

AS LEVEL

Examiners' report

ECONOMICS

H060

For first teaching in 2019

H060/01 Summer 2023 series

Contents

Introduction	3
Paper 1 series overview	4
Section A overview	6
Section B overview	7
Question 16 (a)	7
Question 16 (b) (i)	8
Question 16 (b) (ii)	8
Question 16 (b) (iii)	9
Question 16 (c)	9
Question 16 (d)	11
Question 16 (e)*	11
Section C overview	12
Question 17*	12
Question 18*	13
Copyright	15

Introduction

Our examiners' reports are produced to offer constructive feedback on candidates' performance in the examinations. They provide useful guidance for future candidates.

The reports will include a general commentary on candidates' performance, identify technical aspects examined in the questions and highlight good performance and where performance could be improved. A selection of candidate answers is also provided. The reports will also explain aspects which caused difficulty and why the difficulties arose, whether through a lack of knowledge, poor examination technique, or any other identifiable and explainable reason.

Where overall performance on a question/question part was considered good, with no particular areas to highlight, these questions have not been included in the report.

A full copy of the question paper and the mark scheme can be downloaded from OCR.

Would you prefer a Word version?

Did you know that you can save this PDF as a Word file using Acrobat Professional?

Simply click on **File > Export to** and select **Microsoft Word**

(If you have opened this PDF in your browser you will need to save it first. Simply right click anywhere on the page and select **Save as . . .** to save the PDF. Then open the PDF in Acrobat Professional.)

If you do not have access to Acrobat Professional there are a number of **free** applications available that will also convert PDF to Word (search for PDF to Word converter).

Paper 1 series overview

H060/01 Microeconomics examination is one of two examination components for AS Level Economics. This component contains three distinct sections:

- Section A – multiple choice questions
- Section B – data response
- Section C – an extended essay question

All sections target assessment objectives AO1, AO2 and AO3 and quantitative skills. Section B contains one question targeting AO4. The essay question targets all assessment objectives.

To do well in this component candidates need to apply their knowledge of microeconomic concepts to the situations presented in the question paper. This will involve using well labelled diagrams and calculations when appropriate.

Candidates who did well in this component were able to use economic knowledge, diagrams, and terminology with precision. Evidence from the data provided, and question stems, was effectively integrated into answers illustrating understanding of the concepts being applied. Questions which required extended writing were logically structured with extended chains of reasoning supported by clearly drawn fully explained diagrams. Such answers developed balanced arguments leading to supported decisions.

Candidates who did well on this paper generally:	Candidates who did less well on this paper generally:
<ul style="list-style-type: none"> • ensured answers to each multiple-choice question were clearly written • used precise economic terminology • incorporated evidence from the case study material to support answers in Section B • presented clearly labelled microeconomic diagrams • ensured diagrams were discussed as part of the written analysis • provided clear chains of reasoning in Question 16 (e) and Section C answers • structured extended written responses to show clear evaluation and a justified decision. 	<ul style="list-style-type: none"> • produced unclear answers within Section A, often due to attempts to alter the answer • confused microeconomic and macroeconomic terminology • produced correct diagrams which were not referred to within the written work within Questions 16 (c), 16 (e) and Section C answers • produced answers to Question 16 (e) and Section C questions which consisted of lists of undeveloped knowledge • produced one-sided answers to Question 16 (e) and Section C questions.

Assessment for learning



Candidates should be encouraged to take careful note of the command word and any other instructions given within the question. These instructions guide candidates on what should be included in their answers. For example:

(e)* Evaluate, using an appropriate diagram(s), the effectiveness of a government policy that can be used to encourage UK flour millers to increase supply. **[10]**

A two-sided answer is required.

Diagram must be drawn and analysed.

A decision should be made

Section A overview

Section A consists of 15 multiple choice questions these tested assessment objectives AO1, AO2 and AO3. Quantitative skills were tested in questions, 2,5 7, 12 and 13. The mark scheme provides explanations for each question to illustrate the correct answers and justifications for incorrect or distractor points.

Many candidates scored highly in this section of the examination showing strong knowledge of the concepts.

