



GCSE

Economics

413011 Unit 11 Personal Economics
Mark scheme

4130
June 2016

Version 1.0: Final Mark Scheme

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aqa.org.uk.

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Total for this question: 30 marks

Question 1 – Item A

1 (a) *Camilla faces opportunity costs if she buys a car.*

(i) *Tick **one** of the boxes next to the statement which best describes an opportunity cost.*

[1 marks]

Answer: 1 mark awarded for box 3: An alternative item that has to be given up

2 or 3 ticks – zero marks

1 (a) (ii) *Tick **one** of the boxes next to the statement which best describes the opportunity cost to Camilla of buying a second hand car.*

[1 marks]

Answer: 1 mark awarded for box 2: Being unable to buy a new violin

2 or 3 ticks – zero marks

1 (b) *Explain **two** economic reasons why her parents might want Camilla to delay buying a car.*

[4 marks]

Possible answers include

- it increases the debt she already has
- believe prices will fall so will be cheaper in future
- opportunity for her to buy the violin instead
- running costs will be high (eg insurance, petrol).

One mark for correct factor (**AO1**), plus one mark for development/description (**AO2**)
Apply twice.

NB: Do not allow running costs (eg insurance and petrol costs) for both reasons
Do not credit falling prices for both reasons even if explanations are different

1	(c)	<p><i>Explain two reasons why the price of second hand cars might go down over the next few years.</i></p>	[6 marks]
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Apply grid twice			
Level	Descriptor	Marks	Assessment Objective
L2	Reason explained in the context of Item A	3-2	AO2
L1	Reason identified	1	AO1
L0	No valid response.	0	

Possible answers include

- interest rate increases cause higher mortgage payments so households have less disposable income
- price of new cars has gone down. This causes people to buy more new cars, putting more old cars on the market increasing the supply of used cars and lowering the price
- more attractive to save money so demand for second hand cars falls
- cost of running a car goes up (eg fuel, insurance) so less people want to own cars
- price of new cars fall eg increased competition, reducing value of second hand cars.
- Improvements in technology/reductions in production costs
- strengthening of the economy (and increasing demand for new cars)

NB: Assume in context unless the answer is discussing alternative unrelated markets

NB: Do not allow depreciation or 'wear and tear' as an argument

Example

The price of new cars has fallen (L1) this means that people will now be able to afford to buy a new car rather than a second hand one (L2 – 2). The price of used cars will fall because there are less people wanting to buy these used cars (L2 – 3)

1 (d) Explain **two** effects on Camilla's budget if she decides to buy a second hand car. **[6 marks]**

Apply grid twice			
Level	Descriptor	Marks	Assessment Objective
L2	Effect in the context of Item A	3-2	AO2
L1	Effect identified	1	AO1
L0	No valid response.	0	

Possible answers include

- cost of running the car will reduce her ability to save and buy other things
- her income should increase because she can perform at more weddings
- may need to put side contingency funds in case of unforeseen repairs etc
- could delay future income as she cannot buy the violin.

Examiners must annotate the level selected eg L1 or L2

Example

Camilla should find she is bringing in more income (L1). She will no longer have to rely on her parents taking her to gigs (L2 -2) This means she can look further afield for jobs knowing she will always be able to get there without worrying about her parents (L2 – 3).

1 (e) *Camilla decides that she will buy a car. She is unsure whether she should take out a loan and buy the car now, or save up to buy it in the future. She researches the two options on the internet and discovers this information.*

Annual interest rate paid on bank savings accounts 3.0%
Annual bank loan interest rate 12.0%.

Do you think that Camilla should buy a car now with a loan or save up to buy one?
*Use **Item A** to support your answer.*

[12 marks]

Use the two grids to give a mark out of 12.

