

Examiners' Report
June 2019

GCE Economics A 9EC0 01

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk.

Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.



Giving you insight to inform next steps

ResultsPlus is Pearson's free online service giving instant and detailed analysis of your students' exam results.

- See students' scores for every exam question.
- Understand how your students' performance compares with class and national averages.
- Identify potential topics, skills and types of question where students may need to develop their learning further.

For more information on ResultsPlus, or to log in, visit www.edexcel.com/resultsplus. Your exams officer will be able to set up your ResultsPlus account in minutes via Edexcel Online.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk.

June 2019

Publications Code 9EC0_01_1906_ER

All the material in this publication is copyright
© Pearson Education Ltd 2019

Introduction

This was the third 9ECO_01 exam in the 2015 Specification series. It proved again to be an accessible paper, broad ranging and with a high degree of differentiation. The questions covered a broad range of micro issues from Theme 1 and 3. Many candidates had been prepared for Paper 9ECO_01 by making effective use of the SAM Paper and past papers, with many candidates meeting the demands of the command words in the questions and providing effective use of data given or their own contextual knowledge.

In Section A the majority of candidates answered the multiple choice questions correctly, although 1(b) PES proved to be a challenge for some. Section A continues to highlight the need for candidates to be confident in their use of quantitative skills. There were also computational errors in 1(a) and 4(b). When asked to draw a diagram nearly all candidates secured full marks in 2(a) for supply and demand but many struggled when asked to complete a long run monopsony diagram in 3(b). Candidates need to ensure they practice the full range of diagrams in the specification.

Section B responses seemed to be displaying more evidence of the need to go beyond a simple response, although candidates need to ensure more precision in their answers. In 6(a) many candidates mistakenly thought that normative just meant having an opinion and in 6(b) analysis was not always tightly focussed on 'benefits to the consumer'. Candidates though have heeded previous advice in ensuring that when, as in 6(b), a question includes the words 'with reference to...' they often did refer to what they have been asked to. 6(c) was well answered and in 6(d) candidates met the demand of using one diagram but need to ensure that they carefully explain their diagram using correct knowledge and relevant application to answer the question set. 6(e) also witnessed a high proportion of candidates responding with reference to the context of utilities.

For Section C, where the candidates have a choice of which question to answer, around three-quarters of candidates answered question 8 and the rest question 7. In both questions it was important for candidates to refer to an industry of their choice. There was impressive depth of knowledge and understanding about the chosen industry by many candidates. Unfortunately, other candidates took a rather scattergun approach with reference to many industries, resulting in an inability to provide analysis that was fully focused on answering the question set. Overall, the evaluation provided by candidates within this paper demonstrated that they were much better prepared; with developed chains of reasoning and context.

Question 1 (a)

In this question the focus is on having the ability to correctly calculate the percentage change in quantity supplied and to substitute the answer into the PES formula. A mark was not awarded for the formula itself but overall this was well answered by candidates and nearly all carefully made use of the formula and showed their working to achieve their final answer. The main issues that candidates faced here was failing to correctly calculate the percentage change or to apply the formula the correct way around.

- 1 Between 2016 and 2017 the average price of new build houses in the UK rose by an estimated 5.4%.

Year	Quantity of UK new house builds
2016	134 612
2017	162 880

(Source: <http://www.telegraph.co.uk/business/2017/05/25/number-new-homes-built-hits-highest-level-since-financial-crisis/>)

- (a) With reference to the data provided, calculate the price elasticity of supply for new house builds between 2016 and 2017. You are advised to show your workings.

(2)

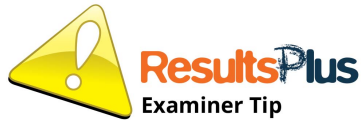
$$PES = \frac{\% \Delta Q_s}{\% \Delta P} \quad \therefore \frac{\% \Delta Q_s}{5.4}$$

$$\frac{162880 - 134612}{134612} \times 100 = 20.99 \dots$$

$$20.99 \dots / 5.4 = 0.038 \dots \approx 0.04$$



The candidate correctly calculated the % change in quantity supplied as 20.99 thus earning one mark. They then substituted their answer correctly into the PES formula but the final calculation was wrong. As an incorrect answer they receive 0 marks for the final calculated answer despite having the correct working. Overall they achieve 1+0 = 1 mark.



Ensure you make use of a calculator and double check that your final answer makes sense – to overcome human error.

- (a) With reference to the data provided, calculate the price elasticity of supply for new house builds between 2016 and 2017. You are advised to show your workings.

(2)

$$PES = \frac{\% \text{ change in supply}}{\% \text{ change in price}} = \frac{\text{change in supply}}{134612} \frac{162880 - 134612}{134612}$$

$$= 20.9\%$$

$$= 21\%$$

$$\therefore PES = 3.89$$



This candidate provides a correct answer, achieving 2 marks.

Question 1 (c)

There are two marks for this question, one for knowledge and one for identifying a factor determining PES. The second analysis mark is for explaining the impact on price elasticity of supply. It was mostly well answered – where it was not candidates had confused the factors that influence PED or cause shifts in supply. Confident answers directly linked the factor in new house builds to the relative degree of price elasticity of supply. Some candidates identified a factor as being new technology, with ‘flat-pack’ new houses being quick to assemble and thereby relatively price-elastic or releasing in phases new builds.

(c) Explain **one** factor that is likely to determine the price elasticity of supply of new house builds.

(2)

$$PES = \% \Delta QS / \% \Delta P$$

One factor could be the price of building materials. An increase in the price of ~~the~~ building materials increases the cost of building new houses.



This answer scores zero marks. The candidate confuses a determinant which could shift supply as being a determinant of price elasticity of supply. An abundant availability of building materials resulting in the PES being more elastic would have been a valid response.



Do not confuse factors determining elasticity with factors that cause a shift.

(c) Explain **one** factor that is likely to determine the price elasticity of supply of new house builds.

(2)

The availability of ~~new~~ ^{land to} build on varies across the UK, is in London there is hardly any ^{unused} ~~free~~ land to build on & hence it is very expensive so the PES of new builds will be inelastic.



This answer achieves full marks – one knowledge mark for identification of a factor determining PES – availability of land. Then the analysis mark explains how the lack of 'unused land to build on in London' impacts on PES – being 'inelastic'.



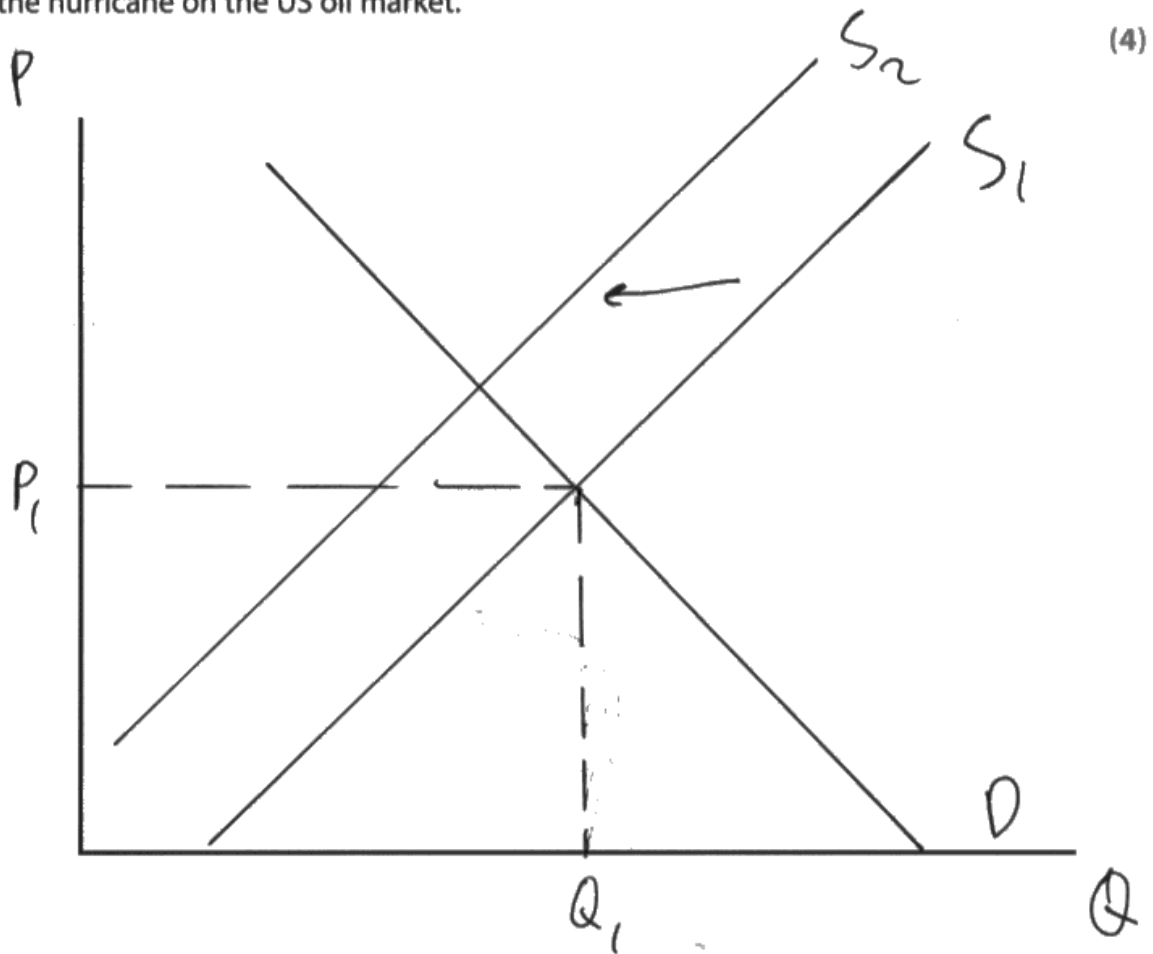
When you are asked to explain how a factor determines – make sure you not only identify the factor but that you then go on to explain how the factor has an impact in the context of the question.

Question 2 (a)

This question specifically asks candidates to draw a diagram. There is no need for candidates to write any explanation to go along with their diagram. When drawing diagrams candidates should always double-check that the lines and axes are correctly labelled. Nearly all candidates provided the answer as illustrated in the mark scheme.

2 In August 2017 Hurricane Harvey caused the closure of nearly a quarter of the oil production capacity in the United States.

(a) Draw a supply and demand diagram to show the likely microeconomic effects of the hurricane on the US oil market.



