Mark scheme
June 2003

GCSE

Economics

3144

Paper 2F

Economics - Paper Two, Foundation Tier (3144/2F)

General Marking Guidance

The task is structured in four questions, answers are to be marked holistically according to the following criteria/levels.

Start at the highest level for each criteria, and look at the candidate's response to see if you can identify evidence of achievement of that level. If you cannot find evidence of that level, move down to the next level. It is not necessary to obtain the lower levels below that which is actually rewarded. For many levels it is only necessary for candidates to show the applicable evidence once to be awarded in that level. There are some levels, however, where candidates need to show evidence more than once. This particularly applies where the term "consistently uses" is in the level descriptor.

Layout/style/structure not to be rewarded.

Guidance will be provided to examiners at the standardisation meeting on how to differentiate between the range of marks at each level.

Quantity may be misleading.

1   **Total for this question:** *20 marks*

Using the Information Leaflet and your own knowledge, outline the factors which determine the demand for, and supply of, houses.   *(20 marks)*

Essay marking grid

Knowledge and Understanding and Use of Information		
Level 3	Substantial evidence of using economic knowledge and gathering information to answer the question presented. Has assembled relevant evidence and shown very good understanding.	**7-8 marks**
Level 2	Has used economic knowledge in relation to the context of the question. Has copied some material but has summarised and adopted other information. Demonstrates good understanding of evidence.	**4-6 marks**
Level 1	Some attempt to use economic knowledge gained in the course, but limited in its relevance. Most of the answer is copied from source material and understanding is limited.	**1-3 marks**
Level 0	No relevant information presented.	**0 marks**

Application		
Level 3	Clear evidence of applying at least three economic concepts and theories appropriately to the question. Precise use of economic terminology and methodology in addressing the question.	**7-8 marks**
Level 2	Good attempt to apply economic concepts and/or terms to the question. Demonstrates ability to apply at least two economic theories to the question. Use of appropriate economic terminology and methodology with some success.	**4-6 marks**
Level 1	Some attempt made to apply at least one economic concept and/or theories and/or terms to the question, but a tendency to make unsupported generalisations.	**1-3 marks**
Level 0	No attempt made to apply economic knowledge to the question.	**0 marks**

Select/Organise/Analyse and Interpret		
Level 3	Information/data has been selected in an effective way. The information selected has been well organised; at least three sources have been analysed. Evidence of interpretation of information/data, applicable to the question has been clearly demonstrated.	**4 marks**
Level 2	Information/data has been selected in an effective way. The information selected has been organised; at least two sources have been analysed. Begins to interpret information/data in relation to the question.	**2-3 marks**
Level 1	Some evidence that data/information has been selected. There is evidence of selection and organisation from at least one source. There has been some relevant analysis of the information used, but little or no interpretation has been carried out.	**1 mark**
Level 0	No attempt made to select, organise, analyse or interpret data.	**0 marks**

AQA

Examples of expected responses

Factors determining demand for houses

- Price of housing.

- Real income.

- Interest rates – mortgage rates.

- Rising population.

- Government policy.

- Growth rate.

Factors determining supply of housing

- Price of housing.

- Costs of building new homes – labour + land costs.

- Availability of new building land.

- Government policy including planning permission.

- Changes in goals of producers.

- Technology.

- Other types of accommodation.

2   **Total for this question: *20 marks***

> Using the Information Leaflet and your own knowledge, explain the arguments for the firm **not** to build any more new houses.   *(20 marks)*

Essay marking grid

Knowledge and Understanding and Use of Information		
Level 3	Substantial evidence of using economic knowledge and gathering information to answer the question presented. Has assembled relevant evidence and shown very good understanding.	**7-8 marks**
Level 2	Has used economic knowledge in relation to the context of the question. Has copied some material but has summarised and adopted other information. Demonstrates good understanding of evidence.	**4-6 marks**
Level 1	Some attempt to use economic knowledge gained in the course, but limited in its relevance. Most of the answer is copied form source material and understanding is limited.	**1-3 marks**
Level 0	No relevant information presented.	**0 marks**

Application		
Level 3	Clear evidence of applying at least three economic concepts and theories appropriately to the question. Precise use of economic terminology and methodology in addressing the question.	**7-8 marks**
Level 2	Good attempt to apply economic concepts and/or terms to the question. Demonstrates ability to apply at least two economic theories to the question. Use of appropriate economic terminology and methodology with some success.	**4-6 marks**
Level 1	Some attempt made to apply at least one economic concept and/or theories and/or terms to the question, but a tendency to make unsupported generalisations.	**1-3 marks**
Level 0	No attempt made to apply economic knowledge to the question.	**0 marks**

