

Mark Scheme (Results)

Summer 2008

IGCSE

GCSE Business Studies and Economics (Nuffield)
(1171) Paper 4H

1171/4H Mark Scheme June 2008

Question Number	Indicative content
1(a)	<p>Economic growth is the increase in the productive capacity of the economy over a period of time. Productive capacity refers to the amount of goods and services produced in a given time period. Economic growth is usually measured by gross domestic product, the total value of goods and services produced in a year. Examples might refer to the rate of change of GDP, for example, 'economic growth rose by 2% last year' or might give a more story-like answer such as 'if the UK produces more goods and services in 2008 than it did in 2007 then it has experienced economic growth'.</p> <p>Up to 2 marks for a full definition and up to 2 for the supporting example.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
1(b)	<p>Benefits might include:</p> <ul style="list-style-type: none"> • Increase in the range of goods and services available • Increase in the standard of living • Greater choice • Increase in tax revenue for government which might be used for provision of public services • Improvements in health, education and welfare services • Reduction in the incidence of poverty <p>The costs might include:</p> <ul style="list-style-type: none"> • Inflation • Unequal distribution of income • Externalities - pollution etc. • Stress • Increase in crime • Immigration of key workers leading to pressure on public services <p>Candidates should take one of these costs and one benefit and offer an analysis of them. This implies that they will be able to break down the issue and explain how growth can lead to both costs and benefits. 1 mark each for identifying the relevant cost and benefit and up to 3 further marks for the development of each. At the top end of the mark range the link between growth and the benefit/cost will be clearly made. The candidate will use appropriate terminology in providing the explanation and there will be a clear understanding of the issue. At the lower end of the mark range a simple development will be given but there will be a lack of detail and a lack of use of appropriate terminology.</p> <p style="text-align: right;">8 marks</p>

Question Number	Indicative content
1(c)	<p>Inflation is a rise in the general price level over a period of time. It is measured by the Consumer Price Index (CPI) but is also measured by the Retail Price Index (RPI). Inflation looks at the average price change of a basket of goods over a period. Some prices will rise and others fall. An inflation rate of 2.7% means that prices of goods in the basket on average are 2.7% more expensive than they were 12 months before.</p> <p>Up to 2 marks for an appropriate definition that clearly refers to general or average price increases and up to 2 marks for an appropriate example or development of the term as above.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content	
1(d)	<p>The evidence suggests that Dixons will be more prone to the effects of changes in the business cycle. Dixons sell products that might be considered 'luxury' items, they tend to be items that are bought infrequently. They are also relatively high priced items on the whole. When there is an upturn in the business cycle people may feel better about their future and look to purchase these types of items and as a result Dixons will face a rise in demand for their products. The extent of the effect on the company will depend on how strong the rise in the business cycle will be.</p> <p>Responses which recognise both positive and adverse effects of an upturn are likely to achieve 5-6 marks.</p>	
Level	Mark	Descriptor
Level 2	4-6	A recognition that an upturn in the business cycle means a rise in demand for products at Dixons. There is appropriate use of business and economics terminology and a clear understanding of the link.
Level 1	1-3	A confused understanding of the link between the business cycle and Dixons. Candidates might confuse the business cycle with the product life cycle or offer only a very simple development of any points made. Where candidate offers an explanation of a downturn, award 1 mark.