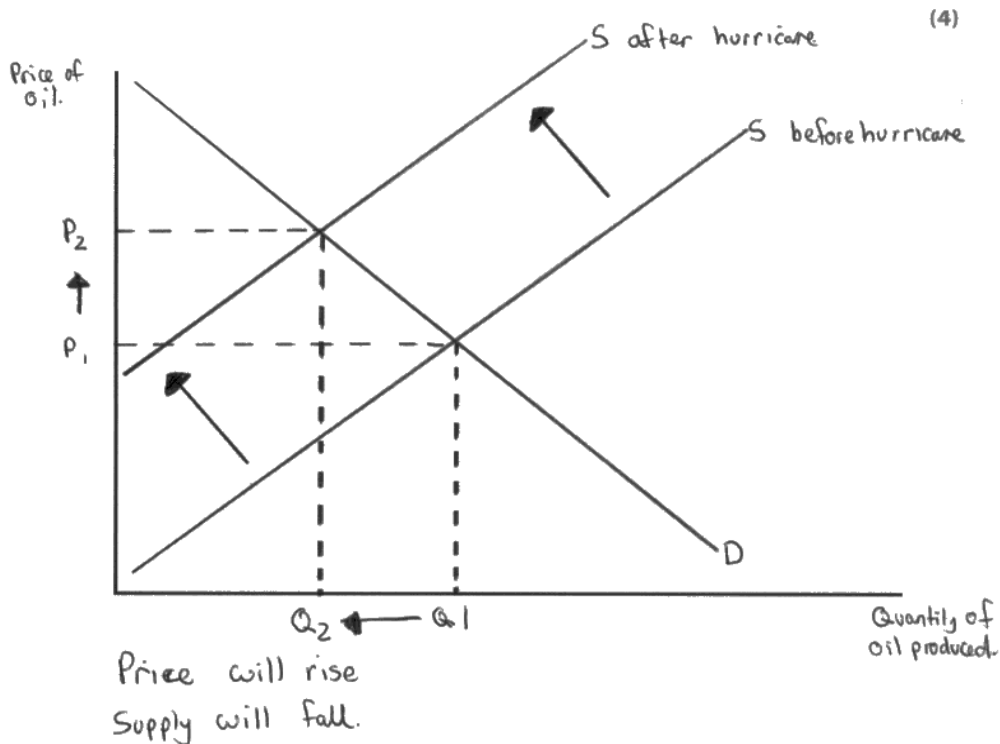


The candidate received two marks for drawing a supply and demand diagram annotated to show a left shift in the supply curve. An arrow was not required in this case since the candidate had indicated S1 shifting correctly to S2. A large number of candidates did make use of arrows and this did help overcome the rare occasion whereby they had mistakenly drawn two supply curves with both annotated as S, or likewise with equilibrium points labelled P and/or Q on two occasions. This candidate did not obtain the two application marks as they did not indicate the new equilibrium price or quantity. They obtained $2+0 = 2$ marks overall.



Always ensure you fully annotate your diagrams and double check that you have done so.

(a) Draw a supply and demand diagram to show the likely microeconomic effects of the hurricane on the US oil market. (4)



This diagram is correctly labelled. It also shows the shift in the correct direction and illustrates the new equilibrium points. In addition it annotates the answer given the context. Whilst this is not in the mark scheme, this is a good approach to take to ensure your answer is correct or in answering longer responses where a diagram may be useful or required. Therefore this answer achieves full marks.



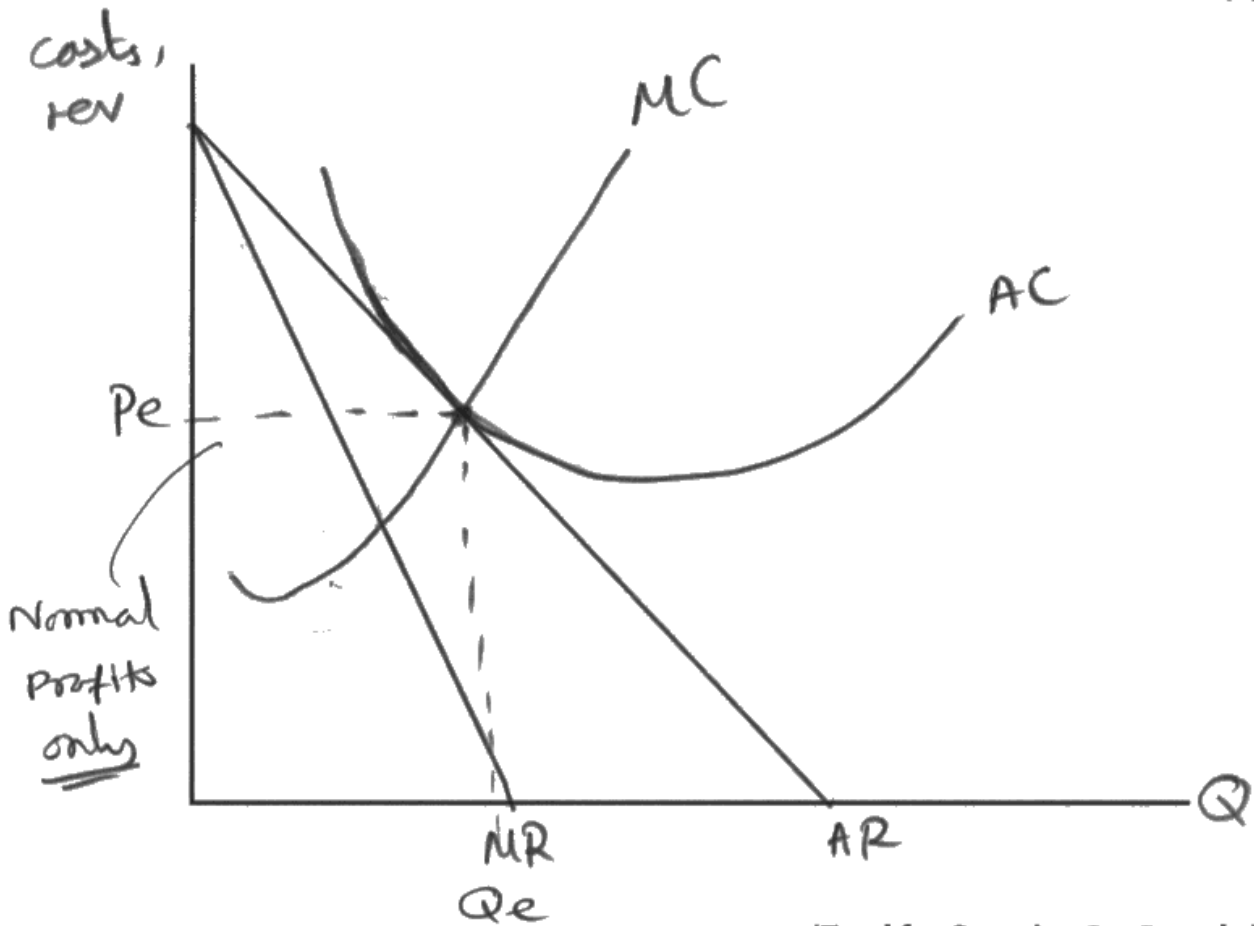
Draw diagrams clearly and large enough to be easy to interpret, like in this answer.

Question 3 (b)

A significant number of candidates achieved zero marks for this question. This was due to them drawing monopoly diagrams showing abnormal/normal profit or perfectly competitive diagrams showing a horizontal AR curve. To secure marks for this question candidates had to first draw an AC curve tangential to a downward sloping AR curve. Candidates found it difficult to show the tangential point as just touching so we allowed this diagram as long as the touching point was not too extended along the AR slope.

(b) Draw a cost and revenue diagram to show the **long-run** equilibrium of a firm in monopolistic competition.

(4)



(Total for Question 3 = 5 marks)



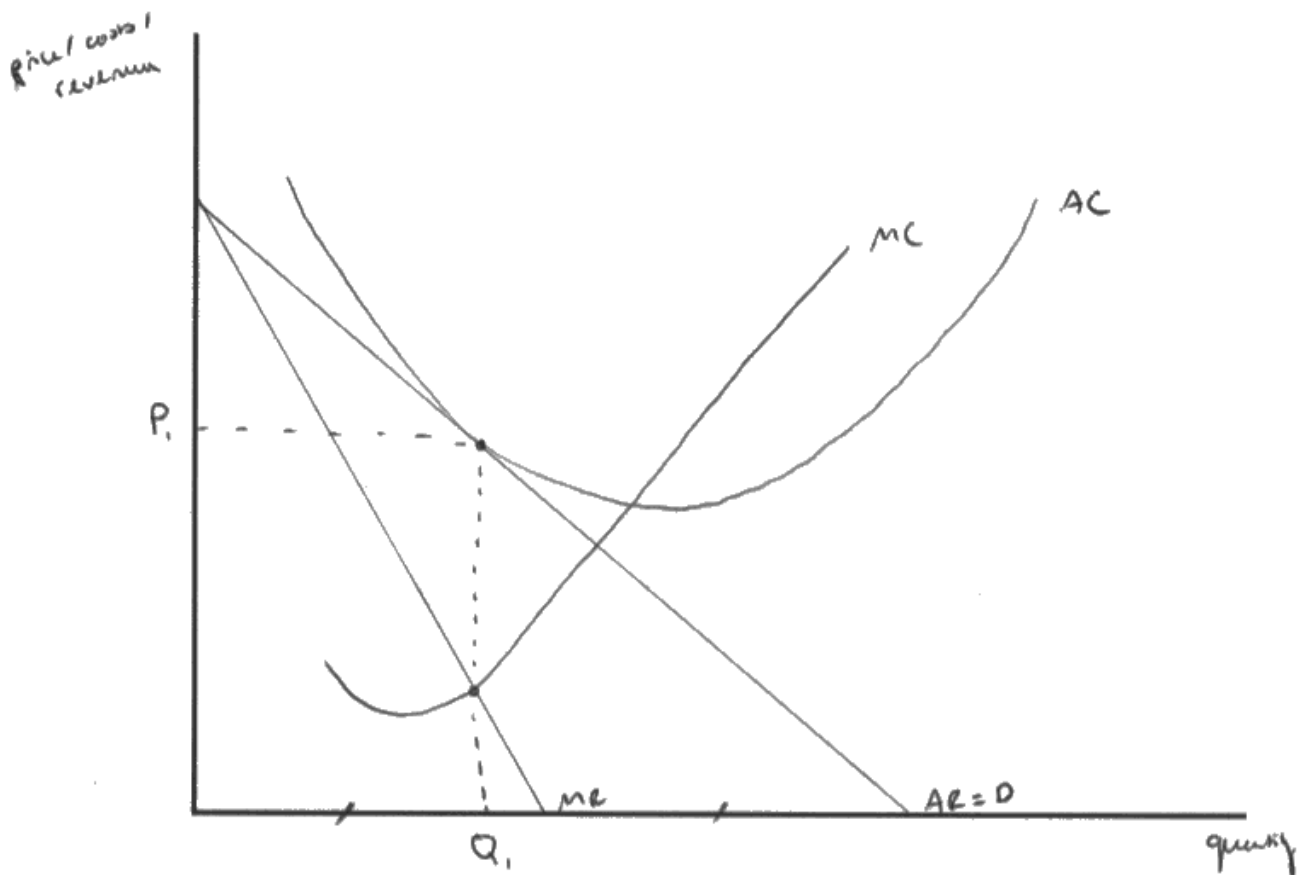
This answer scores two marks as it shows AC tangential to a downward sloping AR curve. Candidates found it difficult to show the tangential point as just touching so we allowed this diagram if the touching point was not too extended along the AR slope. This is not followed by an identification of the profit maximising equilibrium price and output where $MC=MR$. Also, AC is not equal to AR at the profit maximising equilibrium output price and output where $MC=MR$. This answer achieved $2+0 = 2$ marks.



