



**General Certificate of Secondary Education
June 2012**

Economics

413012

(Specification 4135)

Unit 12: Investigating Economic Issues

Report on the Examination

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General

Most students were able to access the whole paper and the number of unanswered questions across all scripts was very small indeed. The vast majority of students provided answers to all the questions set in the paper.

Indeed, it was pleasing to note that there were some very impressive answers, demonstrating students' ability to analyse differing perspectives and arrive at well-reasoned judgements. More able students had clearly read the Items on the examination paper thoroughly and also used their own research knowledge to construct well organised answers, demonstrating analysis and judgement. Many students showed a high level of knowledge of relevant terms and concepts. In those questions that required this knowledge to be applied to the context of the question that was being asked, there was again evidence of students being well prepared for what was required in these answers.

The quality of written communication was generally very good.

There was little evidence that students struggled with time in the examination, and most produced answers of appropriate length for each question.

Question 1

- (a) Most students easily scored two marks on this introductory question, with most referring to benefits for the UK tourism industry, improved balance of payments or reduced unemployment. The few students that failed to get two marks presented answers which were too vaguely connected to the UK economy.
- (b) Many students were able to access four marks by presenting a logical chain of explanation in the context of the 2012 Olympics. Those that did not score four marks generally gave an answer which was not in context or gave a very brief response.
- (c) A good number of students achieved six marks by identifying social/external costs associated with the 2012 Olympics, several of which were suggested in Item A. Responses that did not secure six marks tended not to link the social cost to third parties or confused social costs with private costs or benefits, or opportunity costs.
- (d) Most students were able to explain a few benefits and costs of the Olympics to the UK economy and reach a final conclusion. Better responses provided analysis of those benefits and costs from the standpoint of UK firms, citizens and the economy as a whole. The very best responses were clearly organised answers which offered clear judgement and justification of whether or not the Olympics were beneficial overall, often 'weighing up' the strength and significance of key factors and/or distinguishing between short/long run effects. Some slightly weaker approaches saw students begin with a bold conclusion which was then contradicted in the body of the answer.

Question 2

- (a) Again, this question proved to be accessible, with most students obtaining two marks.
- (b) Many students made reference to issues suggested in Item B, with the best answers effectively utilising research carried out into dominant firms. Most students seemed aware of the oligopolistic nature of the supermarket industry and the subsequent impacts upon other agents, including suppliers, smaller firms and other dominant firms.
- (c) There were many strong answers to this question, with better ones picking up on the tensions between potential benefits and market failures of having dominant firms, and also the drawbacks of government intervention. Again the very best answers provided clear judgement and justification. The best students had conducted some very good research and many used this to good effect, though some less convincing responses presented a one-sided 'anti-Tesco' stance.

Question 3

- (a) Better answers were able to give two clear explanations of how or why such factors as labour cost advantages or increasing entrepreneurship caused rapid economic growth in China/India.
- (b) Students seemed to be very familiar with the negative effects of rapid economic growth, with the effect of increased pollution well-understood. Attempts to explain the link to increasing income inequality tended to be less well explained.
- (c) The very best answers showed clear judgement and justification, with evidence of some high quality research, often presenting facts and figures that demonstrated that this had been a topic for special investigation. Some students especially showed a good awareness of the ethical records of China/India. Some weaker responses approached the question exclusively from the standpoint of what the governments *ought* to be doing. The best answers provided a strong written debate and were logically structured and persuasively written.

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