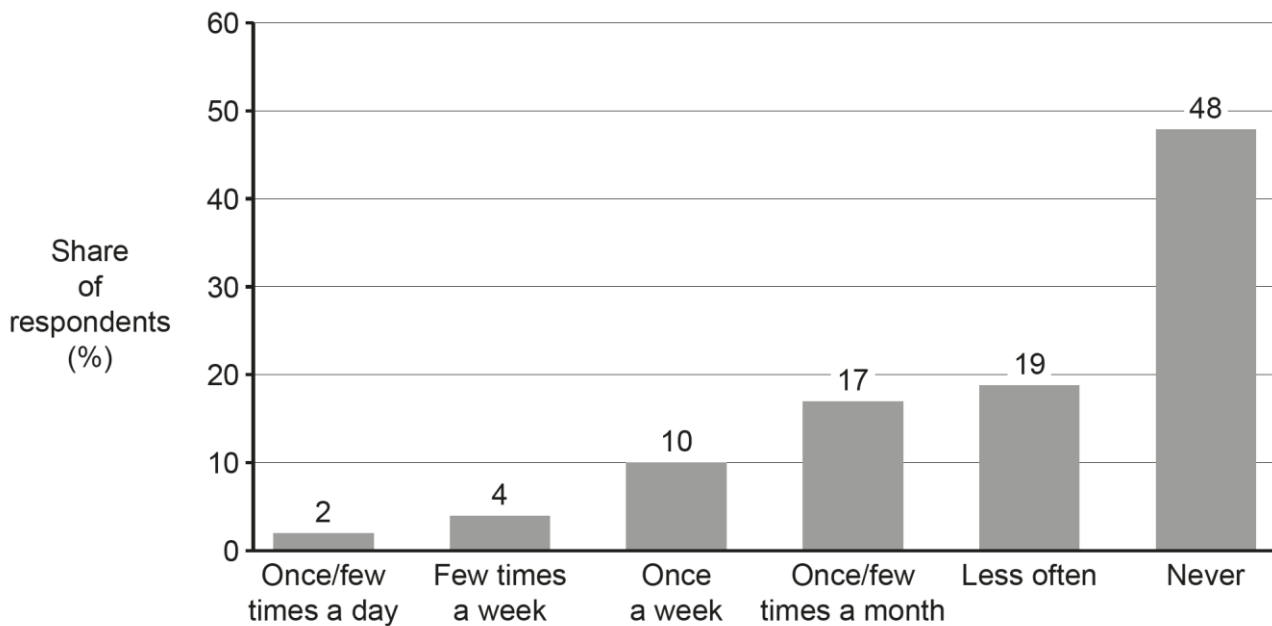
Several candidates found Questions 5, 8 and 12 difficult showing a lack of understanding of PES, market failure and the calculation of PED.

Section B overview

Section B of the paper consists of data response questions based upon a short case study. Questions range in mark allocation from 1 to 10 marks and total to 25 marks. Candidates are required to apply their knowledge of the microeconomics specification topics to the provided scenario.

Question 16 (a)

Fig. 1
Frequency of baking at home from scratch 2017



16 (a) Using Fig. 1, state what percentage of people baked at home from scratch once a week or more often in 2017.

.....

..... [1]

Most candidates were able to correctly answer this question. The percentage sign was not required as this was stated in the question.

Question 16 (b) (i)

(b) (i) Using the information in the case study, explain why there was an increase in demand for flour.

.....
.....
.....
..... [2]

Most candidates were able to gain 1 mark by correctly identifying that there had been a rise in home baking during lockdown. Often this was supported with a relevant figure from the case study. Some candidates did not explain how this related to the demand for flour and therefore could not be awarded a second mark. A small number of candidates incorrectly quoted the 92% increase in flour sales as the reason.

Question 16 (b) (ii)

(ii) Explain what the price elasticity of supply is likely to be for flour.

.....
.....
.....
..... [2]

This question was well answered by many candidates. Explanations referred to a variety of factors which could limit the ability of flour producers to increase supply including the low numbers of workers available. A small number of candidates stated that elasticity would be below 1, such answers were considered too vague for credit.

Question 16 (b) (iii)

(iii) Using the information in the case study, explain what impact the change in demand for yeast would have had on Red Star Yeast's producer surplus.

.....

.....

.....