Practice drawing accurate long run monopolistic competition diagram, as per the mark scheme.

(b) Draw a cost and revenue diagram to show the long-run equilibrium of a firm in monopolistic competition.

(4)



ResultsPlus
Examiner Comments

This diagram is correctly drawn. Therefore this answer achieves full marks.

Question 4 (b)

Being a few years into the new specification candidates are well practiced in showing their working. A significant number of candidates were not able to calculate the total revenue and profit for 2016 so were unable to obtain the final answer. Some candidates wrongly subtracted the 2017 figures to obtain their final answer of 58.3 million. Nearly all responses seen ensured that they used the correct unit of measurement as £58.4 million rather than 58.4.

Following the demerger, GoCompare announced in 2017 a profit of £17.5 million, up 21.5% on 2016. Total revenue in 2017 was £75.8 million, up 4.1% on 2016.

(Source: adapted from <https://www.insuranceage.co.uk/insurer/3107496/profits-up-at-go-compare>)

(b) Calculate, using the information provided, the total costs of GoCompare in 2016.

$$\begin{aligned}
 & \text{2017 - £17.5 million profit up 21.5\%} \quad (17.5 / 121.5) = 0.144 \quad (4) \\
 & \text{2017 - £75 million revenue up 4.1\%} \\
 & \quad 75 / 104.1 = 0.720 \quad 190 = 0.144 \times 100 = 14.4 \text{ million in 2016 profit.} \\
 & \text{profit} = \text{revenue} - \text{costs} \\
 & \text{costs} = \text{revenue} - \text{profit} \\
 & \text{revenue} = 72.05 \text{ million} - \text{profit } 14.4 \text{ million} \\
 & \quad = 57.65 \text{ million}
 \end{aligned}$$



ResultsPlus
Examiner Comments

This answer achieves one mark for correctly calculating profit in 2016 as being equal to 14.4 million. They miscalculate revenue for 2016 resulting in the wrong overall answer. An additional mark was awarded for the correct use of the formula. 2 marks overall.



By showing your working it is possible that you may pick up at least a mark even if computational errors occur.

(b) Calculate, using the information provided, the total costs of GoCompare in 2016.

(4)

$$\text{Profit} = \text{TR} - \text{TC}$$

$$\begin{aligned} 17.5 &\div 1.215 = 14.4 \\ 75.8 &\div 1.04 = 72.8 \end{aligned}$$

$$\text{Profit: } 2016: 14.4 \text{ m} = 72.8 \text{ m} - \text{TC}$$

$$\text{TC} = 72.8 \text{ m} - 14.4 \text{ m}$$

$$\text{TC} = \text{£}58.4 \text{ million (1dp)}$$



This candidate has the correct answer of £58.4 million and hence achieves full marks.

Question 5 (a)

Many candidates displayed a secure knowledge of what is meant by a free market economy and were able to go onto secure full marks by explaining how resources are allocated – using rationing, signalling or a laissez-faire approach.

- 5 Free market economics is being challenged. The arguments for and against are being increasingly discussed within many countries.

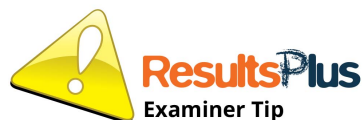
(a) Explain how resources are allocated in a free market economy.

(2)

Resources are allocated based on the equilibrium between demand & supply for a good, meaning resource allocation is decided by market forces.



This answer receives one mark for focussing on the market forces of supply and demand. It lacks development as an explanation so secures 1+0 = 1 mark.



Ensure you read the question carefully. Here the question is specifically asking for an explanation of how resources are allocated in a free market economy.

(a) Explain how resources are allocated in a free market economy.

(2)

Through the price mechanism whereby if demand for a product is high, supply of this good would start to run out, which means firms ration ~~provides on it~~ the good by raising the price which provides an incentive for firms to supply more and allocate more resources to it as the demand is high. ~~Thus theref~~



ResultsPlus
Examiner Comments

There is a clear explanation of how the market forces of supply and demand ration and allocate resources.



ResultsPlus
Examiner Tip

Ensure you carefully and concisely explain your answer rather than adopting an almost bullet point approach to your answer.

Question 5 (c)

There are two marks for this question, one for knowledge and one for analysis. The second analysis mark is for linked development – explaining the benefit of division of labour.

Adam Smith described the benefits of specialisation and the division of labour.

(c) Explain **one** advantage to a firm of using division of labour when organising its production process.

(2)

Division of labour can lead to increased output as each worker becomes more specialised in his/her role in the production of the product.



No mark was awarded for just saying more specialised as it is in the stem of the question. Greater output was awarded one mark but the candidate does not explain how division of labour enables this when organising the production process. 1+0 = 1 mark.



Ensure you carefully read the question, including the stem of the question – in this case where it says 'Adam Smith described...'.

(c) Explain **one** advantage to a firm of using division of labour when organising its production process.

The workers do ^{and specific} easier tasks, therefore they can specialise in them and become more productive, as tasks are easier for workers and they become specialised in them. Therefore production would go up and cost of production would go down. (2)



ResultsPlus
Examiner Comments

The answer achieves full marks. One knowledge mark is secured for 'easier tasks' and there is a clear explanation as to why this is a benefit with linked development to lower costs of production. 1+1 = 2 marks.

Question 6 (a)

In this answer there is one mark for knowledge, and two marks for analysis for showing an understanding of a positive and a normative statement with some further analysis of the difference. Two marks were awarded for application by providing one example from Extract A for positive and one likewise for normative. Some candidates achieved 4/5 marks as they wrongly defined a normative statement as being an opinion.

- (a) With reference to Extract A, explain the difference between a positive statement and a normative statement.

(5)

A positive statement is a statement that can be proven as true or false. For example as stated in Extract A "The government claim that the cap could save households up to \$100 per year." ~~This~~ This statement can be proven as true or false. Whereas a normative statement is a statement that is opinion based and can not be proven or disproven. For example in Extract A, Michael Lewis says "The price cap would reduce competition and innovation."



ResultsPlus
Examiner Comments

Positive statement defined with a valid example scores 2 marks. Normative statement repeats definition of positive statement and incorrectly identifies it as opinion based. There is an additional application mark for the example taken from Extract A, with some benefit of doubt given. Response achieves 1 knowledge mark and 2 application marks = 3 marks.



ResultsPlus
Examiner Tip

Ensure you know accurate definitions of key terms from the specification.

(a) With reference to Extract A, explain the difference between a positive statement and a normative statement.

(5)

A positive statement is a fact that can be proven or disproven through a scientific method for example "this cap could save up to \$100 a year." This can be proven or disproven in the future

A normative statement is a valued judgement that cannot be proven or disproven using a scientific method, for example "Ofgem should limit ~~gas and~~ electricity and gas suppliers" as this is an opinion.



ResultsPlus
Examiner Comments

This answer achieves a total of 5/5 marks. In the first sentence the candidate gains one knowledge mark for understanding what a positive statement is and an additional two marks for further analysis and application using Extract A. An understanding of a normative statement as a 'value judgement' secures a mark. The scientific method point has already been awarded but the additional application mark is awarded towards the end.



ResultsPlus
Examiner Tip

Ensure you carefully answer the demands of the question. This candidate carefully applied examples taken from Extract A as required.

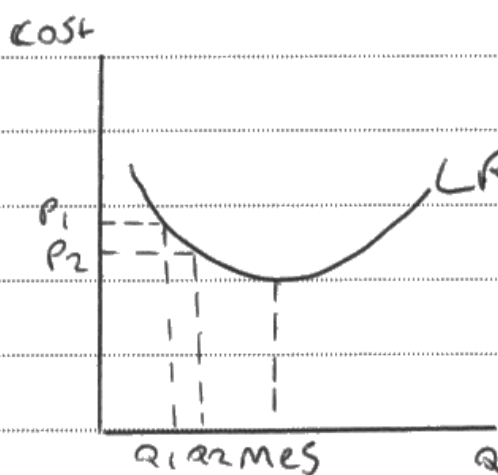
Question 6 (b)

With the 'examine' question, the marks are allocated evenly across all four categories – so two marks for each of knowledge, application, analysis, and evaluation. The question specifically asks for 'benefits to consumers'. Therefore, candidates need to ensure they have examined two benefits in their answer. A diagram was not required and at times did not add anything to what was already written by the candidates. Some answers misread the question and only discussed benefits to the firm. The other thing that candidates need to remember is that there are two marks for evaluation here – many answers were well-written but without evaluation they are limited to 6/8 marks.

(b) With reference to Extract B, examine the likely benefits to consumers of the integration between BT and EE.

(8)

The integration between BT and EE is forward vertical. This is the same industry but different stages of production. ~~AA area closer to the con.~~ One benefit of integration is increased ~~bulk~~ economies of scale through bulk buying. For example buying more iPhones X at a cheaper price which will enable BT to "offer greater value bundles of services", leading to BT ~~consumers~~ passing on to consumers, ^(lower prices) with long

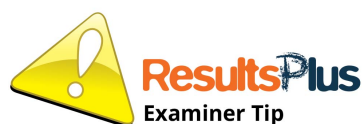


(an average variable costs decreasing ^{from P_1 to P_2} as output increases from Q_1 to Q_2 , increasing consumer surplus.

However in evaluation will the BT be able to offer lower prices? could become too big and experience diseconomies of scale through poor communication, therefore the consumer may experience higher prices.



There was no mark for identifying the type of merger, but this did on occasion allow candidates to go on to analyse possible benefits. This answer only identifies one benefit to consumers being lower prices (consumer surplus) from the economies of scale analysis given. There is also application awarded with reference to 'greater value bundles'. The closing paragraph is awarded two evaluative marks. The candidate scores 1K, 1An, 1APP and 2Ev = 5/8 marks.



Remember the allocation of marks for these 8 mark 'examine' questions will be consistent – 2 marks for each of knowledge, application, analysis and evaluation. A careful reading of this question would have identified 'benefits' to consumers – thus requiring at least two benefits.

(b) With reference to Extract B, examine the likely benefits to consumers of the integration between BT and EE.