Level	Descriptor	Marks	Assessment Objective
L3	Uses Item A to analyse the suitability of the option(s) given Camilla’s circumstances.	6-5	AO3
L2	Describes the suitability of the option(s) given Camilla’s circumstances.	4-3	AO2
L1	Demonstrates some understanding of the choices facing Camilla.	2-1	AO1
L0	No valid response.	0	
Examiners must annotate the level selected eg L1 or L2 or L3			

Areas for possible discussion with loan

- can earn extra money straightaway from weddings etc
- interest would be £480 in first year (less in subsequent years)
- paying off on time will help her credit history
- could pay off in about 2 years.

Areas for discussion on savings

- interest rates might rise – issue if not fixed term
- good money management practice for future
- car prices are falling
- cash purchase may give better deal

In addition, separately award marks for evaluation using the grid on the next page.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification Ideas are communicated using a logical structure, with some appropriate uses of technical terms. There are occasional errors in accepted conventions of written communication.	6-4	AO3 and Quality of Written Communication
E1	Offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	3-1	
Examiners must annotate the level selected by using E1 and E2			

Judgement is being made in relation to the conclusion made

A clear judgement is one that follows logically from the arguments raised elsewhere in the response. The judgment made is unambiguous and realistic with the candidate having articulated the reason(s) for this particular choice, rather than leaving it to the examiner to infer the reason(s).

Note: This question also assesses candidates' quality of written communication. When deciding on the level to be awarded for **AO3**, consider the degree to which the candidate orders and communicates his/her ideas.

Question 2 – Item B

2 (a) State **two** examples of deductions which might be taken off the shop assistants' wages.

[2 marks]

1 mark **(AO1)** for each correct wage deduction – maximum 2 marks

Possible deductions include

- income tax/PAYE
- national Insurance
- student loan payments
- pension contribution
- loan repayment
- rent
- court fine.

NB 'Tax' is acceptable but this must not refer to an incorrect tax (eg VAT, corporation tax)

2 (b) Explain **two** factors the Taylors might have taken into account when deciding to pay their shop assistants £8 per hour.

[4 marks]

1 mark for identifying factor + 1 mark for development/explanation
Apply twice.

Possible answers include

- minimum national wage/living wage
- wages paid in similar shops
- experience and skills of assistants
- antisocial hours eg evening/weekend working
- willingness of employees to accept this wage
- motivational factors
- how much can shop afford to pay.

Example

Her parents probably looked at what assistants in similar shops were paid **(1)**. If the Taylors gave less than this, they might not attract the employees **(1)**.

2 (c) *The government is considering policies to reduce the number of unemployed young people and to encourage small businesses, like the Taylors', to take on more staff.*

Two of these policies are:

- *increasing the minimum wage to make work more attractive to unemployed people*
- *reducing benefit payments to those who are unemployed.*

*Which of these policies would you recommend the government to use to reduce unemployment among young people? Use **Item B** to support your answer.*

[12 marks]

Use the two grids to give a mark out of 12.

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse the policy(ies) given	5-6	AO3
2	Describes the choice(s) policy(ies) given	3-4	AO2
1	Demonstrates some understanding of the policies	1-2	AO1
0	No valid response.	0	
Examiners must annotate the level selected eg L1 or L2 or L3			

Issues with increasing minimum wage

- would increase consumption – multiplier effect
- knock on effect eg wages Taylors pay may need to increase
- discourage employers creating jobs
- would increase the incentive effect to find work.

Issues with reducing benefits

- backward multiplier
- turn to crime to fund living
- only works if jobs are available
- increases government resources eg money available to spend elsewhere

In addition, separately award marks for evaluation using the grid on the next page.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification. Ideas are communicated using a logical structure, with some appropriate uses of technical terms. There are occasional errors in accepted conventions of written communication.	6-4	AO3 and Quality of Written Communication
E1	Offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	3-1	
Examiners must annotate the level selected by using E1 and E2			

Note: This question also assesses candidates' quality of written communication. When deciding on the level to be awarded for **AO3**, consider the degree to which the candidate orders and communicates his/her ideas.