..... [2]

Many successful answers started by identifying that demand for yeast had risen significantly quoting the relevant figure. The impact on price and therefore increased producer surplus was then explained. A small number of candidates confused consumer and producer surplus.

Question 16 (c)

(c) Using a diagram, explain the disequilibrium that existed in the flour market in 2020.

.....

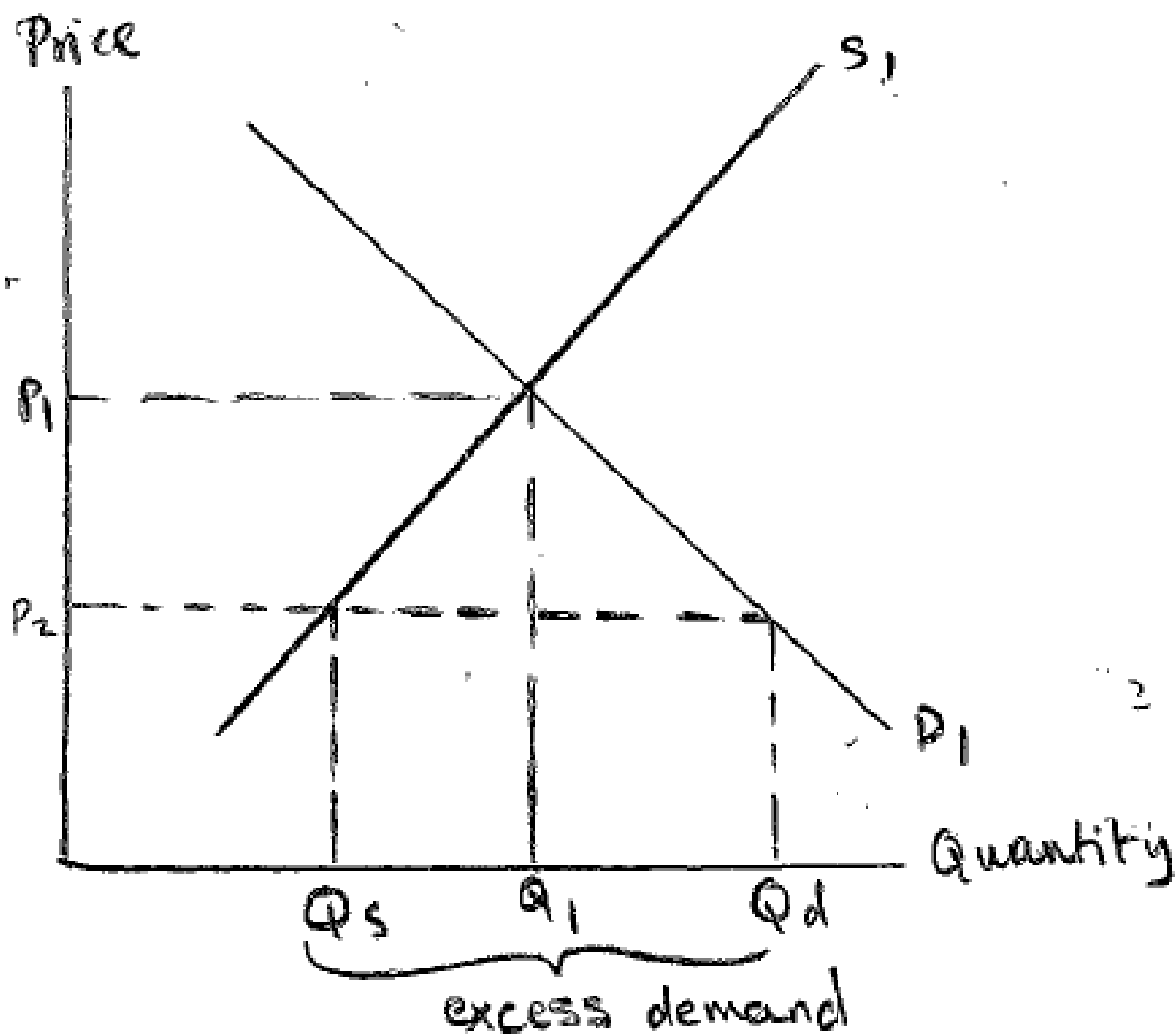
.....