Question Number	Indicative content
1(e)	<p>The interest rate is the cost of borrowing money. It is the amount of money a lender will charge for the privilege of using their money. The Bank of England sets the interest rate in the UK. (Of course, the reality is more complex but at this level this is acceptable). An example might include a numerical reference such as 'If I borrowed £100 from a bank at an interest rate of 5% I would have to pay back £105 back at the end of the year; the £5 would be the interest.'</p> <p>Up to 2 marks for an appropriate definition and up to 2 further marks for an appropriate example.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
1(f)	<p>(i) Householders with a mortgage</p> <p>Householders are likely to be unhappy with the rise in interest rates as it means that they will have to pay out more each month for their mortgage (unless they are on a fixed rate mortgage - if any candidate recognises this they are likely to be at the top of the mark range). It might mean that they will have to think about cutting back their spending to accommodate the rise in rates and this might affect their standard of living. The effect will depend to a large extent on the size of their mortgage and the extent to which interest rates rise.</p> <p style="text-align: right;">4 marks</p> <p>(ii) People with savings</p> <p>People with savings are likely to be pleased at the interest rate rise because if their savings attract interest then they will be earning more from those savings. Just how much they will benefit depends on how big their savings are and how large the interest rate rise is. For some it will hardly make any difference at all because the rise in interest rates is hardly likely to be that big.</p> <p style="text-align: right;">4 marks</p> <p>(iii) A restaurant owner</p> <p>Restaurant owners might be badly affected by the interest rate rise, especially if they have taken out loans. They will find that their costs of production will now rise and this could affect their profit margins. If they do not have loans they might not be affected quite so badly. It is possible that restaurant owners might be affected by a fall in demand for their product as people now decide not to go out for meals as much after the rate rise. It will depend to a large extent on how expensive their meals are, where they are located and the degree of loyalty of their customers. It will depend, therefore, on their situation as to what their view of the interest rate rise would be.</p> <p>The aim is to get students to break down the different perspectives of an interest rate rise. For each stakeholder some clear understanding, rooted in business and economics, of the impact is expected. If candidates merely offer some form of general knowledge comment with little or no business and economics then they will be at the lower end of the mark range. Those at the top of the mark range will offer a well developed response in which there is clear evidence of understanding or where they offer some form of balance or evaluative comment in their answer.</p> <p>1 mark for the viewpoint (pleased, angry, apathetic) and up to 3 marks for the quality of the development x 3.</p> <p style="text-align: right;">4 marks</p>

Question Number		Indicative content
1(g)		The evidence gives some clues as to the other methods that might be adopted to influence the business cycle and thus inflation. The answer might have some reference to the success that the Bank have had in keeping inflation low but will be expected to mention at least one other way of influencing the business cycle to affect inflation. The most obvious expected response would be the tax system. Some brief explanation of how this would work is expected. The means of differentiating the answer will be those candidates who not only offer the balance of different methods but who are able to make some judgement about which appear to be the most effective. If this judgement is supported the answer is likely to be in the upper levels.
Level	Mark	Descriptor
Level 3	9-12	Answers in this level will show an understanding of at least two methods of controlling inflation. There will be some development of both methods and a judgement made which is well supported. The answer will use appropriate business and economics terminology, concepts and methods. The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.
Level 2	5-8	A response that has at least two methods but the level of understanding and development will be weaker. At the top of this level there will be some simple evaluative judgement offered but with little support and maybe no conclusion offered. At the lower end of this band, there might be little evidence of any evaluative comment. The quality of written communication will be of a good standard with some errors in spelling, punctuation and grammar and some use of business and economic terminology, concepts and methods but not as assured as that in Level 3.
Level 1	1-4	A limited response that is unbalanced or which demonstrates a poor understanding of the question. There will be evidence of a lack of understanding of the different methods and little or no evaluative comment. The quality of written communication will be poor with little use of business and economics terminology, concepts and methods. There will be frequent errors in spelling, punctuation and grammar.

Question Number	Indicative content
2(a)	<p>Specialisation refers to a situation where an individual worker or a machine (or piece of land) performs a task to which it is best suited. It may be that the individual has particular skills or talents that make them more productive at the task than others but this productivity is likely to increase as the persons specialises further.</p> <p>Up to 2 marks for the definition and a further 2 marks for the supporting example.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
2(b)	<p>Hill Farm Furniture is a business that requires particular skills. If workers at the firm spend their time doing one particular aspect of production then there are going to be certain advantages that arise for the firm. The worker will improve and hone their skills in that task and be able to do the job quicker. In addition there will be other advantages like not having to change tools or move to different areas of the production process. All these things will mean that the worker can produce more in a given period of time. As a result, productivity, which is output per person per period of time, is likely to go up.</p> <p>1 mark for an implied understanding of the term 'productivity' and up to 3 further marks for making the appropriate link between specialisation and productivity. A two mark answer is likely to be of the sort '<i>they do the same thing all the time and so get better at it...</i>'. An answer at the top of the mark range will use economic and business terminology to make the link clear.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
2(c)	<p>The costs might include:</p> <ul style="list-style-type: none"> • If a member of staff is ill or leaves then this can disrupt production • Risk of boredom/monotony if workers are faced with repetitive tasks • It can take a long time and cost money to train a person to a particular skill. • It might be more difficult to recruit staff with a particular Specialism. • Production might become less flexible because individuals cannot do other workers jobs. • Higher wages/salaries to reflect higher skills. <p>There will be 1 mark each for recognising the cost and up to 2 further marks each for the development of the point. For example, good development of the first point in the list above will show how that individual might have skills that no one else in the business can do and if this happens production could grind to a halt. This can be damaging to production targets and ultimately delivery and sales.</p> <p>Such development will be rooted in business and economic understanding and use appropriate terminology. The candidate that just makes a simple link but is not able to offer the clear economic and business understanding will score 1 development mark. For example, 'If a worker is ill he won't be able to do his job and the business will suffer'.</p> <p style="text-align: right;">6 marks</p>