(8)

Firstly, the horizontal integration of BT and EE is likely to allow for economies of scale to be utilised, which will lead to lower costs and therefore, potentially lower prices for consumers. They claim the merger will allow for 'great value bundles of ~~new~~ services', theoretically not only allowing for lower prices but also a better quality of product as they can share research and ideas, overall maximising consumer welfare. However, it should be considered that with a 35% market share, ~~they~~ although ~~costs~~ the decrease in costs may be passed onto consumers it may also be kept and as a monopoly, their competition to discourage this is small.

Secondly, the integration might lead to a greater variety of products, indicating that instead of looking out for a merger in terms of product choices, they are in fact gaining. As they will be operating a 'multi-brand strategy', consumers will be able to choose a mix of BT, EE or Plusnet services' which will increase consumer choice and therefore consumer welfare. However, although this may be a winning strategy, due to such

a large market share, they may begin to suffer from x-inefficiencies which may encourage them to reduce their products, potentially leaving consumers with less choice than before the merger.



ResultsPlus
Examiner Comments

This is an excellent well-structured answer to this question scoring full marks. Two distinct benefits are examined – lower prices and greater variety of products. Both policies are also evaluated effectively, worthy of two evaluative marks in both cases.



ResultsPlus
Examiner Tip

Remember there are two marks available for evaluation on this question. If you are able to evaluate both benefits great, but 2 marks can be awarded for identification and development of one evaluative comment.

Question 6 (c)

Answers to this question were generally strong, with stronger candidates using economic theory to explain patterns. Most provided two paragraphs of KAA and two separate evaluative paragraphs. Better answers explored low PED and brand loyalty, asymmetric information, computation issues, deliberately confusing tariffs and habits. Fewer candidates questioned their thinking or evaluated beyond saying that in the long run information will improve as the regulator intervenes. Stronger candidates questioned the idea that staying with BT was irrational behaviour at all given the hassle for small savings and the brand trust value of paying more.

(c) With reference to Extract C, assess possible reasons why many 'landline-only' customers do not switch to a cheaper telephone provider.

(10)

one possible reason why many landline only customers do not switch to a cheaper telephone provider is as nearly two-thirds of BT landline only customers are 65 and over. Being elderly and with BT for decades, the consumer is Brand loyal and even with an increase in price, they will still use BT for landline. As well as the consumer being elderly, they may not have access or knowledge of using the internet, restricting them from being able to view other ~~phone~~ ~~landline~~ providers such as ~~vodafone~~ Sky and vodafone.

However, such customers would switch if a significantly cheaper supplier than BT, ~~such as~~ offered a better deal and value for their money.



ResultsPlus
Examiner Comments

This answer scores 6/10 marks. The candidate has addressed brand loyalty (Level 2) and lacking market information, 'knowledge' (L2). The final paragraph is awarded one Level 2 evaluation. Overall the candidate achieves L2 (4 KAA) and L1+ evaluation (2e) as the evaluation fails to recognise different viewpoints.



ResultsPlus
Examiner Tip

Try to ensure evaluation is not on the brief side. A safe approach to this would be to evaluate each reason separately.

(c) With reference to Extract C, assess possible reasons why many 'landline-only' customers do not switch to a cheaper telephone provider.

(10)

One reason they haven't switched to a cheaper provider is due to habitual behaviour of the consumer, meaning they have not attempted to find a new telephone provider, especially given the fact many "have been with BT for decades" which has allowed prices of consumers to steadily increase without them being aware of their prices having "soared" between "23% and 47% in recent years". Especially given that these consumers are elderly and therefore, we could presume, are not using technology greatly.

Are these high prices likely to remain high for these consumers?

In evaluation, although consumers have been exploited with high prices, it is ~~unlike~~ unlikely prices will remain so high due to the regulator Ofcom stepping in and prices "will fall from £18.99 to £11.99 per month" meaning consumers will still not switch provider.

Another reason landline only customers do not switch could be due to information of alternative providers being difficult to get hold of. Consumers have a weaker ^{consumption} at ~~comparison~~ meaning they are often unable to see whether products will be cost effective to them, and with such a complex system which many people have a great deal of asymmetric information with their landline providers, such as BT, they have never changed.

their provider.

Could information be made easier to gather for consumers to reduce the asymmetric information? ~~Ofco~~ In evaluation, Ofcom have said it will be helping people "shop around for better deals with more confidence" in order to reduce the issue of ~~the~~ paying these unnecessarily high prices for their telephone bills meaning this issue for consumers will decrease.



In the first paragraph the candidate addresses the issue of habitual behaviour and links their knowledge and understanding in context to a Level 3 standard. It was felt that there was a little lack of clarity so was awarded L3-. The next paragraph went on to evaluate this reason to a Level 2 ev+ standard. The candidate provided another reason, that of missing information to a L3+ and L2ev+ standard. Overall the candidate achieved L3 (5KAA) and L2ev+ (4ev) = 9/10 marks.

Question 6 (d)

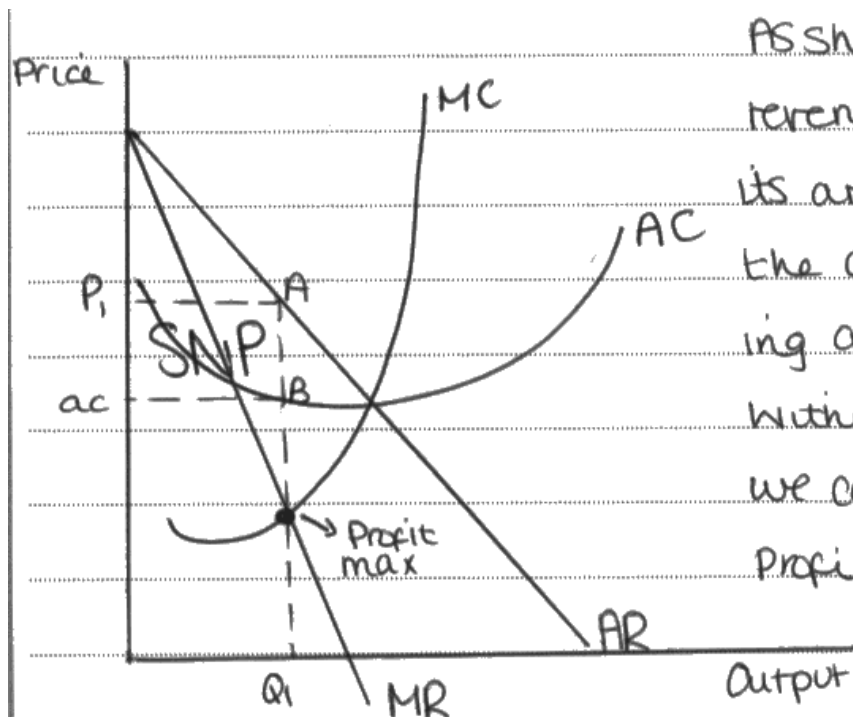
Stronger answers identified how integration increased revenue with a Level 3 diagram showing an outward shift in AR and MR and a larger SNP area accurately identified. This was accompanied by economic ideas carefully explained in context and then evaluated twice with a logical chain of reasoning in both cases. Alternatively, stronger answers made appropriate use of the extract to identify falling costs as illustrated by the AC and MC falling. When only the AC was shown to fall, stronger candidates identified that this was due to a fall in fixed costs whilst weaker responses failed to identify why only AC was falling.

(d) Discuss **one** likely reason for the rise in BT's profit (Figure 2, Extracts B and C).

Use a cost and revenue diagram to support your answer.

(12)

One likely reason for the rise in BT's profits is ~~as~~ as shown in figure two, their monthly prices have risen between 2006 and 2016 by around £5.10 per month, overall costing consumers around £61.00 more each year. One prominent reason is given the control it has on ~~the~~ nearly 66% of the 1.5m landline-only consumer ~~base~~, given this highly dominating market. They can afford to increase prices to profit maximisation ^(MC=MR), hence the increase in the prices consumers have to pay. This has allowed them to increase their profits to be risen to "£566 million" in the "second quarter of 2017". The profit maximisation of BT is shown on the diagram below.



As shown, BT's average revenue is far exceeding its average costs, allowing the company to be generating a high level of profit. Within the box P_1, A, B, ac we can see the Supernormal Profit generated.

Will these increases in profit likely remain this high in the long run? It could be that the increased profits that BT are experiencing and have been since 2006, be due to stop given the interference from Ofcom, who are forcing them to decrease the prices of the good from £18.99 to £11.99 per month, meaning BT may now decrease profits, this will mean that they will be less dominant in the market as their competitors will possibly be pricing below this.



The static cost and revenue diagram alone secured Level 1KAA as it did not provide one reason for the rise in BT's profit. The written answer on the same page lifted the overall response to Level 2 as it suggested in context that the ability to set a profit maximising price had now been secured. To achieve a Level 3 response the diagram would have been made dynamic by additional annotations showing the change in price for example from allocative efficiency pricing to profit maximising price. The evaluation on the next page secured Level 2ev- and required extending and/or an additional evaluative point to secure L2e+. As such this answer scores 4KAA and 3ev = 7/12 marks.

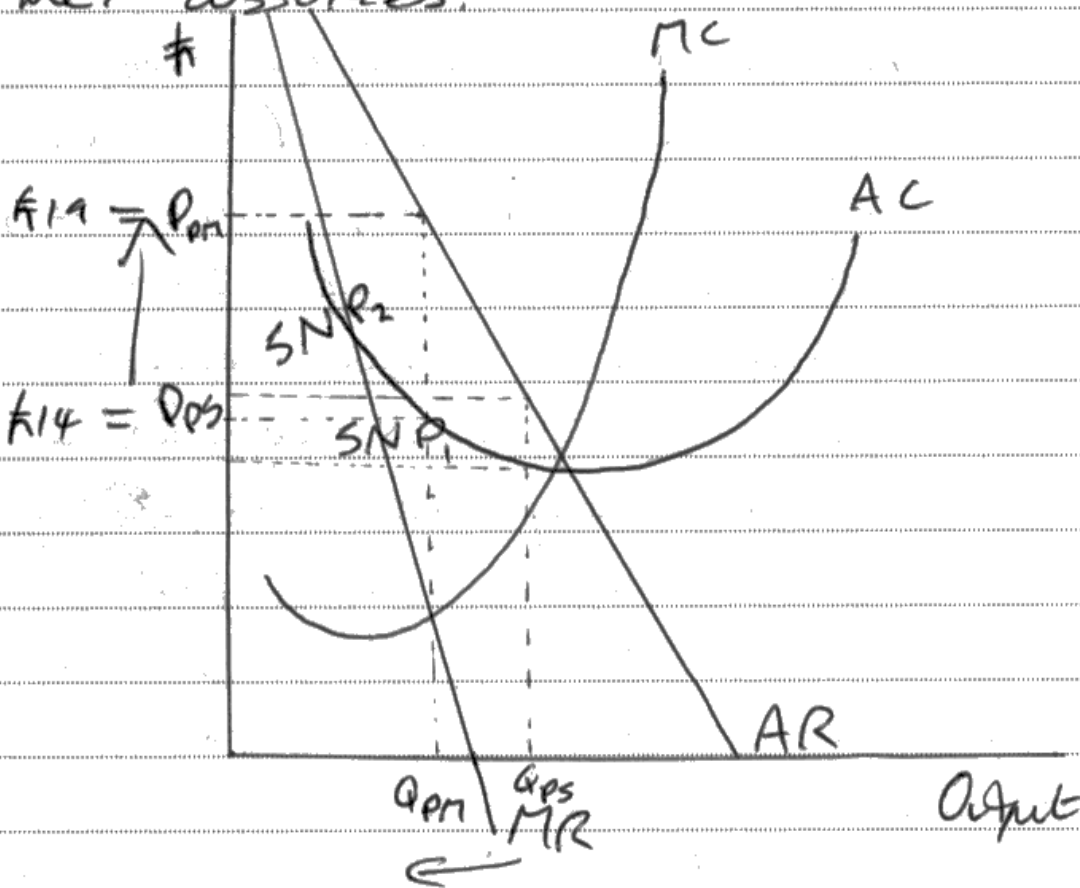


Ensure you provide a clear diagram, when asked, with additional annotations that help you answer the question set.