.....

..... [4]

Candidates who produced well labelled diagrams scored highly. Such candidates clearly illustrated the level of excess demand at the existing price on the diagram. This disequilibrium was then explained with reference made to specific points on the diagram. A small number of candidates illustrated an increase in demand at every price discussing the movement from one equilibrium to another with no reference to disequilibrium as required by the question.

Exemplar 1



Exemplar 1 shows a correct diagram for Question 16 (c). The candidate has gained 3 marks for this diagram by clearly labelling all points including the disequilibrium.

Section C overview

Section C of the paper consists of two optional essay questions. Candidates must choose one essay. Each essay has a stem which provides some context for the question. Candidate responses do not have to relate to the information provided in the stem although the stems provide context which can be used to support candidates' answers if required. Candidates can, and should, make use of relevant examples that they have studied to offer context to their answers.

Showing good analysis

Candidates' attention should be drawn to the grade descriptors for each level as presented in the mark scheme.

To show Level 3 good or strong analysis in the essay question candidates are required to use a diagram which must be linked to the written analysis. It is not sufficient to simply provide the diagram or say 'as shown in figure 1.' Candidates must refer to points on their dynamic diagrams.

Question 17*

17* Palm oil companies have been destroying rainforests and habitat for wildlife because they want more land to grow palm oil trees.

Around 24 million hectares of rainforest were destroyed in Indonesia between 1990 and 2015 – an area the size of the UK.

Evaluate, using an appropriate diagram(s), the effectiveness of imposing a tax on palm oil production to reduce negative externalities.

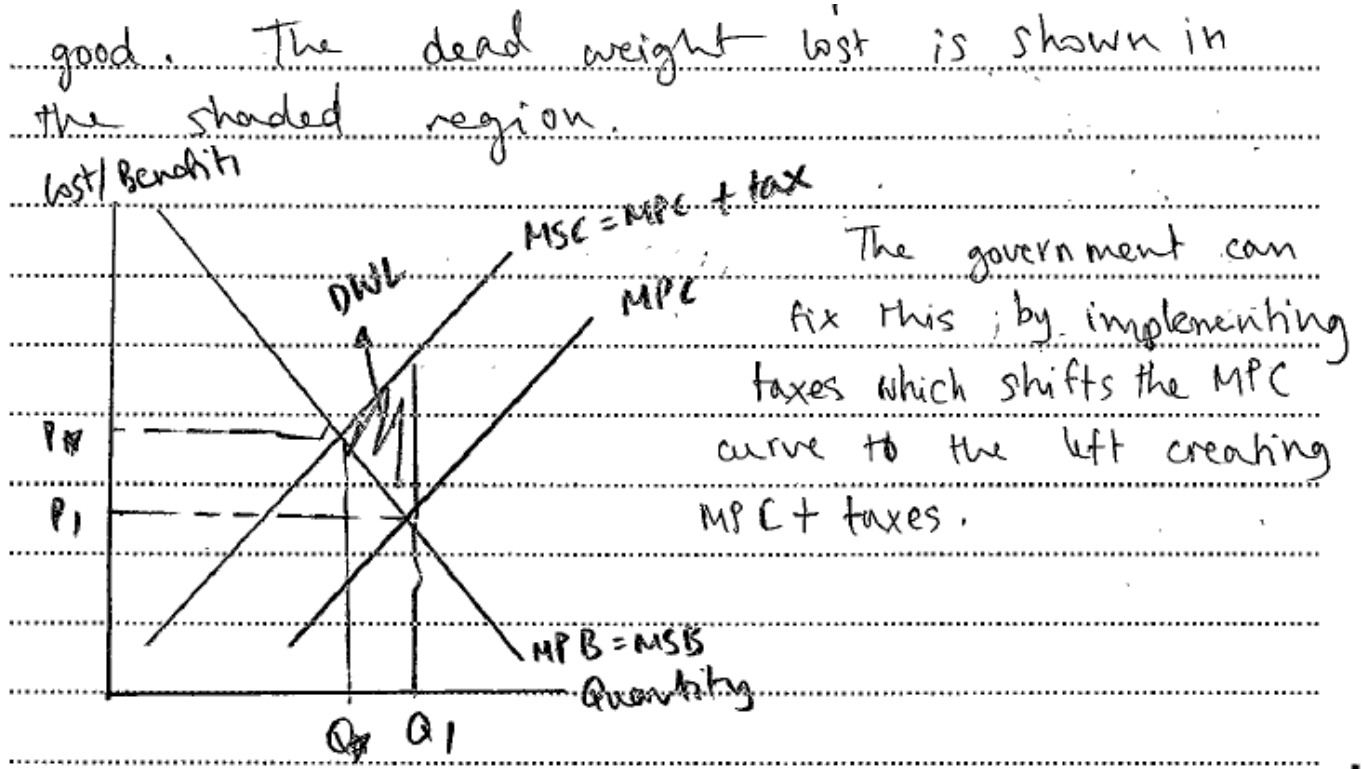
[20]