Question Number		Indicative content
2(d)		<p>We will be expecting some explanation of how bonuses and staff outings can lead to an improvement in motivation. Bonuses for good work, for increasing sales, for improving completion/delivery times might be an effective means of raising motivation. Workers can see a direct benefit to themselves of increasing their productivity. Staff outings to places like theme parks, weekends at hotels, to France for a booze cruise etc. are all methods that are widely used as a means of improving motivation. It is a 'treat' for the staff and an important opportunity for them to socialise out of the work environment. It helps them to bond and to build a better understanding.</p> <p>The command word is 'assess' therefore we are looking for some balance to the answers. Bonus payments might cause friction amongst staff - who gets what? It might also be difficult to separate out who has contributed most to production and once it has been paid it might cease to be a motivator (note Maslow and Herzberg here). The effect of bonuses on motivation will also depend on the size of the bonus. A small firm like Hill Farm Furniture might not be able to afford large bonuses.</p> <p>Staff outings might not have the desired effects - the outing may not be to everyone's liking, how do you choose the place to go, can you ensure that everyone wants to socialise out of work? They can also be extremely expensive and might only have short term benefits.</p>
Level	Mark	Descriptor
Level 2	5-8	<p>A well argued answer that considers both bonuses and staff outings and shows how they might improve productivity. There will be clear evidence, at this level, of evaluative comment. It might be in the form of the 'it depends' rule or it might be a recognition that either method might not be that effective - along with a reason why. A response which focuses on one method only, but which offers clear evaluation can achieve a maximum of 5 marks. A response which focuses on a single perspective can achieve a maximum of 5 marks. The quality of written communication will be of a high standard with minimal errors in spelling, punctuation and grammar and regular use of business and economic terminology, concepts and methods.</p>
Level 1	1-4	<p>There will be some recognition of one or both methods but with only limited development. There is likely to be little or no evaluative comment offered in the answer. It is also possible that an answer in this level will deal with one method only but offer some development and some evaluative comment.</p> <p>The quality of written communication will be poor with little use of business and economics terminology, concepts and methods. There will be frequent errors in spelling, punctuation and grammar.</p>

