

# GCE 2004

## *June Series*



# Mark Scheme

## Economics

### *Unit EC4W*

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Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this Mark Scheme are available from:

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**Advanced Level Economics****June 2004****EC4W****Mark Scheme****General Instructions**

Marks awarded to candidates should be in accordance with the following mark scheme, and examiners should be prepared to use the full range of marks available. Where the candidate's response to a question is such that the mark scheme permits full marks to be awarded, full marks **MUST** be given. A perfect answer is not necessarily required. Conversely, if the candidate's answer does not deserve credit, then no marks should be given.

Occasionally, a candidate may respond to a question in a reasonable way, but the answer may not have been anticipated when the mark scheme was devised. In this situation **OR WHENEVER YOU HAVE ANY DOUBT ABOUT THE INTERPRETATION OF THE MARK SCHEME**, telephone the Senior Examiner to discuss how to proceed.

**Quality of Written Communication**

The marks awarded for Quality of Written Communication are included in this mark scheme.

The Case Study paper is marked holistically using the same marking criteria as are used for marking coursework. When marking the report, examiners should identify evidence of the skills being assessed by using the following key.

<b>K</b>	Knowledge and Understanding
<b>AP</b>	Application
<b>AN</b>	Analysis
<b>E</b>	Evaluation
<b>C</b>	Quality of Written Communication

**Case Study: The European Union****Requirements of the Report**

You are to write a report entitled: ‘Unemployment and job creation in the EU’.

Your report should:

- describe the extent of unemployment across the EU;
- explain the main causes of unemployment in the EU;
- discuss the effects of unemployment on the economy of the EU;
- evaluate the costs and benefits of alternative policies for job creation in the EU that could be included in the ‘Manchester Accord’;
- conclude by recommending which of these policies would be most effective, giving reasons to justify your recommendation.

Use economic concepts and principles where appropriate. You will be given credit for demonstrating your ability to analyse, comment critically on, and make effective use of the data provided.

**SPECIFIC INSTRUCTIONS TO EXAMINERS**

Examiners should use the following notes as guidance on what the question-setters expected to elicit from candidates as evidence of particular skills and levels of performance. This guidance should NOT be regarded as a ‘straight-jacket’ and examiners should approach the work they are marking with an open mind, giving credit where it is justified by the evidence before them. Credit should always be given in circumstances where candidates respond in an unanticipated, but economically valid, way.

**Knowledge and understanding**

Guidance for the Case Study in the subject specification mentions the following issues that are particularly relevant to this question: economic problems: the European dimension; pan-European unemployment; EU aspects of global problems.

Evidence of knowledge of theories and concepts may be shown by the candidate who considers the main types of unemployment (these are briefly mentioned in the case to provide a possible ‘trigger’) and relates causes to suitable remedies.

Examiners can look for discrimination in several ways. For example, the second bullet point asks for ‘main’ causes. Regurgitation of textbook lists of types of unemployment would indicate sufficient knowledge for a bare pass. The prioritisation of such lists would indicate the use of higher order skills.

**Application**

Clues in the case, and the bullet points in the requirements, should lead candidates towards comparing demand management and supply-side theory, and/ or Keynesian versus classical/ monetarist and ‘Third Way’ ideas. There are opportunities for discussing multiplier ideas, and for discussing international competitiveness as an economic principle. Good approaches and more sophisticated answers could also include a comparison of short run versus long run. Candidates who bring relevant economic knowledge to the case are likely to score on application.

### **Analysis and Evaluation**

There is potential for evaluating the ‘European social model’ versus the ‘Anglo-Saxon’ model of flexibility, and for considering the position of the UK as a ‘half-way house’ trying to reconcile its European vocation with its transatlantic history.

In Extract ‘G’ the story appears to be that the more European we become, and the less American, the worse unemployment becomes. This is the impression gained by following the data vertically. However, following the time series horizontally gives a slightly different picture, with the USA possibly on a rising trend, with Europe fluctuating. Whereas much of the data points to the flexible model ‘winning’ in terms of employment, perceptive candidates might notice that projections in Extract H indicate that the differential with the eurozone may not be permanent. Credit can also be awarded for candidates who examine the idea of ‘flexibility’ critically, or who have enough economic awareness about infrastructure, public services and social provision on the continent when compared with the UK to take a pinch of salt with Gordon Brown’s ‘advice’.

