Examiners' Report/
Principal Examiner Feedback

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Pearson Edexcel
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Introduction

There was a fairly low entry for this paper (fewer than 200 students). It should therefore be noted that the comments that follow are based on a relatively small sample size.

In Section A, question 1 was the most popular amongst the three essay questions whereas question 2 and 3 were attempted by roughly equal numbers of students. Question 5 proved to be the more popular option in Section B. The mean scores were approximately equal across the different optional questions, although slightly stronger average performances were seen on question 1 from Section A (mostly driven by part 1(a)), and on question 4 from Section B (difference in average performance between the two data response questions was only really significant on the part (d), 16 mark question).

Generally, scripts were of a lower quality than in previous sessions, with responses to the essay questions in Section A often particularly failing to answer the question and lacking in both depth and breadth. Similarly in answers to Section B, students did not make sufficient use of the data provided. Despite this general trend, there were some good scripts; these more able students were able to integrate their analysis with application to context, and particularly to evaluate their own arguments in detail.

SECTION A

Q1(a)

This was the most popular amongst the students. Students have been able to explain the various reasons for protectionist policies, showing breadth to their answers. They have also demonstrated good depth. Stronger students have explained points on protecting employment, protecting infant industries, prevent dumping, to gain tax revenue and preventing the current account from going into a deficit. They were able to link it to solar panel products and discussed it in context of China, Taiwan and USA consistently. They were also able to provide chains of reasoning and this gave students high score putting them in level 3.

Those students who listed points were not able to access any more than level 1. Few who were able to explain their points but had weak development and did not consistently write in context, were not able to achieve more than level 2.

However, students have often evaluated the general effectiveness of policies rather than reasons for the introduction of restrictions on free trade. Therefore they were not able to access level 5. Few students made evaluative comments in context and were able to link it to the size of the tariff or prioritise different reasons. Some discussed the significance of these reasons and showed a good level of depth to their points allowing them to gain access to higher levels.

Q1(b)

This question was more challenging for the students as they did not evaluate the likely economic effects of increase in protectionism on the global economy. Many students have explained effects on the domestic economy rather than in a global context and therefore, were not able to access level 3. Although they did use a tariff diagram and explained it well, it was used in a domestic context. Few students repeated their discussion on the reasons for protectionist policies (as in 1(a)), and this was only credited with lower levels.

Students needed to consistently explain analysis points in the global context to achieve higher levels. Those who did mostly analysed effects on the reduction of world trade and distortion of comparative advantage which has led to lower world output and lower standard of living due to less specialisation. They also discussed how retaliation and trade wars between countries would grow as a result and its impact on the global economy.

Evaluation tended to be fairly weak, focusing mainly on a learnt list of points but not in a global context. More productive avenues for evaluation were considering how WTO would intervene to reduce any trade barriers between countries and its significance on the global economy. Whilst the students have made attempts to evaluate, they were not consistent in context of the global economy.

Across scripts, there was little application to real world examples or countries. Whilst this was posed as a more theoretical question and did not explicitly ask students to refer to a country or countries of their choice (and so students who did not were in no way penalised in the mark awarded), applying answers

in this way may have provided students with a framework in which to base more in-depth analysis and evaluation of possible policies.

Q2(a)

Responses to this question were rather disappointing, with many students not being able to identify problems facing policy makers when applying policies. The stronger students were able to identify issues relating to time lags, inaccurate information and developed this point well with application to a policy. A few were also able to discuss the inability of policy makers to control external shocks and explain conflicts between macroeconomic objectives in depth with diagrammatic analysis. They were able to access the level 3.

The weaker students did not show any depth or breadth to their answers and only discussed conflicts between objectives. Those students who listed points were not able to access any more than level 1. Few who were able to explain their points but had weak development without chains of reasoning, were not able to achieve any more than level 2.

Evaluation was relatively weak with many students not being able to develop their points made. They made some attempt in evaluating reasons why conflicts between macroeconomic objectives might not occur but often lacked depth. Most students found it difficult to achieve higher levels as they lacked breadth to their evaluation points. Some students did not include any evaluation points.

Q2(b)

Students produced some very good answers to this question, and in particular were able to apply their answers to a country of their choice in an interesting and useful way. It was obvious that when the students chose to discuss their own countries, they were able to include far more detail, and integrate their analysis and application to a far greater extent. They were capped at level 4 if students do not refer to a country in their response.

The differences between strong and weak students were two-fold. First, weak students tended to give very descriptive answers, struggling to include much economic knowledge or theory in their analysis. This meant that their responses lacked depth, limiting them to level 3 marks. Second, weak students struggled to evaluate factors that they had identified and often just listed them.