Judgement is being made in relation to the conclusion made

A clear judgement is one that follows logically from the arguments raised elsewhere in the response. The judgment made is unambiguous and realistic with the candidate having articulated the reason(s) for this particular choice, rather than leaving it to the examiner to infer the reason(s).

Question 3 – Item C

3 (a) Explain **two** ways in which UK consumers may benefit from international trade. **[4 marks]**

1 mark for correct way (AO1), plus one mark for development/description (AO2)
Apply twice to give a mark out of 4.

Possible answers include

- greater range of goods
- better quality/esteem products
- lower prices (exchange rate can be used as an explanation – not as a reason - if correctly applied and clearly linked to benefits to UK consumers)

Examples

International trade means there is a bigger range of goods available to consumers (1)
International trade will open up competition (1) and result in prices of goods falling (1).

3 (b) Explain **two** ways in which a fall in the value of the pound might affect the UK luxury watch industry. **[6 marks]**

Apply grid twice			
Level	Descriptor	Marks	Assessment Objective
2	Effect of weaker pound explained in the context of Item C .	3-2	AO2
1	Effect of weaker pound identified.	1	AO1
0	No valid response.	0	
Examiners must annotate the level selected eg L1 or L2			

Possible answers include

- foreign made components become more expensive
- overseas sales should increase as watches appear cheaper in foreign currencies
- UK sales should increase as foreign competitors become more expensive to UK buyers
- It will be more expensive for UK watch producers to pay for overseas advertising and other selling costs paid for in local currencies.

3 (c)	<p><i>UK consumers frequently choose to buy counterfeit goods, rather than genuine products.</i></p> <p><i>Do you think it is right that it should be left to consumers to decide whether to buy counterfeit products, or should the government control the import and sale of these goods? Use Item C to support your answer.</i></p> <p style="text-align: right;">[12 marks]</p>
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Use the two grids to give a mark out of 12.

Level	Descriptor	Marks	Assessment Objective
L3	Uses Item C to analyse economic issues to do with counterfeit goods.	6-5	AO3
L2	Describes the economic issues to do with using counterfeit goods.	4-3	AO2
L1	Demonstrates some understanding of the issues.	2-1	AO1
L0	No valid response.	0	
Examiners must annotate the level selected eg L1 or L2 or L3			

Arguments that might be used:

- UK watch makers lose sales if reputation of watches falls
- keeps prices affordable to UK consumers
- opportunity for poorer countries to develop
- encourages sweatshops/crime etc
- poorer quality/some products dangerous
- genuine businesses close with loss of jobs
- cost to Government of enforcing counterfeit goods
- loss of exclusivity of product reduces demand.

In addition, separately award marks for evaluation using the grid on the next page.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification Ideas are communicated using a logical structure, with some appropriate uses of technical terms. There are occasional errors in accepted conventions of written communication.	6-4	AO3 and Quality of Written Communication
E1	Offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	3-1	
0	No valid response.	0	
Examiners must annotate the level selected by using E1 and E2			

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for **AO3**, consider the degree to which the candidate orders and communicates his/her ideas.

Judgement is being made in relation to the conclusion made

A clear judgement is one that follows logically from the arguments raised elsewhere in the response. The judgment made is unambiguous and realistic with the candidate having articulated the reason(s) for his/her particular choice, rather than leaving it to the examiner to infer the reason(s).

Assessment Objective Weighting

Question	AO1	AO2	AO3	Total
1(a)	2			2
1(b)	2	2		4
1(c)	2	4		6
1(d)	2	4		6
1(e)	2	2	8	12
Sub-total	10	12	8	30
2(a)	2			2
2(b)	2	2		4
2(c)	2	2	8	12
Sub-total	6	4	8	18
3(a)	2	2		4
3(b)	2	4		6
3(c)	2	2	8	12
Sub-total	6	8	8	22
Total	22	24	24	70
Weight (%)	31	34	34	100