



# Examiners' Report

## Principal Examiner Feedback

June 2019

Pearson Edexcel Advanced Subsidiary in  
Economics (8EB0)

Paper 1: Markets, consumers and firms

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## **Introduction**

There was a small reduction in the number of candidates compared to 2018 but less of a drop than from the previous year. As with the previous series, the paper was split into 3 sections: Sections A and B each had five questions, ranging from 2 to 12 marks and Section C had one 20 mark question.

In general, candidates appeared to be well prepared for the topic areas covered by paper 1, although there were some areas where that was not the case. The ability of the most able candidates was shown through relating their knowledge and understanding to the evidence presented, whereas those struggling with such concepts typically answered questions with a more generic approach. The levels of response questions required understanding to be developed and applied to the relevant evidence. Although this approach was adopted by some, there were instances where a more basic understanding was demonstrated, thus limiting the attainment of higher levels. There didn't appear to be many issues with the length of time students needed to complete all questions set.

## **Section A**

### **1a)**

There were 2 parts to the question of what is meant by the term fixed costs and examiners were looking for references to 'costs that do not vary' and 'with the level of output'. Candidates had to provide both parts to gain 2 marks. Examples were occasionally used by candidates but, as in previous series, no marks are available for these. Partial explanations were awarded 1 mark.

Tip: There are no marks available for using an example so do not rely on one to lift an imprecise definition.

### **1b)**

Many candidates were able to calculate the correct answer of 992 units and so were awarded 4 marks. Marks could be awarded for showing workings but these were not necessary if the correct answer was shown. Examiners awarded a maximum of 3 marks if units were missing but clients, hours or sessions were all equally acceptable for this question. Some candidates were able to show knowledge of the formula and/or apply it with correct figures, but then failed to arrive at the correct answer.

Tip: Although full marks can be achieved by just stating a correct answer, it is strongly advised to show full workings. It may be possible to pick up marks if an incorrect final answer is given. In many cases the answer requires units and to be given to 2 decimal places, meaning that full marks can only be achieved by using the units and giving your answer to 2 decimal places!

**1c)**

Good responses were able to show applied understanding of the benefits of leasing for The Sanctuary, often through reference to £20 020 but also use of being a small business and/or having no competition in West Yorkshire, in explaining the consequence of the benefit.

Tip: Explain questions are worth 4 marks, 2 of which will always be for application. If you do not use 2 pieces of context, it is not possible to get all 4 marks.

**1d)**

This was marked using the levels-based marking grid. For an 8 mark 'discuss' question there are three levels. Examiners read the whole response and decide which level is the best match. If a response is lacking certain characteristics, examiners move towards the bottom of the level. If it is a strong match they will move towards the top and this approach is used for all levels of response questions on the paper. There were some good discussions regarding whether the decision to open long hours was solely based on financial reasons but some failed to give a counter argument or failed to use the extracts so presented a generic response.

Tip: The command word 'discuss' requires a two-sided argument. If a candidate doesn't provide a two-sided argument or presents a generic answer, they would restrict their marks. A conclusion is not required for an 8 mark discuss question.

**1e)**

This was a levels-based question with 4 levels. Many candidates were able to assess the potential benefits for The Sanctuary of purchasing a second pod, providing a two-sided argument. For a level 4 response, examiners were looking for developed arguments stating both benefits to The Sanctuary, using evidence but also potential drawbacks or why benefits may have been less significant, again using evidence. For a high level 4 response, examiners needed to see evaluation as well as a balanced awareness of competing arguments.

Tip: The command word 'assess' will always require a more in-depth development and some evaluation of the arguments compared to the command word 'discuss'. Candidates are encouraged to use a range of relevant evidence throughout their response to highlight their chains of reasoning.

## **Section B**

### **2a)**

Again, there were 2 parts to the question of what is meant by the term supply and examiners were looking for an accurate economics definition: 'amount producers are willing and able to sell' and 'at a given price and at a given time'. Candidates had to provide both parts to gain 2 marks. Examples were occasionally used by candidates but no marks are available for these. Partial explanations were awarded 1 mark.

Tip: This question will always have 2 marks available for a definition so ensure that your response is fully developed and is not a vague attempt at explaining the term.

### **2b)**

Some candidates struggled with providing an accurate illustration of excess demand and price being below the equilibrium. However, when knowledge of the concept was present, candidates were often able to achieve full marks on this question.

Tip: There is often an illustrate question on the paper and so practicing each of the diagrams in the Theme 1 part of the specification could help considerably.

### **2c)**

A very good understanding of scarcity was shown by candidates, with excellent use of context from the extracts. Sometimes a consequence of the problem of scarcity was lacking but a high number of candidates were able to score full marks on this question.

Tip: There is always 1 mark for analysis on the 'explain' questions so make sure you provide the examiner with a developed cause or consequence of the benefit/problem/reason/way etc. to achieve this mark.

### **2d)**

Like 1d, this was marked using the levels-based marking grid and consisted of 3 levels. Candidates were generally able to provide a two-sided response which focused on the merits and drawbacks of government intervention, but some were generic in nature instead of using the evidence to put their response in the context of the housing market.

Tip: The command word 'discuss' requires both sides of an argument. In this question, the positive aspects of government intervention versus either the negative aspects or possibly the limits of the positives, based on the evidence in the extracts. Some candidates only looked at one side, thus restricting their marks due to not providing a balanced awareness of competing arguments.

## 2e)

As with 1e, this was a levels-based question with 4 levels. Candidates were able to provide a range of counter arguments to a shortage of land being the main reason for rising house prices. However, chains of reasoning and developed arguments were sometimes lacking, or generic.

Tip: As with 1e, the command word 'assess' will always require more depth and development of the concept and chains of reasoning compared to the command word 'discuss'. Candidates are encouraged to use a range of evidence throughout their response and also to develop their chains of reasoning. Generic answers are not going to score high marks!

## Section C

### 3)

This is the highest mark question on the paper, worth 20 marks and with 4 levels. However, the understanding demonstrated by candidates was not strong and so many struggled to apply the extracts appropriately or provide competing arguments.

Tip: This is an 'evaluate' question meaning that ideas needed to be developed and presented with understanding of the significance of competing arguments rather than simply stated as separate points and a generic list of why the depreciation did affect exports and why something else may have affected them more.

## Summary

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

- Questions 1a and 2a are worth two marks each and so will need two parts in the definition of the term to attain both marks. Examples are not rewarded.
- Be careful to read the whole of the question. Certain requirements are given which were not acted upon by some candidates in this series, e.g. only providing **one** benefit in 'explain' questions.
- Candidates need to understand the requirements of the command words in the questions. This will allow them to access marks requiring each of the four assessment objectives.
- Quantitative Skills will be tested throughout the paper. These may be in the form of diagrams/graphs, calculations or using the data in the Extracts to provide the application in the questions.

- Application marks will not be awarded for simply repeating evidence in the extracts. The evidence needs to be used in the response.
- The command word 'Discuss' requires a two-sided argument in order to achieve full marks.
- There may be more answer space provided than you need to write your responses. This is also indicated on the front cover of the question paper.
- The use of relevant evidence is required throughout and this can be from the Extracts provided or, often, from candidates' own knowledge. The Extracts are there for a reason – so use them!