(d) Discuss **one** likely reason for the rise in BT's profit (Figure 2, Extracts B and C).
Use a cost and revenue diagram to support your answer.

(12)

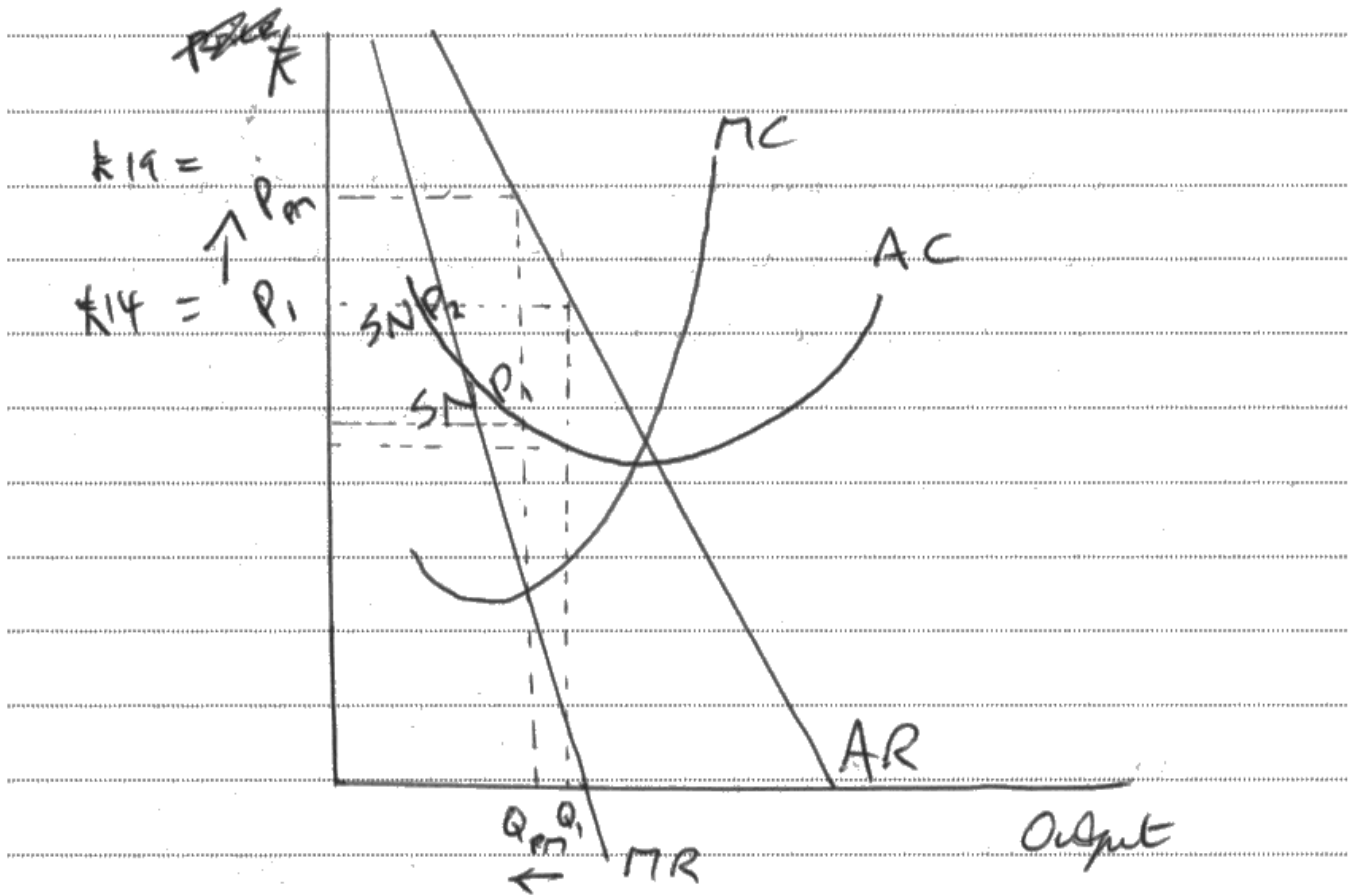
One reason for a increase in profits is the rise in prices that BT are charging their customers.



BT may have changed their objective from PS (Profit Satisficing) to PM (Profit Maximising $MC=MR$). This is as they have managed to make use of their very inelastic demand curve / AR curve to increase profits to £566 million in 2017. At PS they were maintaining a high market share and gaining the brand trust from the consumer base. This increased the reliability

of demand so that they could shift to PM and by raising prices for landlines from £14 to £19 a month. This caused a large SNP increase from SNP₁ to SNP₂. As the other providers also rose their prices to a less competitive level they were not undercut so profits rose.

To evaluate this point, it is widely held that BT were operating so far from a profit maximising output level originally they already had substantial market share as they have been in the market so long benefiting from first mover Economies of Scale. Therefore they may already have had a higher price, closer to profit max in order to satisfy the shareholders. This would mean the further increase in price would not result in a significantly ^{higher} ~~higher~~ profit as shown on ~~the next page~~ the next page.



ResultsPlus
Examiner Comments

In contrast with the first exemplar this candidate provides a dynamic diagram in context and with analysis concerning the PED being relatively price inelastic. The answer secures 7 KAA and 4ev = 11/12 marks.

Question 6 (e)

Price caps was by far the most common method used and most candidates provided a correct supply and demand diagram, with a few attempting to illustrate the change in consumer surplus and many evaluating well. Around a third of the candidates discussed price caps using a cost and revenue diagram, with many in this case identifying consumer surplus gain. Many candidates also had the price cap intersecting the allocative efficiency point, which set up the opportunity for some excellent evaluation. Candidates who were able to bring in a wider range of economic issues were therefore able to access the higher-level marks. Additional popular methods included providing information, profit regulation and nationalisation.

(e) Discuss methods of government intervention to protect consumers within the utilities markets, such as energy and telecommunications.

(15)

Government intervention is when the government intervenes to prevent market failure or to reduce negative externalities.

The government can intervene in a market to prevent the dominance of a certain firm over consumers. Governments can introduce a price cap on energy and telecommunications to prevent them from charging more than a certain price.

The government can introduce a price cap per kilo-watt on the energy market in the UK. What this means is that firms are not allowed to charge more than the ~~max~~ cap price per kilo-watt. This protects consumers a lot if there are only a few large energy firms in an area which otherwise would have set a higher price than the ^{max} cap price. Firms as a result likely going to get lower profit margins from this and as a result not as many firms are likely going to enter the market. However, in the long run firms are likely to leave the area since they see their profit margins lower.

Another method of government intervention is buying the private company itself. If the government ends up buying the private company it is less likely to exploit consumers in terms of price per kilo-watt. However, the government is less likely to run the firm as efficiently as the ~~private~~ private firm as it does not have the incentive to maximize profits.



This answer discusses briefly the introduction of a price cap achieving Level 2-. The evaluation is very thin, L1ev-. Another method implied is nationalisation but there is a lack of application. The evaluation this time achieves L2e-. Overall the response achieves Level 2- (4 KAA) and L2Ev- (3EV) = 7/15 marks.



Try to ensure your chains of reasoning are developed with application and economic ideas, diagrams can help with this even when not requested.

(e) Discuss methods of government intervention to protect consumers within the utilities markets, such as energy and telecommunications.

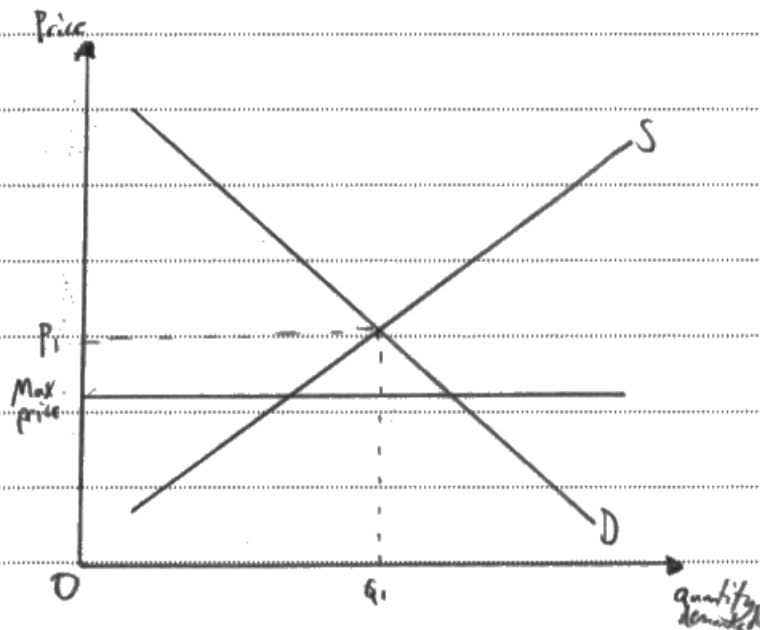
(15)

Government intervention is when the government intervenes in a market in order to ensure a more efficient allocation of resources, improve efficiency or to increase productivity.

One method of government intervention to protect consumers in the utility market could be information campaigns. In the telecommunications market, Ofcom is said that it is looking at measures to help consumers shop around for better deals with more confidence. When consumers have imperfect information, ~~that~~ ~~margin~~ producers have the opportunity to take advantage of them and charge a higher price for a good or service than necessary. This leads to a fall in the marginal utility that a consumer gains and consumers are said to be utility maximisers & this leads to a fall in consumer welfare. The government can provide handouts and magazines to consumers in order to help them better understand the telecommunications market or they can require firms to show all available deals including the ones of its competitors. This will give consumers better knowledge and allow them to choose the best possible deal so ~~the~~ ^{margin} utility is maximised leading to a rise in consumer welfare. However, consumers are not guaranteed to put in the effort to learn more about the market since behavioural economics tells us that consumers look for the easy way out that ~~is~~ satisfies their short term needs. This will mean that it is a waste of government revenue

which comes at a massive opportunity cost.