Question Number	Indicative content
2(e)	<p>Possible methods might include:</p> <ul style="list-style-type: none"> • Improving communication • Building teamwork • Divesting • Decentralisation • Improving leadership skills <p>1 mark for the method offered and up to 3 marks for the quality of the development. Good quality development will make use of relevant business and economics terminology, concepts and methods. The explanation will clearly show how the method chosen will reduce diseconomies of scale.</p> <p>At the lower end of the mark range, there will be more simplistic development of the sort 'they can reduce diseconomies by improving communication. They could have a weekly newsletter for the staff'. Award 1 mark for a definition of diseconomies of scale which refers to falling average costs arising from increased scale of product.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
2(f)	<p data-bbox="395 230 871 264">(i) The new government of Liberia</p> <p data-bbox="491 297 1393 770">The government might have been concerned about the deal because they might have thought the price was too low. This is why they have re-negotiated with Mittal. Having now agreed a higher price, they may feel it will bring a variety of possible benefits. This might include increases in tax revenue, possible improvements in infrastructure and a draw for other investment into the country. The government might be wary, however, of the size and power of such a large company and may overstate the benefits that might flow from the decision of Mittal to locate in the country. The size of the benefits that they receive will depend on the nature of the business, the size of the investment and the type of jobs, etc. that are being brought to the country. The evidence suggests that there might be more jobs created as a result of the re-negotiation.</p> <p data-bbox="1281 775 1393 808" style="text-align: right;">4 marks</p> <p data-bbox="395 808 700 842">(ii) Workers in Liberia</p> <p data-bbox="491 875 1393 1077">Workers might be pleased with the deal as it might offer them the chance of more work. However, they might also be wary of the fact that there might be more jobs created for workers from abroad rather than for local workers. For those already working in the industry it might signal a more secure future and they might therefore be supportive of the deal.</p> <p data-bbox="1281 1081 1393 1115" style="text-align: right;">4 marks</p> <p data-bbox="395 1115 735 1149">(iii) A Mittal shareholder</p> <p data-bbox="491 1182 1393 1518">Shareholders in Mittal might be very pleased with the original deal as it seems to have helped the company secure iron ore deposits. This might mean that the business can improve production and productivity and as a result become more profitable. This in turn might mean more dividends for them or a rise in the share price. On the other hand, they might be less pleased about the company having to re-negotiate the deal as it has now cost the company more. This might have the opposite effect on share price but might not be that damaging - the company might still benefit from having the new deal.</p> <p data-bbox="491 1552 1393 1888">The aim is to get students to break down the different perspectives of the decisions by MNCs to locate in less developed countries. For each group some clear understanding, rooted in business and economics, of the decision is expected. If candidates merely offer some form of general knowledge comment with little or no business and economics then they will be at the lower end of the mark range. Those at the top of the mark range will offer a well developed response in which there is clear evidence of understanding or where they offer some form of balance or evaluative comment in their answer such as the 'it depends' rule.</p> <p data-bbox="491 1921 1393 1989">1 mark for the viewpoint (pleased, angry, apathetic) and up to 3 marks for the quality of the development x 3.</p> <p data-bbox="1281 1993 1393 2027" style="text-align: right;">4 marks</p>

Question Number	Indicative content	
2(g)	<p>The costs of multinationals might include:</p> <ul style="list-style-type: none"> • Increase in the incidence of pollution and negative externalities • The interest of the multinational might not be the same as that of the country involved - one might be interested in profit, the other in building jobs • Profits get returned to the HQ country and do not flow into the host country • Possible ethical concerns about the types of products being produced or sold and the effect this has on the country • The firm might be footloose - moving on when it has exhausted the grants and tax benefits of locating in the host country - not a long term benefit. <p>The benefits might include:</p> <ul style="list-style-type: none"> • Increases in the number of jobs available for local people • Improvements in infrastructure • Increase in tax revenue for the host government • Acting as a knock on effect bringing in other investment • A multiplier effect for other local businesses of the increase in employment and the economy of the local area • Improvements in the skill levels of local people employed in the business. <p>A good answer will be able to make some recognition of some of the costs and benefits but be able to make a judgement in relation to the question and offer some support for that judgement. The judgement might be in support of the view or a rejection of it.</p>	
Level	Mark	Descriptor
Level 3	9-12	<p>Answers in this level will show an understanding the benefits and the costs. There will be some development of each which will demonstrate an understanding of the area. There will be some clear evidence of judgement and evaluation in this level. The judgement will be well supported and at the top of the mark range there will be a clear conclusion drawn related to the question. The answer will use appropriate business and economics terminology, concepts and methods. The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.</p>

Level 2	5-8	A response that covers costs and benefits but may be more unbalanced. The development of these will be less assured and convincing than those in Level 3 but will, never the less, have some clear understanding. At the top end of the mark range there will be some evidence of evaluative comment and judgement but the support will be weak. A simple unsupported conclusion may be offered. At the lower end of the mark range, the evaluation, if offered will be very simplistic. The quality of written communication will be of a good standard with some errors in spelling, punctuation and grammar and some use of business and economic terminology, concepts and methods but not as assured as that in Level 3.
Level 1	1-4	A limited response that is unbalanced or which demonstrates a poor understanding of the question. There might only be a single focus to the answer with just comment about the benefits (or the costs) but little or no balance. Any judgement offered will tend to be that mentioned right at the beginning but little attempt to develop an argument. The quality of written communication will be poor with little use of business and economic terminology, concepts and methods. There will be frequent errors in spelling, punctuation and grammar.