Responses that received higher levels made good analysis points. They were able to explain the effects of cutting direct tax (income tax and corporation tax) with supporting diagrams. They also examined how supply side policies could be more effective in reducing unemployment and in context of their country. The weaker students drew on economic concepts to a far lesser extent in their answers.

Q3(a)

Students found this question challenging and were not able to draw upon economic theories effectively to answer this question. They were not able to assess the policies that the government could use to stabilise the value of its currency. Stronger students have been able to explain the use of monetary policy (interest rate and money supply) in stabilising the exchange rates and have been able to develop their arguments using transmission mechanism.

Weaker students often have talked about the effects of changes in exchange rate and this must not be credited. They failed to establish clear links between the policy and exchange rate and have made links between inflation (objective and not policy) and exchange rate, which was not awarded. A few students have made attempts in analysing the sale/purchase of foreign currency reserves in order to increase demand/supply for the dinar but have often got their theory the wrong way round.

In evaluation, students were only able to discuss how use of monetary policies may cause conflicts with other macroeconomic objectives. Although in depth, the breadth was fairly limited and they struggled to evaluate further. Students who answered this question, therefore, found it difficult to access highest levels.

Across scripts, there was little application to real world examples or Tunisia. Whilst this was posed as a more theoretical question and did not explicitly ask students to refer to a country or countries of their choice (and so students who did not were in no way penalised in the mark awarded), applying answers in this way may have provided students with a framework in which to base more in-depth analysis and evaluation of possible policies.

Q3(b)

Question 3(b) was answered better than question 3(a). Students were able to show good knowledge of benefits of a depreciation of the dinar on the Tunisian economy. Stronger students presented sound explanations of benefits for both its current account and financial account. Explanations were also developed that considered impact on economic growth and unemployment. They were therefore able to show strong levels of both application and analysis in explaining these. It was often supported this with diagrams and in context of country of their choice.

Weaker students repeated their point on the effects of depreciation on imports, exports and current account; this was credited once. They did not discuss impact on the financial account and hence were not able to access higher levels. Points were often listed without any significant development or chains of reasoning.

Evaluation was also well done. Few students were able to examine their points better than their analysis points. They were able to discuss the Marshall-Lerner condition and the J-curve in depth. Some have also commented on the extent of depreciation and its possible impact on cost push inflation; pushing them to level 4/5. Weaker students, although able to identify the key points, were not able to develop them and hence were not able to access the higher levels.

SECTION B

Q4(a)

This question was generally well answered and students were able to show a good understanding of the difference between absolute and relative poverty and were able to make use of the data in a meaningful way. Examiners were looking for two separate pieces of data reference and often only giving one was the main reason why students did not secure full marks.

Q4(b)

This question was surprisingly not answered accurately. The students were required to analyse the change in income inequality but many were unable to show a shift of the Lorenz curve and use data accurately. Weaker students only drew the Lorenz curve without showing a shift and had the axis wrongly labelled. They were not able to pick up both application marks as they failed   to highlight an increase in the Gini coefficient by 6.6% nor did they draw any comparisons with other countries.

Stronger students showed a good grasp of understanding of the key definitions and were able to accurately apply the data. They presented a shift in the Lorenz curve but a few did not able to label the axis correctly. Students do not seem to appreciate that they do not need to evaluate their responses to any 'analyse' questions.

Q4(c)

This question was also not very well answered by a majority of students, and the mean score was low. Although students were able to use the extract to identify and explain the causes of income inequality in the USA, they were not able to consistently apply it in context. Some students used their own knowledge and these points were credited only if they are in context of the USA. They struggled to include sufficiently detailed explanations of the effects on income inequality to earn them a level 3 mark for their knowledge, application and analysis.

Some have used quotations from the extract as their development points and this was not credited. Weaker student's answers in this question often lacked depth and some points were repeated. There must be a clear link how each point raised has an effect on inequality to access the higher levels.

Evaluation was similarly lacking and very weak. Often students listed generic evaluation points on size and time lag without much development. Points are fairly weak and not consistent with the context of USA. Only a few students made little use of the extract provided, explaining that top earners in the USA are not living off income from wealth and property but instead, they are the working rich and entrepreneurs. Similarly the vast majority of students were able to attempt some evaluation of their arguments, with the most successful using evidence from the data provided to support their points.

Q4(d)

Most students have been able to identify the policies as mentioned in the extract but have struggled to add depth to their answers. For listing various policies, they could only get access to level 1. Many were able to add some development of their points but did not get level 3 if they did not write it in context of how these policies reduce income inequality. Some students had good development but did not link their arguments to inequality, and hence, they were only able to achieve level 2.