Another method of government intervention is to implement a maximum price (price cap). A maximum price can be implemented by the government in order to protect consumers from being charged too high of a price.



The diagram shows a maximum price. The price must be set below the free market equilibrium in order to have any impact. In the energy market, this can be implemented to cap the prices of gas and electricity which will save 11 million households up to £100 a year. ~~As~~ A maximum price protects consumers and leads to a rise in consumer welfare, consumers also have additional disposable income. However, whilst a price cap is a more reliable method of protecting consumers, it may lead to unintended consequences. It can reduce competition since energy suppliers don't have the same motivation as their profits are limited to an extent. The fall in revenue will also lead to less innovation and a fall in

dynamic efficiency, all of which may make consumers worse off.



ResultsPlus
Examiner Comments

This is a well-written answer to this question, particularly in terms of logical and coherent chains of reasoning in both KAA and Evaluation. The first one focuses on information campaigns (L3+) and the second on a maximum price (L3). Maximum prices could have been developed a little further – for example identifying in the diagram the gain in consumer surplus. Therefore, overall this answer achieves Level 3 KAA and Level 3+ evaluation = 8 and 6ev = 14/15 marks.



ResultsPlus
Examiner Tip

Focus on quality rather than quantity. This answer is two pages in total yet still achieves very highly. Avoid a scattergun approach of discussing many methods.

Question 7

This question drew on candidate's knowledge from 5.5 Labour Markets and/or 3.4.6 Monopsony. An accurate drawing of the monopsony labour market diagram was not required and candidates who answered this well did so using solid chains of reasoning; for example, in the health industry with bilateral monopsony power disputes. Candidates who did well mainly focussed on one industry – with the health industry and from the stem – the entertainment industry – being common responses. Weaker candidates tended not to move beyond basic supply and demand analysis or spoke about discrimination but struggled to develop a line of reasoning beyond saying that women have babies and take breaks from work or choose part-time work. Question 7 was less popular than Question 8 and on the whole responses were not as strong.

- 7 In July 2017 it was announced that only a third of the BBC's 96 top earning presenters were women and that its seven highest-paid presenters were all men.

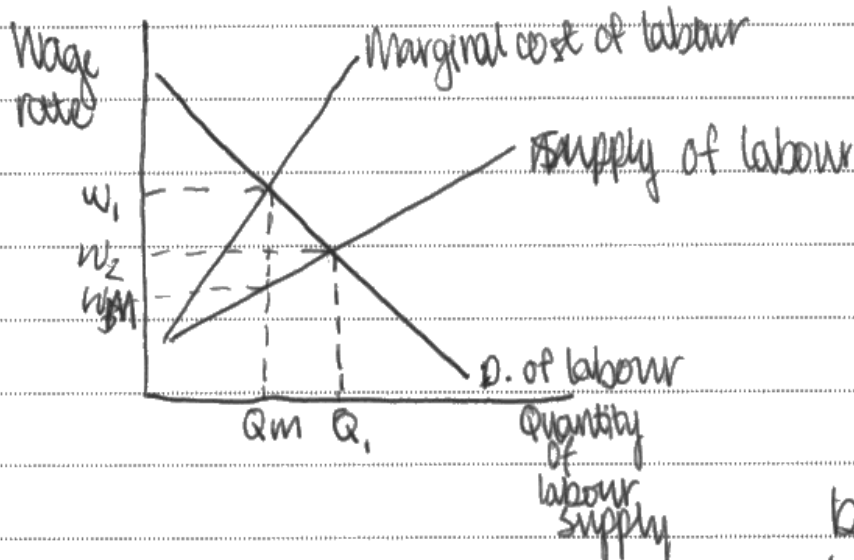
According to the High Pay Centre, in 2018, UK chief executives can earn 120 times more than the average full-time worker earning £28 758.

With reference to an industry of your choice, evaluate why wage differences exist within the UK labour market.

Chosen question number: **Question 7** **Question 8**

Wage differences might exist within a UK labour market because a firm within a labour market might have monopsony power, meaning that they are able to squeeze wages down more than other firms within the same industry. This means is because they are one of the sole buyers of that kind of labour and therefore workers don't really have anywhere else to work apart from that

- Gig



particular firm, especially if their skills are not transferable.

The wage the workers should be getting for their

labour should be w_1 , but instead they receive w_m for their work because of the monopsony power.

However, the monopsony ~~power~~ ^{power} firms have in the UK is ~~extremely~~ ^{rather} limited due to their being a national minimum wage which firms have to pay their workers, and therefore it is unlikely that this is one of the greatest causes of wage differences in the UK.

One reason wages differences exist is because of the education and training it requires you to ~~receive~~ get that job. A job that requires more qualifications, such as the medic industry, is likely to pay a lot more as the extra incomes needs to act as an incentive to reward people for their hard work. However, it is possible to ~~make~~ argue against this by saying that becoming a medic is considered

a vocational job and therefore the ^{significant extra} money does not really need to be present in order for people to consider the job.

One might argue that there are wage differences in the economy because of the growing gig economy in which workers are not required to be paid the minimum wage as it is based on how many things you do, for example, with uber ~~it was~~ you would be paid based on how many trips you have given. This means that there are quite large wage differences daily as your income would depend on the amount of uber trips demanded on that day. However, ~~it~~ while ~~do not~~ this explains small wage differences, it doesn't explain the larger ones.

To conclude, the most compelling factor that describes why there are wage differences is the fact that different levels of education are required for different jobs and therefore higher wages act as an incentive for people to work hard and get these jobs. Even a doctor might choose not to take up a job if it pays too little,



This answer has many relevant reasons for wage differences. Initially the monopsony reason is theoretically well-structured, but it lacks an industry focus – achieving L3 and L2ev. Education and training are not sufficiently developed to achieve higher than L2 and L2e. Uber raises a relevant point from the specification on current labour market issues surrounding the gig economy and achieves L3 and L1e-. There is some attempt to provide a judgement at the end. Overall the response is awarded L3 (11KAA) and L2ev (5EV) = 16/25 marks .



Less is more. Spend a little time planning to focus on one industry with reasons that are fully developed with as many chains of reasoning as possible. This will allow you to achieve much higher marks than simply writing down as many different points as you can think of. Evaluation can draw on examples from other industries.

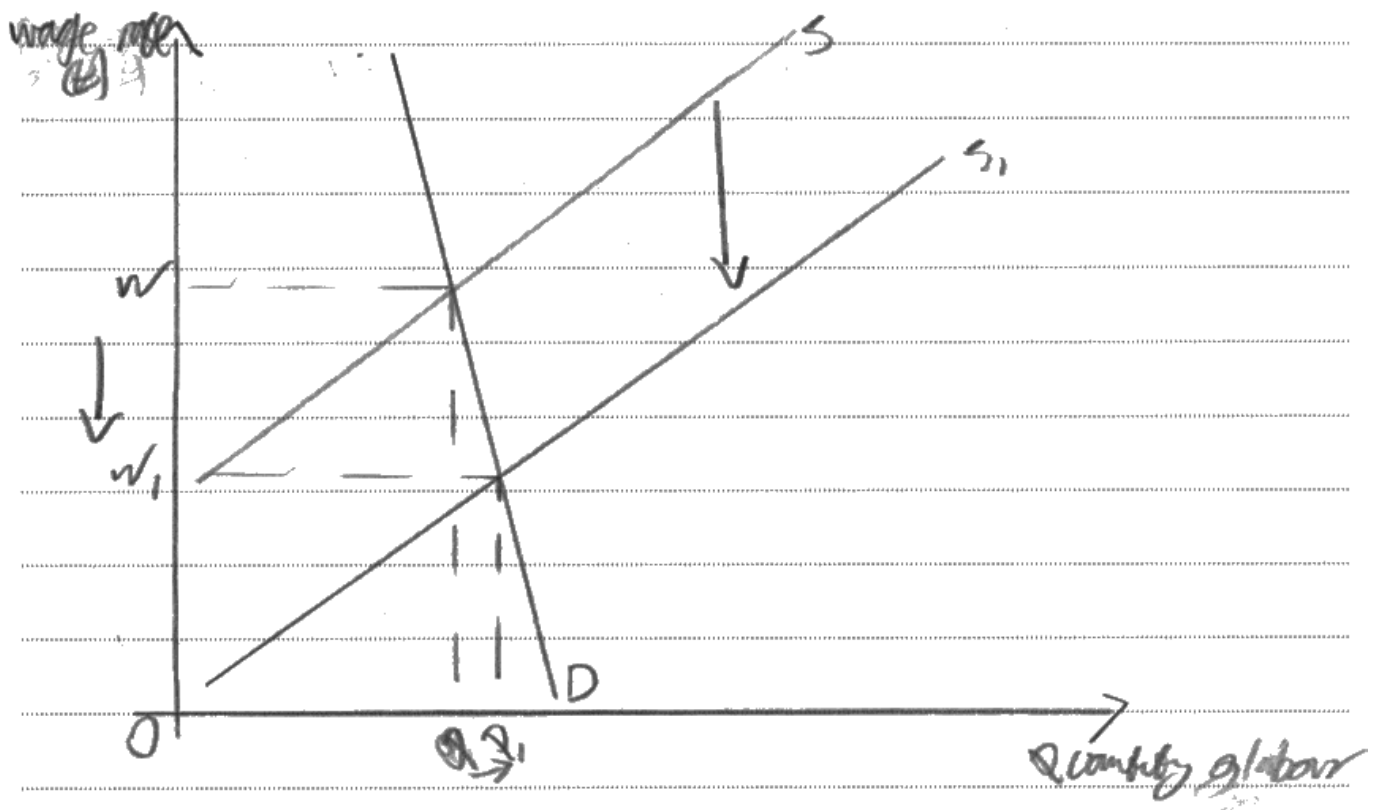
Chosen question number: **Question 7** **Question 8**

One reason for the differences in wages in the UK labour markets is due to different marginal revenue product ^(MRP) values. For example, in the English Premier League (EPL), the ~~average~~ ^{median} monthly wage for an EPL footballer is just over £29,000. In the 2017/18 season, Alexis Sanchez moved from Arsenal to Manchester United. Sanchez is paid £360,000 a week which is far above

the median wage figure on the EPL. This is because his MRP is substantially higher than most other EPL footballers. His talents and prestige means that he will bring in more revenue than ~~cost~~. This could be through shirt sales for example or through scoring goals that will help Manchester United to win the EPL and the substantial prize money that comes with it. Players who play for clubs further down the EPL table ~~as~~ such as ~~Burnley~~ Burnley are likely to earn less as they are generally less skilled and bring in less revenue because Burnley is a less popular team than Manchester United hence having a smaller fanbase. This means that a Burnley signing will not generate as much revenue in shirt sales for example as the fanbase (ie potential buyers) is smaller. However, this may be beneficial to both the ~~player~~ industry. The ^{more} higher a player is paid, the more likely it is that he will be incentivised to work harder to ~~worry~~ his wage. This may result in improved skills amongst players in the top 10 clubs which will make the supply of labour more wage inelastic. This can be beneficial to the consumer of football (ie season ticket holders) as they will see an improvement in the performance of their team. Furthermore, lower ranked side players will be attracted by these high wages hence also becoming

incensed to work harder in hope of being signed by a club who will offer a higher wage.