Question Number	Indicative content
3(a)	<p>A market is any place that brings together buyers and sellers with a view to agreeing a price. Examples could include any situation where buyers and sellers meet - street market, stock exchange, supermarket etc.</p> <p>1 mark for recognising buyers and 1 for recognising sellers. Up to 2 marks for the example.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
3(b)	<p>The market for road use is made up of the demand for roads and the supply of roads . The market clearing price is the price at which the demand for road use would be the same as the supply of roads available. Since the demand for road use changes so much during the course of a normal day setting a price which ensured no surplus or shortage (even if that could be defined) would be very difficult.</p>
Level 2	<p>4-6</p> <p>A recognition, implied or explicit, of the meaning of the term 'market clearing price' is evident at this level. There is some clear evidence of an attempt to relate the idea to the context through the use of the evidence provided and some sign of an understanding of the difficulty of establishing a market clearing price.</p>
Level 1	<p>1-3</p> <p>Some understanding of the term market clearing price is given but the candidate struggles to apply it appropriately to the context.</p>

Question Number	Indicative content
3(c)	<p>The expectation is that candidates will use a diagram to illustrate their answer but full marks can be gained if the candidate does not choose to do so.</p> <p>If a diagram is offered:</p> <ul style="list-style-type: none"> • 1 mark for labelling both axes correctly - price and quantity • 1 mark for drawing the supply and demand curve correctly and identifying the initial market clearing price and quantity • 1 mark for the correct shift of the demand curve • 1 mark for showing the shortage in the number of new cars available • 1 mark for showing what would happen to price and quantity. <p>The remaining three marks will be awarded for the quality of the supporting explanation. In the explanation there will be a clear sense that the candidate understands the process by which the rise in demand creates the shortage and it is this shortage that drives price up.</p> <p>If no diagram is offered but a full and clear explanation is given this can get the full mark allocation. In this case, there will be 1 mark for clearly identifying the nature of this market, 1 for recognising that demand for cars will rise, 2 for the explanation of the shortage that would occur and why, 2 for explaining the process by which the shortage would drive up the price and a further 2 for the conclusion to the process.</p> <p style="text-align: right;">8 marks</p>

Question Number	Indicative content
3(d)	<p>Externalities are the costs or benefits to a third party of an economic decision. Some candidates may refer to individuals, parties or organisations outside the firm - this is acceptable as long as it is clear what is meant and that there is some recognition that this represents the third party. Candidates who confuse this with, for example, 'a decision made by someone outside the firm' will not be rewarded.</p> <p>The example offered could refer to both positive and negative externalities. To get the full 2 marks for the example, something more than just a simple one word example such as 'pollution' is required.</p> <p>Up to 2 marks for an accurate definition of externalities and up to 2 for an appropriate developed example. If students give a definition, then go on to mention that externalities can be positive or negative and then maybe give a one word example, could also get the full 4 marks.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
3(e)	<p>Possible externalities might include:</p> <ul style="list-style-type: none"> • People are late for work • Deliveries take longer • Fuel costs for distribution could be higher • Costs rise as drivers sit in lorries not going anywhere • Possibility of having to pay or being affected by a congestion Charge • Increased stress for road-users. <p>1 mark for identifying an appropriate externality and up to 3 marks for the quality of the explanation. At the top end of the mark range the explanation will clearly demonstrate the cost to individuals, businesses or the economy, and be rooted in business and economics understanding using appropriate terminology. At the bottom end of the mark range, the explanation will be limited in detail and simplistic in understanding. It will not include much in the way of business and economics understanding.</p> <p style="text-align: right;">4 marks</p>

