



**General Certificate of Secondary Education
June 2012**

Economics

413011

(Specification 4135)

Unit 11: Personal Economics

Report on the Examination

Further copies of this Report on the Examination are available from: aqa.org.uk

Copyright © 2012 AQA and its licensors. All rights reserved.

Copyright

AQA retains the copyright on all its publications. However, registered centres for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to centres to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Set and published by the Assessment and Qualifications Alliance.

The Assessment and Qualifications Alliance (AQA) is a company limited by guarantee registered in England and Wales (company number 3644723) and a registered charity (registered charity number 1073334).
Registered address: AQA, Devas Street, Manchester M15 6EX.

General

This was the fifth examination of the GCSE Economics Unit 11 paper. Once again, the quality of answers was high and the standard set in earlier papers has been maintained in this session. The number of poor quality scripts was once again low with very few students out of the entire cohort scoring single figures for their overall score on the paper.

Centres should be commended once again in ensuring that their students were fully prepared for the demands of the paper. This is demonstrated by the students' ability to analyse different situations of a personal economic nature and to provide reasoned judgements when required to do so. The information provided in the text items was clearly understood and nearly all students realised that this data was to be used to stimulate potential responses.

In the January paper it was mentioned that a small number of students had appeared to 'rehearse' their judgement in advance of the paper and provided 'generic' comments rather than a real judgement made of the issues covered. It is pleasing to report that there appears to be fewer cases of this occurring – though some students were still producing empty judgemental phrases, such as 'it depends on external influences' without any qualification. To earn the highest level of marks for evaluation it is always important that the judgement is justified.

The vast majority of students exhibited a high level of knowledge of the terms, concepts and ideas covered by this paper. Similarly most students were able to apply their knowledge of personal economics to the scenarios covered in each of the three questions. Centres have obviously prepared students well for this examination and have successfully instilled in students the importance of providing a reasoned judgement for the answers of the longer questions.

Once again, the time constraint of the paper proved no obstacle to students providing detailed answers to all three questions.

Question 1

- (a) Most students were able to identify the appropriate stages of the personal life cycle. It was recognised that there are a number of alternative names given to each stage and marks were awarded where it was felt the stage given was relevant. Surprisingly, there were a number of responses which were clearly not appropriate. A significant minority of responses felt that Mike had already reached the 'retirement' or 'old age pensioner' stage of the life cycle despite the text clearly stating that Mike would retire in a few years' time.

One way in which some students lost marks was that they provided two different and often contradictory answers for each stage. In these cases it was not possible to award a mark even if one of the two alternatives offered was correct.

- (b) Nearly all students managed to score at least one mark on this question. However, around half of students failed to gain the second mark available by not relating the need to Adam's particular stage of the personal life cycle. Too many answers provided generic needs such as 'food' and failed to link it to Adam's current needs.
- (c) This question was well answered by students. Most students managed to explain two ways why Adam wanted to save in a bank. Some responses did not see the focus on the question as to why Adam had chosen a bank as his place to save and focused instead on reasons Adam was having in general.

- (d) Most answers correctly identified reasons why Adam would benefit from joining the company pension scheme. The most common benefit was that Adam would be provided for in later life. Other answers, such as the pension 'pot' being contributed to by the company were less popular.
- (e) The clues present in the Item meant that most students could access the majority of the marks within this part of the question. Adam being concerned with the pension company investing proceeds in companies making military weapons and the fact that Adam needed money now in order to move into a flat were accessible for nearly all students. Over one half of all those taking the exam managed to explain these reasons in context.
- (f) The idea of having to produce a justified decision is now firmly established as part of the requirements of each longer question. Centres appear to have no problems in preparing their students for this style of question. Answers generally considered the points raised by Adam and Mike in fairly equal measure with a justification provided as to which of the two had the more compelling argument. Analytical answers tended to look at issues not mentioned in the Item of the question, such as the likelihood of Adam needing a pension income for a family which he is yet to consider. Effective justification was found arguing for either Adam or Mike's view. Some effectively argued answers looked how Adam could combine the two options, ie that they were not entirely mutually exclusive.

A sizeable minority of students assumed that if Adam joined the company pension scheme and then later left the company then he would lose all the money he had invested in the scheme, which is not the case. Although marks are not subtracted for incorrect knowledge, this mistake meant that time was wasted on an argument which was not credited.

Question 2

- (a) This question did not prove too much trouble for students though around one quarter of answers failed to provide any explanation. A common answer by those who only scored one mark was merely to state that the reasons were because of government spending cuts.
- (b) Good explanations generally focused on the backward multiplier effect of the factory closure on the local community. Alternative issues to explore were the potential social problems, such as health and crime issues that are associated with a sharp rise in local unemployment. Answers were split almost equally into those who merely described the effects and those who provided explanation of these effects.

Often, the second explanation would follow and be closely related to the first explanation but, given the nature of assessing the quality of answers rather than just quantity meant that this did not penalise students.

- (c) Some confusion was present over the issue of tax and the enterprise zone. A significant number of students assumed that the lower tax paid by companies located in the zone would mean that workers in these companies would automatically be paying lower taxes as well. There is a possible chain of reasoning which could be used to reach this conclusion, which a small number of students illustrated, but most left this assumption undeveloped and this led to weaker answers.

As with question 1(f), answers were well argued and met the requirements of the question. However, there were some answers which stated long lists of factors without developing them. Evaluation was often present at the start of the question and, on some occasions, was contradicted by evaluation present at the conclusion of an answer which served to weaken the overall impact of the argument present.

The most popular option was that Simon should retrain as an IT technician. However many students realised that the time needed to retrain or wait for jobs to be created in the enterprise zone would pose problems if Simon had to provide for his family using benefits and redundancy pay alone.

Question 3

- (a) Around 90% of students scored both marks on this question. Those who failed to score full marks often produced general examples of imports and exports and appeared not to have read the question's requirements that the answers should come from Item C.
- (b) Answers to this question were generally strong as long as the benefits of international trade were explained in the context of Item C, ie through the import of trains and export of parts for trains. As with question 2(b), students were split almost equally into those who could explain the benefits of trading internally and those who could merely describe the benefits – usually by just restating extracts from Item C.

There are still a low number of students who are not producing answers in context despite clear instructions in the question that answers should use the Item.

- (c) Although this was the last question on the paper there was little if any evidence that time proved a constraint on answers.

Answers generally focused on the conflict between the potential job losses if the order was placed with the German firm, and the benefits of the German company providing more reliable trains for a lower cost.

Analytical development often focused on the multiplier effects of the factory closure or the opportunity cost of higher government spending if the trains were produced in the UK, such as the lower expenditure on health or education as a result. Some answers managed to link the pressures on government spending with the current UK government's problems with controlling government expenditure.

Justification was usually linked to either job losses or the benefits to consumers. Some highly effective justification focused on how the job losses only affected one part of the UK and how the UK government had to act in the interest of the UK as a whole.

UMS conversion calculator

www.aqa.org.uk/umsconversion

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results statistics](#) page of the AQA Website