Examiners' Report
Principal Examiner Feedback

Summer 2022

Pearson Edexcel GCE AS Level
In Economics A (8EC0)
Paper 02 The UK Economy - Performance
and Policies

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Introduction

All questions were accessible to the candidates, although inevitably candidates scored higher on some questions than others. Candidates' responses to the questions have largely been of an 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. Many 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(b) they had to explain two influences, and for Q6(c), candidates needed to explain only one reason. Several candidates 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.

Where candidates had to choose between the Q6(f) and Q6(g), the two options were nearly as popular as each other. In Q6(f) many candidates failed to focus on fiscal policies 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(g) candidates who focused their answer convincingly on the supply-side policies were likely to score higher as they offered a clear perspective to their answer. Another point to recall in 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 with the Level 2 criteria which describes a 'two-stage chain of reasoning only'.

Question 1 (b)

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

Question 2 (a)

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

Question 2 (c)

This question requires candidates to calculate GDP per capita. Many candidates were able to answer this question relatively easily. However, some candidates lost all marks because they selected the wrong two pieces of data.

Question 3 (b)

In this question the marks are split with 1 mark for knowledge, 1 for application, and 1 for analysis. This is a subjective happiness 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 and the data carefully, as some candidates lost marks because they did not understand the requirements of the question.

Question 4 (a)

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

Question 4 (c)

This question requires candidates to show/draw the likely impact of an improvement in net trade in context of an AD/AS diagram. Marks were awarded as 1 mark for rightward shift in AD and 1 mark for a new equilibrium showing higher price level and higher real output. Most candidates achieved the 2 marks on this question.

Question 5 (b)

This question asked candidates to explain one limitation of CPI in measuring the rate of inflation. Many candidates found this question a little challenging to answer. However, some candidates lost application marks because they did not use the data provided or from their own knowledge.

Question 6 (a)

The four marks for this question are split in half between knowledge and application. Candidates achieved 2 marks for explanation of the term investment and 2 marks for relevant application from Figure 1 only.

Question 6 (b)

This question asks candidates to explain two influences on the level of UK investment. It is important that candidates focus specifically on the influences and answer the question in terms of investment. Too much time was wasted on explaining the effects of investment, which was not the requirement of the question. Each influence needed to be identified and analysed. There are marks available for application, which most candidates attained through the use of data from Extract A.

Question 6 (c)

This question required candidates to assess the limitations of using GDP to compare living standards over time. 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.

Question 6 (d)

This question asked candidates to explain one reason why 'the UK Government expects the UK economy to perform better than Germany and Italy'. Therefore, it is important for candidates to make the most of their time in the exam and not explain two reasons. Several possibilities could be explained here. Popular application included use of Extract A to explain answers. Candidates should remember that in these shorter questions, examiners are looking for specific pieces of application.

Question 6 (e)

This question required the candidates to discuss the likely impact of a recession on the UK economy. Candidates needed to ensure they answered the question being asked, as there were a few answers which listed the impacts and did not develop their arguments. They were not able to receive higher analysis marks. Evaluation was fairly weak, and most points were only listed. 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 the fiscal policies the UK Government could use if it believes that 'the UK economy is likely to experience another recession'. Many candidates were able to effectively answer this question and provided arguments on government spending and taxation. They linked this to an AD/AS diagram in context of their explanations. One of the key issues was that many candidates discussed the reverse effect on these policies as evaluation and this was not credited. 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 supply-side policies the UK Government could use to increase the UK's productivity. Although candidates were able to identify policies, they were not able to analyse its impact on productivity. Some candidates discussed the negative impacts of low productivity or considered the impact of these policies on economic growth. There were several 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, so 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.
- Do not spend too much time on long introductions when a question has only asked to, for example, 'Explain two influences...'. Here, marks will only be awarded for your explanation of your reasons 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'.