Question Number	Indicative content
3(f)	<p data-bbox="395 268 555 302">(i) Car user</p> <p data-bbox="491 336 1393 638">Many car users are going to see the benefits of road pricing and see the need to have to reduce congestion (they are part of the problem but may not see it) but not be happy at the prospect of having to pay for using the roads. Many might feel they already pay enough in car tax and petrol or think that they have very little alternative to using their car (which may be true in rural areas). Some people might support it if it means that the roads become less congested and they get to work or are able to carry out their work more easily.</p> <p data-bbox="1281 645 1393 678" style="text-align: right;">4 marks</p> <p data-bbox="395 678 880 712">(ii) Member of Friends of the Earth</p> <p data-bbox="491 745 1393 981">It is likely that FoTE will be in favour of this scheme as it will make drivers more aware of the impact their behaviour is having on the environment. They might not think the scheme goes far enough, however. They are likely to see excessive road use as being damaging to the environment and contributing to the problem of climate change. They would be more in favour of increases in public transport and road pricing.</p> <p data-bbox="1281 987 1393 1021" style="text-align: right;">4 marks</p> <p data-bbox="395 1021 874 1055">(iii) Business person in Manchester</p> <p data-bbox="491 1088 1393 1424">Business people in Manchester might have mixed views. Some will welcome the idea because it will help them get around quicker but many might see problems for them as it will raise costs. Many of their employees will be likely to have to pay the charge if they travel into Manchester to work. This might mean that businesses are under greater pressure to offer more flexible working which might not suit them. Businesses in the city centre might feel that there will be a reduction in the number of customers visiting shops and other businesses like restaurants and that this will hit their business.</p> <p data-bbox="491 1458 1393 1794">The aim is to get students to break down the different perspectives of the plans to introduce a road pricing scheme. For each group some clear understanding, rooted in business and economics, of the decision is expected. If candidates merely offer some form of general knowledge comment with little or no business and economics then they will be at the lower end of the mark range. Those at the top of the mark range will offer a well developed response in which there is clear evidence of understanding or where they offer some form of balance or evaluative comment in their answer such as the 'it depends' rule.</p> <p data-bbox="491 1827 1393 1895">1 mark for the viewpoint (pleased, angry, apathetic) and up to 3 marks for the quality of the development x 3.</p> <p data-bbox="1281 1901 1393 1935" style="text-align: right;">4 marks</p>

Question Number	Indicative content
3(g)	<p>The evidence gives some of the root ideas for candidates to help them answer this question. We would be expecting to see some balance to the answer with an appreciation that when there is excess demand and considerable externalities then it is the road user that may have to pay for the privilege of using the roads.</p> <p>At the same time, we would be looking for responses that recognise that offering alternatives is an important part of the strategy to get people out of their cars and onto public transport for example. Some may recognise that there needs to be a greater degree of flexibility in many businesses in allowing workers to work flexi-hours or to work at home where appropriate. Road pricing may provide some of the answer but might need to be in place with other strategies in order to work and be accepted by the public at large.</p>
Level 3	<p>9-12</p> <p>Answers in this level will have evidence of balance and be able to see the different perspectives. At the very top of the mark range, judgements in relation to the question will be clearly made and well supported and there will be a conclusion relating to the question. At the lower end of the mark range the analysis and evaluation might be present but not the conclusion. The answer will use appropriate business and economics terminology, concepts and methods. The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.</p>
Level 2	<p>5-8</p> <p>Level 2 responses will have some balance, especially at the top of the mark range, but not the quality of development of that of Level 3. At the top end of the mark range there will be some evidence of evaluative comment and judgement but the support will be weak. A simple unsupported conclusion may be offered. At the lower end of the mark range, the evaluation, if offered will be very simplistic. In addition, there is likely to be a lack of balance at this lower end with perhaps one perspective being given and only a limited nod at other perspectives. The quality of written communication will be of a good standard with some errors in spelling, punctuation and grammar and some use of business and economic terminology, concepts and methods but not as assured as that in Level 3.</p>
Level 1	<p>1-4</p> <p>A limited response that is unbalanced or which demonstrates little or no understanding of the arguments and perspectives of road pricing. There might only be a single focus to the answer with just comment about the benefits (or the costs) but little or no balance. Any judgement offered will tend to be that mentioned right at the beginning but with little attempt to develop an argument. The quality of written communication will be poor with little use of business and economic terminology, concepts and methods. There will be frequent errors in spelling, punctuation and grammar.</p>