The Case Study was written in 2003. By June 2004, the US position might have deteriorated even further, and stronger candidates might take up a very critical approach to the US model. In any event, weaker candidates will accept the Greenspan/Brown view at face value. Higher level evaluation marks should be amply awarded to those who challenge assumptions. For example, does the ‘job creation’ aspect of the US model stand up to scrutiny, in a economy where many lower paid workers have to hold down two or even three jobs at a time?

Specific evidence of analysis and evaluation is most likely to be present when candidates address the last two bullet points. However if these skills are demonstrated elsewhere in the report, the candidate should of course be rewarded.

The scenario contains information on the eurozone as well as the wider EU, and candidates might make useful comparisons; however, candidates regurgitating pre-learned lists of reasons why the UK should or should not join the euro are likely to be displaying a weak approach.

In order to avoid unnecessary complications, reference to the following two issues has been deliberately avoided: regional unemployment and enlargement. Reference to these issues is therefore not a requirement for high marks, but there is an opportunity for candidates to display awareness of these matters. The common sense assumption might well be that enlargement will worsen the unemployment problem; however, unemployment in some of the 10 fast track candidates is actually generally below the EU average, although regional disparities tend to be greater. It remains to be seen whether this will alter in the medium term as a result of marketisation and restructuring. Very perceptive candidates might even comment on the effect of these low wage economies on the labour markets in the existing member countries.

EU policy makers have, in recent years, tended to focus on ‘job creation’, and official statistics more often feature ‘employment’ rather than ‘unemployment’ rates. There are some subtle differences; give credit if they are recognised by candidates.

### **GENERAL**

Weaker candidates will simply copy chunks out of the data. This approach would suggest lower level performance. However, if the data is appropriately selected and re-ordered to be relevant to an aspect highlighted in the scenario, this should tend to put a candidate’s work in the middle levels. To move higher, the candidate should go beyond the selection and re-ordering of material from the case study.

Generally, stronger candidates should be writing closely to the scenario and giving specific analysis of use to the President in compiling the main points of his/ her ‘Manchester Accord’.

**Assessment Criteria**

Examiners are to mark the report using the following assessment criteria, which are divided into five sections.

<b>K</b>	Knowledge and Understanding (AO1)	<b>10 marks</b>
<b>AP</b>	Application (AO2)	<b>20 marks</b>
<b>AN</b>	Analysis (AO3)	<b>20 marks</b>
<b>E</b>	Evaluation (AO4)	<b>30 marks</b>
<b>C</b>	Quality of Written Communication	<b>4 marks</b>
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	<b>Total</b>	<b>84 marks</b>
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**Knowledge and Understanding (K)**

Candidates are expected to demonstrate knowledge and understanding of economic concepts and theories which are relevant to the problem/issue being investigated.

<b>Level 5:</b>	<b>8-10 marks</b> <i>Mid-Point: 9</i>	An accurate, comprehensive and appropriate use of a range of relevant knowledge and understanding of economic concepts or theories.
<b>Level 4:</b>	<b>5-7 marks</b> <i>Mid-Point: 6</i>	Use of relevant knowledge and understanding of economic concepts or theories.
<b>Level 3:</b>	<b>3-4 marks</b> <i>Mid-Point: 4</i>	Some knowledge and understanding of economic concepts or theories but these are used inappropriately or may not be relevant to the problem or issue.
<b>Level 2:</b>	<b>1-2 marks</b> <i>Mid-Point: 2</i>	Limited knowledge or understanding of economic concepts or theories.
<b>Level 1:</b>	<b>0 marks</b>	No knowledge or understanding of economic concepts or theories is demonstrated.

**Application (AP)**

Candidates are expected to demonstrate their ability to apply economic concepts and theories to the problem/issue being investigated.

