Introduction

All questions were accessible to the candidates, although inevitably candidates were scoring more highly on some questions than others. Candidates' responses to the questions have largely been of lower than the expected standard.

Section A highlights the need for candidates to be accurate in their definitions. Many candidates are losing marks because they cannot clearly define economic concepts such as price level. Quantitative skills are also an important skill and, whilst there appears to have been some progress in this area compared to last year's paper, there is still an opportunity for improvement here. It is vital that the candidates can calculate key quantitative measures such as percentage change as well as being able to correctly interpret data presented in a variety of forms.

In section B it is essential that the candidates read the question carefully. Some have evaluated questions which do not necessitate them to do so. This meant they were unable to devote the right amount of time for higher mark questions. Candidates must ensure they are answering the precise question set. For example, for Q6(c) they had to explain two factors and for Q6(b) candidates could explain only one factor. Several candidates have spent time explaining one additional factor for each of these questions; hence they were not able to maximise their efficiency in terms of managing their time.

For the questions where candidates had a choice, Q6(f) was twice as popular as Q6(g). In Q6(g) many candidates failed to focus on effects of the UK government pursuing a policy of reducing its budget deficit referred to in the question and, as such, lacked context required to access the top level. This was an issue in general, with candidates writing answers that were too generic or where they clearly had not fully read and understood the data they had been provided with. In Q6(f) candidates who focused their answer convincingly on supply side policies were likely to achieve more highly as they offered a clear perspective to their answer. Another significant point to recall in both Q6(f) and Q6(g) is, to quote the Level 4 Knowledge, Application and Analysis criteria, there needs to be 'logical and coherent chains of reasoning'. This contrasts to the Level 2 criteria which describes a 'two-stage chain of reasoning only'.

Question 1 (a)

This question requires a short but precise definition of inflation. It is important that candidates are clear in their answers. Candidates could access marks through a range of approaches.

Question 1 (b)

This is an explanation question that candidates were able to answer relatively easily, and the majority were able to do this. Candidates also need to be careful to read the question carefully (cause not effect), as some candidates lost marks because they did not understand the requirements of the question.

Question 2 (a)

This question requires candidates to illustrate the shape of the Classical long-run AS curve. A few candidates were not able to distinguish between the classical and the Keynesian AS curves.

Question 2 (b)

This question required candidates to explain the reason for the shape of the Classical long-run AS curve. Many candidates were able to identify a reason but often did not explain the point they had identified.

Question 3 (a)

In this question the marks are split as 1 for knowledge, 1 for application, and 1 for analysis. The knowledge comes from identifying one reason, the application for explaining the data, and analysis for development building on the knowledge. Most candidates were able to access application marks, correctly identifying a current account deficit.

Question 4 (a)

This question requires a clear definition of interest rate. Many were not able to provide an accurate definition and hence did not get the mark for this question.

Question 4 (b)

This question requires candidates to draw the likely impact of a rise in the base interest rate in context of an AD/AS diagram. Marks were awarded as 1 mark for the leftward shift in AD/SRAS and 1 mark for a new equilibrium. Most candidates achieved the 2 marks on this question.

Question 5 (a)

This question requires a definition of GNI. Many candidates were not able to provide an accurate definition, as they confused GNI with GDP, and hence did not get the mark for this question.

Question 5 (c)

This question asked candidates to calculate index numbers for 2016. Many candidates were able to answer this question relatively easily. However, some candidates lost marks because they selected the wrong two pieces of data.

Question 6 (a)

The marks for this question are split in half between knowledge and application. Candidates were able to accurate define the term 'balanced government budget' and get the two knowledge marks. They were also able to identify the years where this was the case and referred to the corresponding data from Figure 1.

Question 6 (b)

This question asks candidates to explain the likely effect of a fall in the exchange rate of the British pound on aggregate demand. It is important that candidates focus specifically on the effect and answer the question in terms of aggregate demand. Too much time was wasted on explaining the impact on inflation, which was not the question's requirement. The effect needed to be identified and analysed. There are marks for application, which not many candidates attained through the use of data.

Question 6 (c)

This question asked candidates to explain two likely influences on the level of UK real household consumption. Therefore, it is important for candidates to make the most of their time in the exam and not explain just one factor. Several possibilities could be explained here. Popular application included the use of Figure 2 to explain answers. Candidates should remember that in these shorter questions examiners are looking for specific pieces of application.

Question 6 (d)

This question required candidates to assess the likely impact of an increase in consumption on the UK economy using an AD/AS diagram. In these longer questions the focus for a candidate needs to be on the quality of their answer, bearing in mind the levels mark scheme. They should ensure they are clearly giving step-by-step explanations of the impact. This would cover the exam skills of knowledge, application, and analysis. There are 4 marks available here for evaluation, which almost all candidates covered.

Question 6 (e)

This question required the candidates to discuss the factors that might explain why 'the UK's forecast long-term trend rate of growth was reduced'. Candidates needed to ensure they answered the question being asked, as there were a few answers which listed the factors and did not develop their arguments. They were not able to receive higher analysis marks. Evaluation was very weak and most points did not answer the question. Many did not make any use of data in this question and often found it hard to access application.

Question 6 (f)

This question required candidates to evaluate use supply side policies to increase the UK's rate of economic growth. Many candidates were able to effectively answer this question and provided arguments on improvements in education and infrastructure. They linked this to growth using an AD/AS diagram in context of their explanations. One of the key issues was that many candidates discussed generic points as evaluation, and this was not awarded higher levels. Those who were able to effectively answer this question explained their arguments in context of recent UK trends.

Question 6 (g)

This question required candidates to evaluate the macroeconomic effects of the UK government pursuing a policy of reducing its budget deficit. Although candidates were able to identify effects, they were not able to develop their points further in depth. The most common theme was the impact on economic growth and unemployment supported by an AD/AS diagram. There were some evaluative comments but they lacked chains of reasoning to access higher levels.

Paper summary

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

Ensure you manage your time effectively: it does say in the exam paper to spend 25 minutes on section A and 1 hour 5 minutes on section B. If candidates spend too long on section A, they are in danger of running out of time for the 15 and 20 mark questions at the end of the exam paper.

A multiple-choice question is worth 1 mark whereas Q6(f) and Q6(g) are worth 20 marks, bear this in mind in terms of how long you are spending on individual questions – especially those in Section A.

Ensure you are aware of key definitions. Be aware of all formulae and quantitative skills as explained in the specification. Practise calculation questions.

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.

Don't spend too much time on long introductions when a question has only asked to, for example, 'Explain two likely influences on...'. Here, marks will only be awarded for your explanation of your influences so you should start immediately with your first reason.

Finally, 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'.