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Examiners' Report  
Principal Examiner Feedback

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Pearson Edexcel GCE Economics A 9EC0/02  
Paper 2: The National and Global Economy

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## **Introduction**

This is the fourth series where this paper has been assessed and it is a one-off October series due to the cancellation of exams in the Summer of 2020. As such there was only a very small number of entries for this series.

Perhaps as a result of the unique nature of this series, there was a wide variety in the quality of the work seen in this series.

## **Question Level Feedback**

The feedback on each question shows how well they were answered and also how to improve further.

In **Section A**, the multiple-choice section, the opening question focused on the key economic concept of gross domestic product. Question 1a required students to calculate the total real UK GDP in 2017, having been given the value for 2016 and a figure showing percentage change year on year. This was perhaps a slightly different way of assessing understanding of percentage change and it would seem that students found this a fairly difficult calculation. The next part of question 1 was much more accessible to students, with most of them able to correctly explain what is meant by 'real gross domestic product'.

Question 2 was focused on the multiplier effect and whilst the majority of students could correctly answer the multiple-choice question, they found it harder to put the multiplier effect into words using the case study provided. Having said that, most students were able to demonstrate some understanding of what the multiplier process is and how it works.

In question 3 students were asked to explain the role of the IMF in providing financial assistance. Similar to question 2, most students had some understanding of how the IMF could assist countries such as Argentina but some struggled to fully articulate it in order to achieve full marks. Having said that, there were some good answers that did this very effectively. Whilst the majority of students did correctly answer this multiple-choice question about capital flight and exchange rate systems, this multiple-choice question was the one students found hardest out of the 5.

The first part of question 4 asks students to calculate the percentage change, and they scored significantly higher on this question compared to the calculation in question 1. In part b, most students could identify a relevant reason, and the majority were also able to earn the second mark for explaining their reason.

Question 5 consists mainly of a draw question, and the vast majority of students demonstrated a very good understanding of what an AD/AS

diagram should look like, and what should be happening on it in this case study- i.e. an increase in either aggregate supply and/or aggregate demand.

**Section B**, the data response section, is based on information provided in the exam paper about trade and development issues in Africa. This includes 2 figures and 2 extracts on different issues.

Question 6a was generally fairly well-answered, with students able to offer a range of impacts of a Fairtrade scheme on agricultural communities. For example the extra spending on things such as improving business administration and infrastructure or social services in the community as referenced in figure 1. Where students sometimes struggled was in being clear in their understanding of how the Fairtrade scheme works in terms of providing this extra support for agricultural communities.

Question 6b asks students for two ways, apart from Fairtrade schemes, that cocoa farmers could boost their incomes despite cocoa prices falling. Some students unfortunately did not read the question properly and discussed Fairtrade schemes. This highlights the importance of properly reading the question through and making sure it is understood. Students also need to remember that in an 8 mark question there are two marks for each of the four assessment objectives- knowledge, application, analysis, and evaluation. Students often don't have clear application and/or forget to evaluate, thereby making it impossible for them to achieve all the marks on this question. In terms of relevant answers, there are a wide range of possible ways to discuss, many of which are found in extract A. For example, diversifying into other crops or livestock, or investing in new machinery.

Question 6c is a 12-mark question. This is the first question on the paper marked using a levels marking system, and all the rest of the questions on this paper are marked in this way. The focus with this markscheme is very much on the quality and detail of the answer in clearly and convincingly answering the question. This question focuses on the problems for countries such as the Ivory coast of being heavily dependent on exports of cocoa, as shown by figure 2. Students don't have to refer to Ivory Coast, but most chose to as they have been given information on the cocoa industry there. Students also needed to make sure they referred to figure 2, as asked to in the question, in order to access the level 3 mark band. There were a wide range of answers provided for this question, with the majority focusing on the issue of fluctuating prices making it hard to plan ahead- e.g. investing for the future. Answers also considered the impact on terms of trade and the current account for countries such as Ivory Coast.

Question 6d is a 10-mark question, and students found this slightly more difficult than the previous question. This was in many instances down to students not reading the question carefully and thinking about the context they have been given. This question is about Nigeria joining the African Continental Free Trade Agreement. The key thing here is, if Nigeria did decide to join, what policies the government could put in place to alleviate

the concerns of the country's manufacturers and trade unions. If Nigeria did decide to join this trade bloc, then it would involve the country agreeing to 'removing tariffs on 90% of goods and to liberalise services' (Extract B lines 4-5). As such answers suggesting that Nigeria could impose protectionist policies such as tariffs or quotas against imports from other African countries simply don't make logical sense. You can't join a trade bloc and remove tariffs, then put those tariffs back again. This highlights the importance of students making sure their answers are sensible and plausible in light of the context of the question.

