



**General Certificate of Education (A-level)
January 2011**

Economics

ECON4

(Specification 2140)

Unit 4: The National and International Economy

Report on the Examination

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Unit 4: The National and International Economy (ECON4)

General

The vast majority of candidates seemed to find the question paper very accessible. Evidence of higher-level skills has become increasingly strong in recent examinations and reference to the real world, especially economic developments and issues in the UK, is much more widespread. This will be due partly to increased media coverage of economic issues and to an increased awareness that this approach can pay dividends in terms of a candidate's examination performance.

It is also pleasing to see candidates making good use of the increased time given for this A2 paper. It allows for much more significant development of responses in a stronger analytical and evaluative way. It is also hoped that candidates feel they have more time to give due consideration to the questions before they make their choices from each of the two sections. There are too many examples, however, of candidates having not read a question carefully enough, often meaning the response can be of limited or no relevance. It is hoped that the longer duration of the examination will also help reduce this problem.

The Quality of Written Communication (QWC) was not really a major issue. Examples of illegibility are few and far between but poor sentence construction can at times make it hard to follow a line of argument put forward by a candidate. In questions **03** and **06**, for example, there were too many occasions when candidates did not make clear whether they were talking about the UK or China in question **03** or the EU or UK in question **06**. Analysis therefore seemed very confused. It needs to be noted that good or poor QWC can make a marginal difference to marks awarded and should therefore be an issue to which candidates give due consideration.

Another general point is that candidates need to be reminded that the paper is intended to be synoptic. They should get into the habit of drawing material for their answers from across the specification and not necessarily limit themselves to coverage of the Unit 4 subject content.

Context Questions

Choice of a question by an individual will be helped, of course, by scanning both the extracts (to understand the general theme) and of each part-question to ascertain whether or not they are accessible. There is a danger that, in the rush to put pen to paper, a candidate makes a wrong choice from which the script might never recover. It should be borne in mind that teaching does not have to go beyond the specification in order to prepare candidates successfully for either of the context questions. It is important, however, that candidates can put the topic in each question into the UK context. Not all candidates seem sufficiently prepared for this.

01 and 04

The general response to these parts of each context question continues to improve. There are far fewer examples of 'trawling' through the data. The key word in both parts is 'main' (or significant). Candidates need to identify something *significant* in the data and not just pluck a few figures from the extracts in the hope that they have that quality. The response often shows clearly whether or not the candidate understands what is being represented by the data. In **01**, for example, a number of candidates referred to the change from positive fiscal balance to negative but did not use the terms 'surplus' and 'deficit' to show that the understanding was there. Similarly, mention could be made of a surplus on the current account balance, but one which was declining from 2007 to 2010. It is always worth reminding candidates that there are no marks for making comments on the data, for example trying to *explain* why the data/statistics might appear as they are.

02 and 05

Many candidates continue to score well on these parts of the context questions, although presentation could sometimes be improved. Candidates should be advised that it is good practice to leave a line space between the explanation and the beginning of the analysis, and a further line space between the two parts of the analysis. This not only helps examiners but will also help candidates gauge whether or not they have given sufficient attention to each part. Weaker candidates tended to produce a rambling piece of inaccurate and superficial explanation and/or analysis.

In **02**, candidates sometimes struggled to offer a coherent and precise explanation of ‘global investment’ and/or a sound analysis of two distinct consequences. Use of diagrams should be encouraged to earn additional marks but they need to be well drawn and satisfactorily integrated into the text which surrounds them. Candidates should be advised to use sufficient space so that clarity and the main representation of the diagram are not lost.

In **05**, many were able to offer a competent explanation of cyclical unemployment but, for the analysis, there were examples of there being a general review of possible effects rather than identifying and clearly distinguishing two in particular. In both **02** and **05**, where more than two were included, marks were awarded to the best two choices. It is also worth stressing to candidates that they will limit their performance if both parts (the explanation and analysis) are not attempted.

03 and 06

Responses to **03** and **06** are showing much stronger evidence of the higher-level skills of analysis and evaluation. This is something to further encourage amongst candidates and to practise regularly. The better quality of evaluation, rather than just the greater incidence of it, is also worthy of note. More candidates are seeing the importance of making some sort of final judgement but this needs to be something more than mere repetition of what has gone before. Too often, weaker candidates based their answers on assertions that they were unable to justify.

There is also the problem of candidates insisting on putting in theories and concepts they have revised which have questionable, or absolutely no, relevance to the question being answered. The Phillips Curve and J-curve are two cases in point. In **03**, it was good to see that many candidates could provide a balanced assessment of China’s economic growth. In **06**, candidates need to be discouraged from writing all they know about the EU. Some were determined to include analysis of EU enlargement and the euro but often struggled to make them relevant.

It is obvious that candidates are being encouraged to use the data to support their answer; there were many more examples of explicit references being included in responses. The mark constraint for non-use of data is not severe but will prevent Level 5 from being reached.