<b>Level 5:</b>	<b>16-20 marks</b> <i>Mid-Point: 18</i>	An accurate, clear and sophisticated use of a relevant range of economic concepts and theories which are used to demonstrate an impressive grasp of the problem or issue.
<b>Level 4:</b>	<b>11-15 marks</b> <i>Mid-Point: 13</i>	Selection of appropriate economic concepts and theories which are appropriately applied to the problem or issue.
<b>Level 3:</b>	<b>6-10 marks</b> <i>Mid-Point: 8</i>	Some use of economic concepts and theories which are superficially or partially applied to the problem or issue.
<b>Level 2:</b>	<b>1-5 marks</b> <i>Mid-Point: 3</i>	Limited attempt to apply economic concepts and theories and these are applied inappropriately or may not be relevant to the problem or issue.
<b>Level 1:</b>	<b>0 marks</b>	No attempt to apply economic concepts and theories.

**Analysis (AN)**

Candidates should be able to present and analyse relevant economic data that relates to the problem/issue being investigated.

<b>Level 5:</b>	<b>16-20 marks</b> <i>Mid-Point: 18</i>	An appropriate range of relevant economic data is logically analysed to produce outcomes that relate directly to the problem/issue. Results are presented clearly using a range of formats as appropriate.
<b>Level 4:</b>	<b>11-15 marks</b> <i>Mid-Point: 13</i>	A range of economic data is presented and analysed with some relevance to the problem or issue. Results are presented clearly with a reasonable attempt at using appropriate formats.
<b>Level 3:</b>	<b>6-10 marks</b> <i>Mid-Point: 8</i>	Some attempt is made to present and analyse economic data which is limited in scope but has some relevance to the problem or issue.
<b>Level 2:</b>	<b>1-5 marks</b> <i>Mid-Point: 3</i>	A very limited attempt is made to present and analyse economic data which has little relevance to the problem or issue.
<b>Level 1:</b>	<b>0 marks</b>	No attempt to present and analyse economic data.

<b><u>Evaluation (E)</u></b>		Candidates should be able to demonstrate a critical approach to economic models and methods of enquiry. They should demonstrate the ability to produce reasoned conclusions clearly and concisely and to assess the strengths and weaknesses of economic arguments and the value and limitations of the data used.
<b>Level 6:</b>	<b>25-30 marks</b> <i>Mid-Point: 28</i>	Conclusions are reached with accurate and valid reasoning showing originality and insight, combined with a thorough and critical evaluation of the validity of the data, arguments and findings.
<b>Level 5:</b>	<b>19-24 marks</b> <i>Mid-Point: 22</i>	Conclusions are reached with accurate reasoning with sound, critical examination of the validity of the data, arguments and findings.
<b>Level 4:</b>	<b>13-18 marks</b> <i>Mid-Point: 16</i>	Conclusions are reached with reasoned explanation and/or with some critical examination of the validity of the data and/or arguments and/or findings.
<b>Level 3:</b>	<b>7-12 marks</b> <i>Mid-Point: 10</i>	Conclusions are reached with some reasoned explanation and/or with some examination of the validity of the data and/or arguments and/or findings.
<b>Level 2:</b>	<b>1-6 marks</b> <i>Mid-Point: 4</i>	A limited attempt is made to draw conclusions and to make reasoned judgements, but these are largely generalised and unsupported.
<b>Level 1:</b>	<b>0 marks</b>	No attempt is made to draw conclusions.

### **Quality of Written Communication Marking Criteria (C)**

The following marks are to be awarded to candidates for the Quality of Written Communication they have demonstrated when writing the report.

<b>4 marks</b>	Complex ideas have been expressed clearly and fluently. Sentences and paragraphs have followed on from one another smoothly and logically. Arguments are consistently relevant and have been well structured. There are few, if any, errors of grammar, punctuation and spelling. There is extensive use of specialist vocabulary which is applied adeptly and with precision.
<b>3 marks</b>	Moderately complex ideas have been expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are generally relevant and have been well structured. There may be occasional errors of grammar, punctuation and spelling. A wide range of specialist vocabulary is used with facility.
<b>2 marks</b>	Straightforward ideas have been expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments have strayed sometimes from the point or have been weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas. There is a good range of specialist vocabulary which is applied appropriately.
<b>1 mark</b>	Simple ideas have been expressed clearly but arguments may be of doubtful relevance or obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive and may suggest a weakness in these areas. Some use of specialist vocabulary is made but this is not always applied appropriately.
<b>0 marks</b>	Ideas have been expressed poorly and sentences and paragraphs have not been connected. There are errors of grammar, punctuation and spelling, showing a weakness in these areas. There is very limited use of specialist vocabulary.