The last question in Section B, question 6e, is about the benefits of increased economic integration for sub-Saharan African countries. In order to access level 3 for Knowledge, Application, and Analysis students needed to make sure they referred specifically to benefits for sub-Saharan African countries, as asked to in the question. Better answers often discussed the benefits resulting from trade creation, and the downsides (as evaluation) being caused by trade diversion. But there were other good answers on topics such as increased employment or rising incomes. In evaluation points students sometimes failed to clearly explain how it was a downside of increased economic integration, and there was sometimes a tendency to mention several different evaluative ideas rather than offer a clear explanation of a specific point.

The last part of this exam paper, **Section C**, provides students with two essay questions. They have to choose to answer one of them.

In this exam paper question 7 proved to be significantly more popular than question 8, with only around 10% of students sitting the paper choosing to answer question 8. Students, on average, did perform better on question 7, but then the numbers are so low for question 8 that this isn't really statistically significant.

Question 7 focused on fiscal policy and the impact of cutting tax rates as a policy to increase economic growth. Many students did use the information provided about the United States cutting corporation tax and income tax, but it was good to see students also bringing in their own examples from their own knowledge. Students discussed a range of positive and negative impacts, for example reduced corporation tax allowing firms to keep more profits would hopefully encourage them to reinvest into their business, helping to boost productivity. However, to evaluate that, many students suggested that firms might simply increase payments to their shareholders rather than reinvest the money. Most answers were able to provide a reasonable answer to the question, but often lacked something to reach the higher marks. This was sometimes a lack of 'logical and coherent chains of reasoning' (from the level 4 criteria on the markscheme). The other thing that was often missing from answers was application- being 'applied appropriately to economic issues and problems' (also from the markscheme). Students needed to consider both positive and negative impacts on the economy (for KAA and Evaluation, either way around). Weaker answers sometimes focused only on either benefits or downsides.

Sometimes evaluation also became more of a list rather than developed and well-articulated points.

Question 8 is about the causes of income and wealth inequalities within a country such as Brazil. As with question 7, students often chose to discuss Brazil as they have been given some information on it in the exam paper, but better answers often included information from the students' own knowledge. Students also needed to make sure they fully answered the question- i.e. that they discussed causes of both income and wealth inequalities. Discussion of both was required in order to be awarded a level 4 mark for KAA. Evaluation on this question required students to critique the causes they have discussed, i.e. why they might not be very important or significant causes of income or wealth inequalities. KAA points on this question could include causes such as corruption, a lack of a redistributive fiscal policy, or high levels of inheritance without much in the way of taxes on it. Evaluation tended to focus on magnitude or time factors. Evaluation could also be considering which of the causes students have discussed in their answer is the most significant.

### **Paper Summary**

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

Ensure you manage your time effectively: it does say in the exam paper to spend 30 minutes on Section A, 1 hour on Section B, and 30 minutes on Section C. If candidates spend too long on Section A they are in danger of running out of time for the 15 and 25-mark questions at the end of the exam paper.

Bearing this in mind, candidates can answer the paper in whichever order they see fit – some candidates may find it helpful in terms of time management to start with Section B or C instead of A.

A multiple-choice question is worth one mark whereas questions 7 and 8 are worth 25 marks. Bear this in mind in terms of how long you are spending on individual questions – especially those in Section A.

Maximise your efficiency by ensuring you only answer the precise question set - especially on the 2-mark questions in Section A where some candidates are defining every term in the question rather than simply answering the question.

There are no marks for evaluation in Section A, so don't spend time doing this.

Ensure you can complete key calculations such as index numbers and percentage change.

When drawing diagrams remember to ensure that they are clear and have correct labels on both axes and lines.

Ensure you carefully study and understand the figures and extracts provided in Section B. These form the context for the questions, and answers should be related to this context and not be entirely theoretical.

Remember to keep your answers within the space provided. If you run out of space you should ask for additional paper and clearly indicate which question you are writing about.

It is indicated on the front of the exam paper that 'there may be more space than you need'. Do not feel obliged to fill up all the space just because it is there.

There is no need to repeat the question back to the examiner – save yourself some time and get straight on with answering the question.

Remember that in Section B the five and eight mark questions use a points-based mark scheme whereas the other questions use the levels mark scheme.

Ensure you answer the precise question you have been set, for example in the essays if you have been asked to write about impacts of cutting tax rates as a policy to increase economic growth, then do that - not generic benefits/downsides of fiscal policy

To get top marks on levels-marked questions you need to ensure you fulfil all the criteria for the top level (e.g. KAA Level 4 on essays). If you do not have good knowledge, analysis, and application then you can't access those top marks.