Another reason for the wage difference in the UK labour market is the wage elasticity of supply and demand. Demand for labour is a derived demand and in the UK footballing industry, there is more consumer demand for men's football in comparison to women's football. Since demand for men's football is high, demand for labour in this market will also be high. Furthermore, ~~the~~ demand for men's football (ie season tickets, etc) is price inelastic which means that the ~~wage elastic~~ demand for labour is likely to be wage inelastic. ~~As the demand for~~ This means that demand for labour is not very responsive to a change in the wage rate. Therefore, as EPL clubs demand more labour, the supply of labour will increase.



As the supply of labour increases, the wage rate falls from w to w_1 . This may seem insignificant but the supply of labour for men's footballers is likely to be wage inelastic given the tough skills required to succeed at the profession. Women's football, on the other hand, is considered less skilled hence these players will earn lower wages. Furthermore, demand for women's football is comparatively low to men's. Therefore there is a wage difference ^{between} gender in this industry. However, men's clubs are being punished / regulated for spending such large amounts on transfer fees and wages. Manchester City may not play in the Champions League next season if they are found guilty by the court for Arbitration and

effect of not adhering to financial fair play rules. Therefore it could be inferred that there is market failure in this industry. In women's football, wages have been rising over the last 5 years as governing bodies give women's football more attention. Women's football now has a world cup and champions league just like the men. Therefore in the long run, the wage differences between genders in this industry may balance out through the corruption of the men's game and the rise of the women's game.

Based on the evidence, wage differences exist in the labour market for top-flight football players due to consumer demand. The nature of demand for labour being a derived demand means that there is heavy reliance on football sponsors and brand loyalty. For example, if supporters were to suddenly switch from supporting the men's to the women's team, wages would fall dramatically for the men.



The football industry as a context is dealt with richly in terms of precise economic knowledge and understanding using appropriate examples. The first reason achieves L4KAA and L2 evaluation. The second reason regarding wage elasticity is awarded L3+ KAA mainly for the content on the third page, whereas the fourth page becomes a little unclear. The evaluation of this reason is solid and is awarded L3+. There is some judgement towards the end. Overall the candidate achieves L4- (13KAA) and L3- ev (7EV) = 20/25 marks.

Question 8

This question was more popular than question 7 with better responses overall. After the truck industry, taken from the stem, supermarkets were the next most common industry, along with the airline and finance industry. The better responses made excellent use of game theory, with an accurate in context pay off matrix, commonly used to illustrate the temptation to collude and to break away. Price rigidity, limit pricing and controlling supply (cartels) were discussed too. Many good candidates linked this to low PED and raising revenue. Some candidates stayed in context, explaining that the high costs of conforming to emission regulation made it necessary. Evaluation was commonly about being caught and fined by the CMA. Stronger candidates illustrated the need for trust and fewer firms for this to work well.

- 8 In October 2017 Scania, the Volkswagen-owned truck maker, was fined €880 million (£771 million) by the European Commission for colluding with five other truck manufacturers over a 14-year period. The firms had agreed to coordinate prices after experiencing additional costs of meeting emission regulations.

With reference to an industry of your choice, evaluate why some firms engage in collusive behaviour.

(Total for Question 8 = 25 marks)

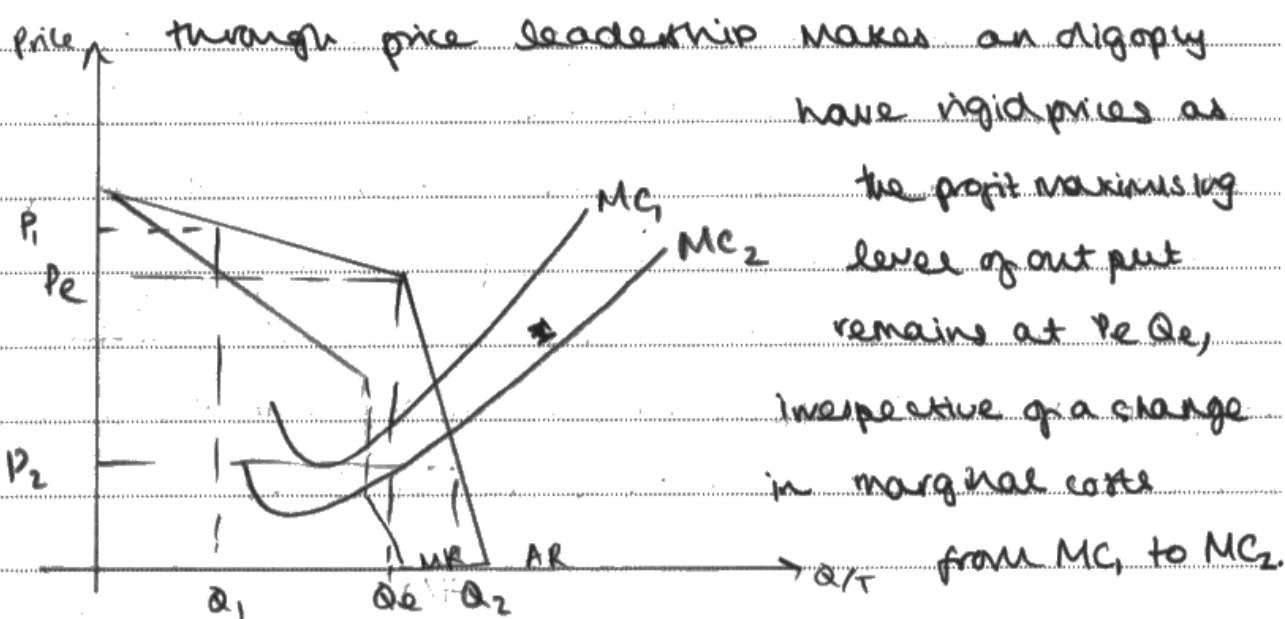
Indicate which question you are answering by marking a cross in the box . If you change your mind, put a line through the box and then indicate your new question with a cross .

Chosen question number: Question 7 Question 8

An oligopoly is a market whereby there are a few large firms that dominate & have large market share (the 5-firm concentration ratio is usually $> 60\%$). In the UK, the supermarket industry is an ~~original~~ example of an oligopoly with the top 3 firms being Tesco's, Sainsbury's & Asda. In an oligopolistic market, collusion is likely to happen as firms wish to gain more stable long run profits, to decrease competition or to gain more market

Share. Collusion can either be Tacit (price leadership or informal collusion) or it can be overt (a cartel can form such as the Oil Producing & Exporting Countries i.e. OPEC). Oligopolies also have price rigidity & can fall prey to trade wars, which in both give further reasons for why firms in this market may opt to collude.

Firstly, tacit collusion usually occurs through price leadership when 1 firm within the oligopoly chooses a price and others follow. This is shown as ~~the~~ ^{the} point $P_e Q_e$, the kink of the demand ~~curve~~ curve. Tacit collusion



Additionally, revenue is also maximised as raising ~~the~~ price to P_1 will mean a drop in the customer as individual firm ~~has~~ ^{has} from Q_e to Q_1 as in an oligopoly, ~~the~~ although there is a degree of product differentiation, goods are usually close enough substitutes that they have a positive value of XED & the demand slope before the kink is

meaning a rise in price will cause a fall in revenue.
elastic. Additionally, if a firm decreases their price
to P_2 , they will suffer a decline in revenue as
quantity increases proportionately less to Q_2 as firms
will engage in a price war as every firm drops their
prices, which in the long run loses profits for all
firms. Hence, this market usually remains stable at
 $P_e Q_e$. An example of this is the music streaming
services that are becoming successful across the
western world such as Spotify & Apple Music &
Tidal. ~~All~~ All streaming services, ~~followed~~ ^{led} ~~by~~ ^{roughly} the
market's first firm ~~Spotify~~ Spotify, charge £10 per month
for their services, although no overt collusion has occurred.

In this market firms have tacitly colluded as ~~they~~ ^{they}
~~do~~ want to keep their current levels of revenue &
profits because any changes in price would equal
a net loss of customers causing a reduction in ^{revenue} ~~price~~
or ~~profit~~ (ie if Apple pay charged £11.50, a lot
of their customers would switch to Spotify.)

However, tacit collusion may not always be beneficial
to all ~~the~~ economic agents. Spotify, the price leader,
charging £10 a month only started to make a normal
profit in 2017, due to the high regulatory cost ^{of} ~~the~~
the music licensing industry. Thus, although the
market has stayed price rigid, the profitability of this
price may ~~be~~ ^{felt} only be ~~felt~~ in the long run as firms begin

to expand and exploit economies of scale. This may in turn result in Scania's increased market power and ability to undercut ^{other} firms & retain their profits. Additionally, price leadership may force smaller firms out of the market & increase barriers to entry as that high price of P_e may not create enough profit motive for a firm to enter, thus decreasing the market saturation and hence competition which may negatively affect the consumers.

Over a collision between 2 firms (for example Scania and another vehicle manufacturer) can be demonstrated a prisoner's dilemma Game Theory matrix:

		Scania		In this situation, if Scania and Firm B decide to restrict production unilaterally to 50 million trucks, they both will gain
		100m	50m	
Firm B	100m	£5bn, £5bn £0.5bn, £0.5bn	£5bn, £1bn	50 million trucks, they both will gain
	50m	£1bn, £5bn	£6bn, £6bn	

profits of £6bn ^{and} arrive at a Nash Equilibrium. In this situation, ~~both~~ firms will adopt the risk averse ~~strategy~~ strategy a.k.a the Dominant strategy of restricting product for to 50m cars, as they avoid the worst outcome of only £0.5bn in profits. The Nash equilibrium discussed will probably arise in the long run, unless over a collision occurs very quickly, which is difficult due to government

regulation on anti-competitive market behavior, such as the €830 million fine.

Despite this, firms may choose not to engage in overt collusion due to difficulties communicating ~~secretly~~ without getting caught, as the CMA in the UK may be watching their actions very closely. Additionally, if firms' output is hard to measure (ie in the services industry) it may be ~~is~~ harder to detect collusion than in the car manufacturing industry. Moreover, firms may decide that the penalty for getting caught is enough to disincentivise collusion, for example the fine on Scania in 2017 by the European Commission. Moreover, this may be outweighed by the ~~enormous~~ enormous operating costs & regulatory burden already felt in the industry driving firms to collude anyway, like the "additional costs of meeting emissions' regulations" in the case study.

