some improvement, and marginalized groups continue to face discrimination and unequal access to healthcare and education (**Text E,** paragraphs 2 and 3), limiting improvements in living standards for some groups.

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

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.