Essays

It will probably come as no surprise to centres that Question 3 was the most popular of the essay questions, with Question 4 being least popular. Candidates need to note the slightly changed mark allocation between the two parts when compared to the ‘legacy’ ECN6 paper. In attempting the second part of an essay, candidates seemed more capable of deeper analysis and informed evaluation.

Question 3

Question **07** provided few problems for candidates. Often, answers were divided between demand-pull and cost-push factors which allowed for a coherent and logical development of answers. It is to be hoped that if candidates had been asked to explain, say, three specific causes of inflation, that each of these could have been explained in sufficient depth to allow for a full answer to be developed.

In **08**, candidates were adept at explaining, precisely and coherently, the term 'macroeconomic performance' before breaking this down into its component parts in order to answer the question. Candidates were obviously helped by the fact that oil prices are a current and controversial issue and by the consequent media coverage the issue has been given.

Question 4

This question did prove to be quite challenging for many candidates. It became obvious in the reading of some answers that candidates would have probably done better to choose one of the other questions on offer. Care needs to be taken when a question has two parts (as in **09** which asked for an explanation of objectives **and** an explanation of their importance) that sufficient attention is given to each of them. It was perhaps surprising that candidates tended to give almost all of their attention in **09** to the importance of objectives when one would have thought that the easier part of **09** was explaining the nature of them. The mark scheme did include a constraint where one of the two parts was ignored.

10 proved even more demanding. Too many candidates honed in on the word 'conflict' without considering, with sufficient care, what the question was asking. Of course, conflicts needed to be identified so that a discussion of policies could be developed. However, candidates also had to make sure that they gave sufficient attention to the latter. There would appear to have been a reluctance to consider how supply-side policies could be significant in avoiding, or reducing, conflict.

Question 5

Given that this was a question with an international flavour, it was good to see that it proved quite popular among candidates and well-answered by some. Because of the context questions, it may be that more attention is being given by centres to international topics. Essay responses can only benefit from this.

For **11**, candidates seemed quite clear about the determining factors, leaving answers to be distinguished by the quality of the explanation of each. Pleasingly, some responses were put strongly into the context of UK export performance and the high propensity to import.

12 offered the opportunity to analyse and evaluate two or three policies. There were a good number of competent answers, again with the UK weaknesses uppermost in candidates' minds. Comments are, of course, encouraged on the feasibility of chosen policies. For example, candidates might wish to discuss protectionism but do need to convey an understanding that EU membership and WTO treaties are major obstacles. Some of the best answers distinguished explicitly between expenditure-reducing and expenditure-switching policies, which had the added advantage of giving answers a strong sense of direction.

Unfortunately, there is still, at times, confusion between the Budget and the Balance of Payments. This inevitably led to confused analysis.

Concluding remarks

Overall, it has to be said that there is much to encourage teachers and future candidates from the performance and achievements of this January entry. The enthusiasm for the subject seems in much greater evidence in the most recent examinations, as the media continue to give strong coverage of key economic issues. Candidates often wish to write a great deal about a topic but they must ensure analysis remains coherent and relevant and that there is continued focus on the question set.

Performance can be further strengthened if:

- candidates develop the key skills of analysis and evaluation, remembering also that clear, accurate, relevant diagrams can form key parts of any analysis. A number of candidates are not distinguishing between micro and macro diagrams when necessary.
- there is a willingness to keep abreast of fast-moving economic developments in the UK, EU and the global economies.
- sufficient time is given to absorbing the information provided in the extracts contained within the context questions.
- questions are read very carefully before pen is put to paper.
- time is carefully divided, not only between the chosen context and essay questions, but also between the parts of those questions.
- basic points of confusion are addressed, eg between budget and balance of payments deficits; between production and productivity; between investment and 'hot-money flows'; between movements along AS/AD curves and movements of those curves

Sufficient attention to these issues will provide an opportunity to attain the higher marks and grades. There is no doubt that progress is being made in many centres with these issues but there is still some work to be done.

Minor changes to rubric instructions from June 2011 onwards

Finally, we would like to draw your attention to cosmetic changes to the rubric that have been made to the ECON3 and ECON4 papers from this June 2011 onwards.

In **Section A**, instead of being labelled Question 1 and Question 2, the two optional questions will now be labelled as **Context 1** (parts 01 to 03) and **Context 2** (parts 04 to 06).

Likewise in **Section B**, instead of being labelled Question 3, Question 4 and Question 5, the three optional questions will now be labelled **Essay 1** (parts 07 and 08), **Essay 2** (parts 09 and 10) and **Essay 3** (parts 11 and 12).

Slight modifications have also been made to the front cover of the question paper to help candidates meet the rubric instructions more effectively.

Please be assured that these changes will not affect, in anyway, what candidates are being asked to do.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results statistics](#) page of the AQA Website.