Overall, firms usually choose to collude to restrict competition and make achieving profit maximisation levels easier without entering a bitter trade war. The government ~~do~~ in the UK do ^{make an effort} ~~to~~ ~~good~~ jobs of deterring such behaviour, however the high regulation costs & tax burden many firms face in the UK

drive them to take part in such behaviour, whether it be openly or tacitly.



The candidate starts with identifying the supermarket industry as prone to collusion given its oligopolistic structure. The kinked demand curve, whilst outside the mark scheme as it is not on the specification, is explained well and moves on to discuss the music streaming industry to a Level 4 standard. The evaluation of this is sophisticated and in context, achieving L3ev. Game theory is then applied to the truck industry – the pay-off matrix is wrong and the reason for collusion is not fully explained – achieving L3- KAA. However, the evaluation is well written – achieving L3ev. The conclusion adds a little judgement. Overall the response achieves L3 KAA (11) and L3ev (8EV) = 19/25 marks.



For a Level 4 response, candidates must refer to a specific industry in their answer. You must ensure that most of your response is focussed on one industry.

Remember a judgement is expected to get the very top marks for evaluation on the 25 mark question.

- 8 In October 2017 Scania, the Volkswagen-owned truck maker, was fined €880 million (£771 million) by the European Commission for colluding with five other truck manufacturers over a 14-year period. The firms had agreed to coordinate prices after experiencing additional costs of meeting emission regulations.

With reference to an industry of your choice, evaluate why some firms engage in collusive behaviour.

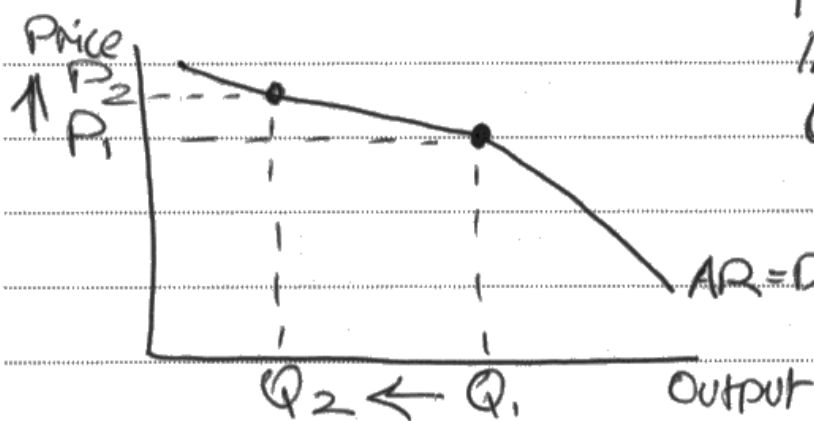
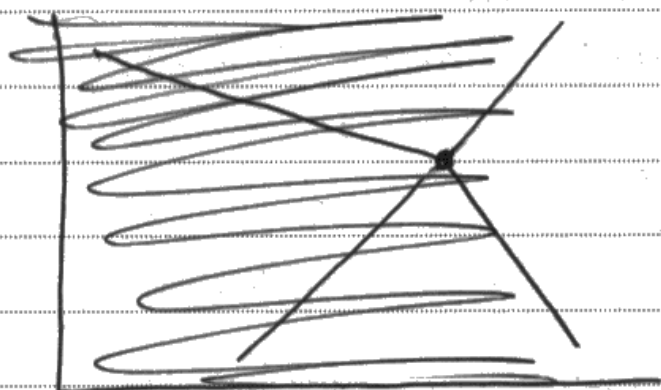
(Total for Question 8 = 25 marks)

Indicate which question you are answering by marking a cross . If you change your mind, put a line through the box and then indicate your new question with a cross .

Chosen question number: Question 7 Question 8

There are two forms of collusion. Overt, which happens when there is a formal agreement to price fix, and tacit, where there is an informal 'behind-the-scenes' agreement to price fix. Both methods are illegal as they limit competition and are not in the best interest of the consumer.

Firms may collude because there is a rigidity in price in an oligopoly. Because there is interdependence among these few large firms that dominate the market. Any firm that may decide to undercut competitors and raise prices may face consequences in the form of decreased output in relation to the low increase in price.

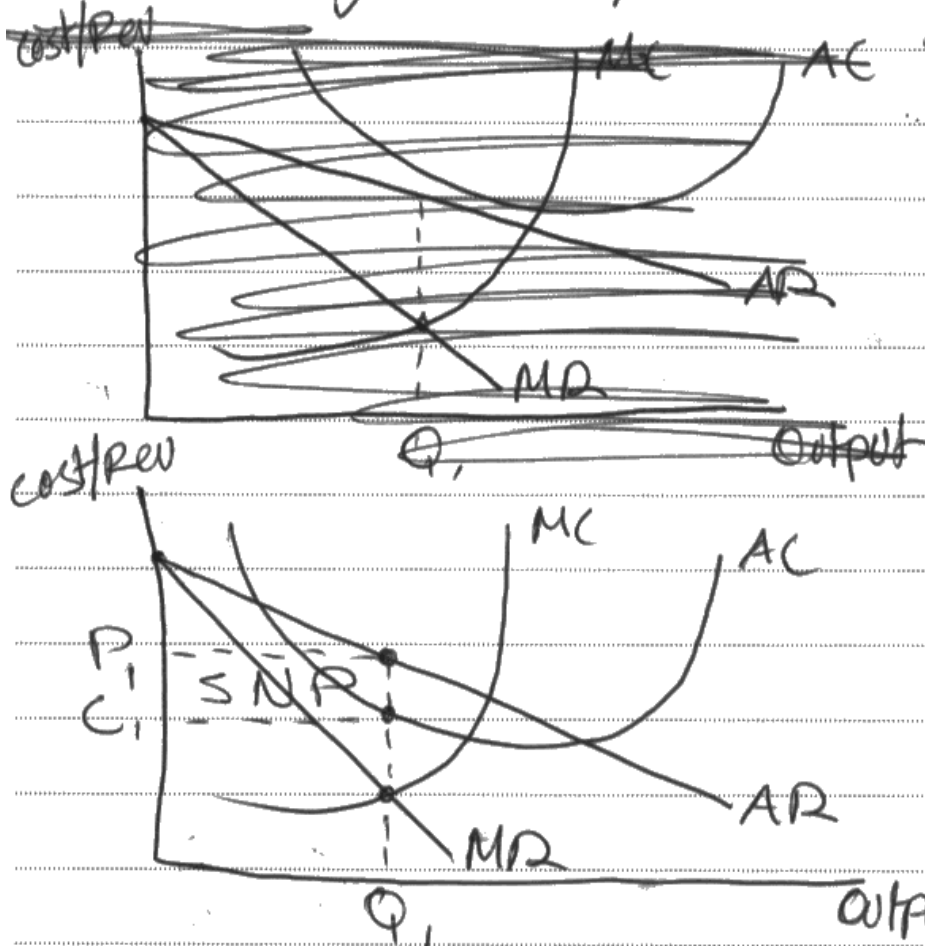


prices may face consequences in the form of decreased output in relation to the low increase in price. The kinked diagram on the left helps explain how

the interdependence of these firms is important. The increase in price from P_1 to P_2 is only a relatively low amount in regards to the drastic change in quantity from Q_1 to Q_2 . Because of this, firms may decide to collude together to make supernormal profits rather than normal ones, benefitting them both. However, during a collusion, a firm may break their agreement and lower their prices to gain a competitive edge on their consumers. This is seen in the supermarket industry, where Tesco may collude with Sainsbury's then lower their

prices to attract consumers.

Furthermore, firms may collude ~~to~~ agree upon controlling certain geographical areas, acting as monopolies. The diagram below



shows a monopoly making supernormal profits between P_1 to C_1 . This highlights how firms such as in the supermarket industry, agree to let each other control certain areas to make supernormal profits. Lidl and Aldie could decide on managing the North and South of the UK to avoid competing while making large amounts of profit. However, these agreements could be detected by the competition authority and executives could be fined or jailed.

Also, firms may act as 'whistleblowers'; Sainsbury's could tell the CMA about this collusive behaviour between the supermarket firms to gain immunity

from prosecution.

Moreover, a cartel is another collusive behaviour but in its most extreme form. Large firms/producers could group together to fix prices within the industry in a way to keep ~~prices low~~ average unit costs low. An example of this is the sugar industry in the US during the 1970s. Where sugar canes ~~are~~ were transported among large producer and sold at a relatively low price to keep prices small.

		Firm B	
		High price	Low price
Firm A	High price	£100M / £100M	£120M / £50M
	Low price	£50M / £120M	£80M / £80M

This can be further explained with game theory as to why. Due to the Nash equilibrium, firms are more incentivised to both keep low prices

to garner the biggest profit (i.e. £80M = £80M) this is due to the fact that firms are interdependent.



The first reason concerns interdependence and price rigidity but lacks context and the depth of the previous candidate's response thus achieving a borderline L2+/L3. The evaluation does link to the supermarket industry but is limited – E1+/L2-. Supermarkets collude to obtain spatial monopolies again could do with more theoretical explanation to achieve a secure Level 3 and the evaluation is judged as Level 2ev-. Finally, the sugar industry is used with a correctly drawn pay-off matrix but the candidate does not use the matrix well in their written explanation – again securing a borderline L3/L2. Overall the candidate achieves L3- (9 KAA) and L2ev- (4EV) = 13/25 marks.



Less is more. Focus on providing answers that are fully developed in context with as many chains of reasoning as possible.

Paper Summary

Based on their performance on this paper, candidates are offered the following advice:

- Ensure you carefully study and understand the entire specification – understanding of price elasticity of supply and monopsony was weaker than it should have been. Be aware of all definitions in the Specification.
- Be aware of all formulae and quantitative skills as explained in the Specification. Ensure you can interpret statistical data and understand what it means, for example in calculating percentage changes.
- When drawing diagrams remember to ensure they are clear and have all appropriate annotations.
- Bad handwriting was evident at times and needs to be addressed to ensure it does not happen under timed exam conditions to ensure candidates answers are clear and easy to follow.
- Remember to keep your answers within the space provided. If you run out of space, which was common in Section B, you can use the additional sheets provided at the end of the essay or should ask for additional paper and clearly indicate which question you are writing about.
- Read the question instructions very carefully to make sure your answer remains relevant. Pause and think through your response – evidence of planning is not required but a lack of a coherent structure tends to result in a failure to provide a fully integrated response to achieve top level KAA. Quality over quantity.
- Clearly identify which essay you have chosen by placing a cross in the correct box.
- Ensure you answer the precise question you have been set, for example in the essays if you have been asked to refer to an industry of your choice make sure you do that.
- Spend time studying current developments in economics that are relevant to your specification. This not only enriches your understanding of key concepts but will enable you to refer to an industry or a firm of your choice if asked in an essay.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