This was the more popular of the two essays. Many essays started with very detailed explanations of negative externalities which illustrated awareness of the concepts but did not answer the question set. These explanations often dominated the essay reducing the candidate's time and ability to offer detailed evaluative answers relating to taxation.

High performance responses provided clear chains of reasoning which recognised the impacts on production costs and supply. Supporting demand and supply or externalities diagrams effectively illustrated these impacts. Depth of analysis was achieved through explanations of the disincentive impact on producers and the positives of tax revenue generated. Evaluation was achieved when the candidates developed their answers to explain the impact of an incorrect level of taxation or the results of PED for the product. Detailed diagrams linked to the evaluations illustrated strong understanding of the economic concepts.

Lower performance responses explained the impact of taxation as reducing demand. Such answers were often supported by demerit good diagrams with an inward shift of MPB. Candidates who took this approach struggled to link their analysis to the imposition of a tax.

Exemplar 2



The response in Exemplar 2 correctly identifies the impact of a tax on goods. Reference is made to specific points on both correct diagrams. However, the candidate has simply stated that there will be a reduction in production and supply with no clear chain of reasoning to show why this will occur. This is therefore reasonable rather than good analysis.

Question 18*

18* For decades China used a planned economy to allocate resources before transitioning to an economy which incorporates some functions of a market economy.

Evaluate, using an appropriate diagram(s), whether a country would benefit from moving from a planned to a market economy. [20]

Candidates found this essay question to be quite difficult, although several successful responses were presented. Candidates used the opportunities provided by this question to display their awareness of real-world examples.

High performance responses recognised the functions of the price mechanism to signal and incentivise would lead to improved productive and allocative efficiency. Evaluation was achieved by contrasting this with the benefits of reduced inequality and market failure control often associated with planned economies. Such answers frequently concluded with a discussion of the merits and failings of mixed economies in achieving the benefits of both systems.

Less successful responses focussed on explanations of the terms market and planning but could not relate these terms to the key issue within the question. Such candidates struggled to show understanding of the changes that would be made in an economy due to this transition.

Exemplar 3

① as they allocate more resources to its production,

15

their prices, this allows them to maximise profit and causes a contraction extension in the supply curve. ① However, the higher prices ration consumers out as they are no longer willing and able to buy the good causing a contraction in the demand curve, returning us to P, Q, equilibrium. Similarly in the case of excess supply, the firms are signalled by excess stock and low sales to lower prices in order to maximise their profits. They allocate less resources to its production, causing a contraction in the supply curve.

The response in Exemplar 3 shows correct and clear analysis of a benefit of moving from a planned to market economy. There is a clear illustration of a common problem associated with government failure, shortages, and an illustration of how the operation of the price mechanism would solve this issue. The candidate has referred to specific points on the diagram and clearly explained the operation of both systems. Good analytical skills are therefore displayed.

Copyright

Questions 16 (a) and 16 (b), Fig.1 Frequency of baking at home from scratch 2017, © Permission to reproduce all copyright material has been applied for. In some cases, efforts to contact copyright-holders have been unsuccessful and OCR will be happy to rectify any omissions of acknowledgements in future papers if notified.

Question 17, text, © Adapted from Greenpeace, www.greenpeace.org.uk

Supporting you

Teach Cambridge

Make sure you visit our secure website [Teach Cambridge](#) to find the full range of resources and support for the subjects you teach. This includes secure materials such as set assignments and exemplars, online and on-demand training.