Evaluation points had similar issues. The stronger students made an attempt to link their points back to income inequality in context with tax avoidance and tax evasion evaluative arguments. Some also used the Laffer curve analysis to argue the case against the policies used.

This question could not be fully or meaningfully answered without reference to the data provided, and many students failed to appreciate this and tried to write answers solely from their own knowledge. Those who did try to make reference to the data were able to offer limited analysis of the evidence.

This suggests that additional practice in reading and understanding the kind of extracts found in data response questions would be beneficial, as would practice in how to integrate application with students' own analysis to make a complete and well explained argument.

Q5(a)

This question was also generally well answered and students were able to show a good understanding of the meaning of globalisation and identify several of its characteristics. However, few students failed to use the extract to access the application marks and those who did, were unable to make use of the data in a meaningful way. Examiners were looking for two separate pieces of data, and often only one was given. This was the main reason why many students did not secure full marks.

Q5(b)

This question was surprisingly poorly answered, given that a good proportion of the marks could be earned by simply identifying two relevant pieces of evidence from the data and supporting this with explicit reference to the sources.

Most students were able to identify two valid pieces of evidence and referred to the data to support this. However, they could not provide any further analysis or apply it in context of the question / linking it back to economic growth. Stronger students were able to identify and develop their factors. Some supported their answers with an accurately labelled diagram(s) but still struggled to pick up any application marks.

Students do not seem to appreciate that they do not need to evaluate their responses to 'analyse' questions.

Q5(c)

Most of the students have been able to use the extract to identify and explain measures that the government can take to maintain growth. Some have used an AD/AS diagram to support their answers. However, the question also focuses on sharing growth and hence the students were required to make links to income inequality. If they did not make the link with income inequality, they were only able to access a maximum of level 2.

Even the stronger students were not able to discuss effect on income inequality although their points were well developed. Most students achieved a high level 2 for this question and the weaker students often just listed the policies from the extract without development. This would have only got them a level 1.

The evaluation points were fairly weak and not consistent with the context of the question. Some have just listed points and hence, only accessed level 1. Often students listed generic evaluation points on size, opportunity cost and time lag without much development.

Q5(d)

This question was answered reasonably well in terms of analysis, with students on the whole showing good understanding of the benefits of diversification. Many students discuss reasons why Sub Saharan Africa needs to move away from the primary sector. They state why primary product dependency acts as a major constraint to growth and development, including the Prebisch-Singer hypothesis. Some students have used the extract to develop their chain of reasoning.

Weaker students tend to only list reasons without development and this gets them access to level 1. Many who have well developed points on the issues faced by the primary sector but do not analyse the benefits of moving to the services sector, can only access level 2. To access level 3, they also have to analyse the both the drawbacks of the primary sector and the benefits of diversification into the services sector.

Evaluation was fairly strong and a many students offer the benefits of primary sector in evaluation. Some students also evaluated the drawbacks of moving into the services sector. Although points were identified and some developed, at most times they were not in context of the question. To get access to the higher levels, students need to be consistent with the context in their points and show good depth and breadth in the answers.

This suggests that additional practice in reading and understanding the kind of extracts found in data response questions would be beneficial, as would practice in how to integrate application with students' own analysis to make a complete and well explained argument. Students would do well to remember that in data response questions, the relevant lines of argument are occasionally suggested to them in the data provided.

Conclusion

• Students must read the questions carefully, and make sure that they have addressed all parts of a question in their response. In a few of the different questions on this paper, not understanding the requirements of the questions was the reason for low scores.

• Application is a key assessment objective, and a skill that students should aim to show throughout their responses, even when a question does not explicitly ask for it. Particularly in response to essay questions in Section A, reference to particular countries and examples would help to improve the quality of responses and allow students to add depth and breadth to their points.

• Evaluation is the highest level assessment objective and on this paper in particular, the ability to evaluate was the main discriminator between the weaker and stronger responses. Indeed in many cases, students did not even attempt any evaluation which immediately constrained their scores on the questions that required this.

• The 8 mark data response questions have a set structure and has a way in which marks are awarded (2 knowledge marks, 2 application marks and up to 4 analysis marks for explaining these points / showing diagrammatic analysis). For the non-diagram based questions, students would benefit from being familiar with this, and making sure that they fully understand the need to make two separate points, and to include data reference and their analysis within their explanation of each point.

• To access the highest level, the students must show sufficient depth and breadth to their analysis and evaluation points. These points must be consistently written in context of the question. Material also needs to be presented in a relevant and logical way.

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