Don't have access? If your school or college teaches any OCR qualifications, please contact your exams officer. You can [forward them this link](#) to help get you started.

Reviews of marking

If any of your students' results are not as expected, you may wish to consider one of our post-results services. For full information about the options available visit the [OCR website](#).

Access to Scripts

For the June 2023 series, Exams Officers will be able to download copies of your candidates' completed papers or 'scripts' for all of our General Qualifications including Entry Level, GCSE and AS/A Level. Your centre can use these scripts to decide whether to request a review of marking and to support teaching and learning.

Our free, on-demand service, Access to Scripts is available via our single sign-on service, My Cambridge. Step-by-step instructions are on our [website](#).

Keep up-to-date

We send a monthly bulletin to tell you about important updates. You can also sign up for your subject specific updates. If you haven't already, [sign up here](#).

OCR Professional Development

Attend one of our popular CPD courses to hear directly from a senior assessor or drop in to a Q&A session. Most of our courses are delivered live via an online platform, so you can attend from any location.

Please find details for all our courses for your subject on **Teach Cambridge**. You'll also find links to our online courses on NEA marking and support.

Signed up for ExamBuilder?

ExamBuilder is the question builder platform for a range of our GCSE, A Level, Cambridge Nationals and Cambridge Technicals qualifications. [Find out more](#).

ExamBuilder is **free for all OCR centres** with an Interchange account and gives you unlimited users per centre. We need an [Interchange](#) username to validate the identity of your centre's first user account for ExamBuilder.

If you do not have an Interchange account please contact your centre administrator (usually the Exams Officer) to request a username, or nominate an existing Interchange user in your department.

Active Results

Review students' exam performance with our free online results analysis tool. It is available for all GCSEs, AS and A Levels and Cambridge Nationals.

[Find out more](#).

Need to get in touch?

If you ever have any questions about OCR qualifications or services (including administration, logistics and teaching) please feel free to get in touch with our customer support centre.

Call us on
01223 553998

Alternatively, you can email us on
support@ocr.org.uk

For more information visit

 **ocr.org.uk/qualifications/resource-finder**

 **ocr.org.uk**

 **facebook.com/ocrexams**

 **twitter.com/ocrexams**

 **instagram.com/ocrexaminations**

 **linkedin.com/company/ocr**

 **youtube.com/ocrexams**

We really value your feedback

Click to send us an autogenerated email about this resource. Add comments if you want to. Let us know how we can improve this resource or what else you need. Your email address will not be used or shared for any marketing purposes.



I like this



I dislike this

Please note – web links are correct at date of publication but other websites may change over time. If you have any problems with a link you may want to navigate to that organisation's website for a direct search.



OCR is part of Cambridge University Press & Assessment, a department of the University of Cambridge.

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored. © OCR 2023 Oxford Cambridge and RSA Examinations is a Company Limited by Guarantee. Registered in England. Registered office The Triangle Building, Shaftesbury Road, Cambridge, CB2 8EA. Registered company number 3484466. OCR is an exempt charity.

OCR operates academic and vocational qualifications regulated by Ofqual, Qualifications Wales and CCEA as listed in their qualifications registers including A Levels, GCSEs, Cambridge Technicals and Cambridge Nationals.

OCR provides resources to help you deliver our qualifications. These resources do not represent any particular teaching method we expect you to use. We update our resources regularly and aim to make sure content is accurate but please check the OCR website so that you have the most up to date version. OCR cannot be held responsible for any errors or omissions in these resources.

Though we make every effort to check our resources, there may be contradictions between published support and the specification, so it is important that you always use information in the latest specification. We indicate any specification changes within the document itself, change the version number and provide a summary of the changes. If you do notice a discrepancy between the specification and a resource, please [contact us](#).

You can copy and distribute this resource freely if you keep the OCR logo and this small print intact and you acknowledge OCR as the originator of the resource.

OCR acknowledges the use of the following content: N/A

Whether you already offer OCR qualifications, are new to OCR or are thinking about switching, you can request more information using our [Expression of Interest form](#).

Please [get in touch](#) if you want to discuss the accessibility of resources we offer to support you in delivering our qualifications.