Select/Organise/Analyse and Interpret		
Level 3	Information/data has been selected in an effective way. The information selected has been well organised; at least three sources have been analysed. Evidence of interpretation of information/data, applicable to the question has been clearly demonstrated.	**4 marks**
Level 2	Information/data has been selected in an effective way. The information selected has been organised; at least two sources have been analysed. Begins to interpret information/data in relation to the question.	**2-3 marks**
Level 1	Some evidence that data/information has been selected. There is evidence of selection and organisation from at least one source. There has been some relevant analysis of the information used, but little or no interpretation has been carried out.	**1 mark**
Level 0	No attempt made to select, organise, analyse or interpret data.	**0 marks**

AQA

Examples of expected responses

Candidates are likely to explain the following reasons

- Prices still rising but growth expected to slow down.

- Manufacturing industry expecting slowdown, link to pay and income.

- Threat of rising unemployment and falling consumer confidence.

- Has the housing market already hit its peak?

- Possible rises in interest rates.

- Terror attack loss of confidence.

- Large job losses in Scotland.

3   **Total for this question:** *20 marks*

> The firm has decided to expand and build new houses. Using the Information Leaflet and your own knowledge, explain which areas of the country they should choose. Give reasons for your answers.
>
> *(20 marks)*

Essay marking grid

Knowledge and Understanding and Use of Information		
Level 2	Substantial evidence of using economic knowledge and relevant evidence to answer the question. Has shown very good understanding.	**2 marks**
Level 1	Uses economic knowledge in relation to the context of the question and has summarised information. Demonstrates good understanding.	**1 mark**
Level 0	No relevant information presented.	**0 marks**

Application		
Level 2	Clear evidence of applying several economic concepts and theories precisely and appropriately to the question.	**2 marks**
Level 1	Good attempt to apply economic concepts and/or terms to the question. Use of appropriate economic terminology.	**1 mark**
Level 0	No attempt made to apply economic knowledge to the question.	**0 marks**

Select/Organise/Analyse and Interpret		
Level 3	Information/data has been selected in an effective way. The information selected has been well organised; at least three sources have been analysed. Evidence of interpretation of information/data, applicable to the question has been clearly demonstrated.	**7-8 marks**
Level 2	Information/data has been selected in an effective way. The information selected has been organised; at least two sources have been analysed. Begins to interpret information/data in relation to the question.	**4-6 marks**
Level 1	Some evidence that data/information has been selected. There is evidence of selection and organisation from at least one source. There has been some relevant analysis of the information used, but little or no interpretation has been carried out.	**1-3 marks**
Level 0	No attempt made to select, organise, analyse or interpret data.	**0 marks**

Evaluation/Judgement		
Level 3	Examines the problem and draws conclusions which are supported with evidence. Judgements and recommendations have been made, using economic knowledge from the course. There is good evaluation of evidence with some reasoned judgements.	**7-8 marks**
Level 2	Begins to examine critically and draw conclusions supported by some evidence with judgements and recommendations based on economic knowledge from the course. There is some relevant evaluation of evidence.	**4-6 marks**
Level 1	A limited attempt to draw conclusions and make reasoned judgements in an elementary way. There is some attempt to evaluate the evidence.	**1-3 marks**
Level 0	No attempt made to draw conclusions.	**0 marks**

AQA

Examples of expected responses

Good choices

North West

- Firms already based there – no costs of relocation or new suppliers.

- Further growth expected.

- Prices low – scope to rise.

London and South East

- Highest prices for new homes.

- But fears over jobs and pay – impact on London of falling share prices and lower city bonuses.

- Problem of lack of land for new homes.

Bad choices

Scotland

- Not a good choice.

- House prices rose by less than 10%.

- Huge job losses.

Northern Ireland

- Lowest price rise.

But – West Midlands

- A good prediction.

4   **Total for this question:** *20 marks*

Consider the two government policies below which might help small building firms such as J. K. Edwards Ltd:
•   lower interest rates;
•   grants to the building industry.
Using the Information Leaflet and your own knowledge of economics, outline which of these policies would be the most helpful and why. Give reasons for your answers.   *(20 marks)*

Essay marking grid

Knowledge and Understanding and Use of Information		
Level 2	Substantial evidence of using economic knowledge and relevant evidence to answer the question presented. Has shown very good understanding.	**2 marks**
Level 1	Has used economic knowledge in relation to the context of the question and has summarised information. Demonstrates good understanding.	**1 mark**
Level 0	No relevant information presented.	**0 marks**

Application		
Level 2	Clear evidence of applying several economic concepts and theories precisely and appropriately to the question.	**2 marks**
Level 1	Good attempt to apply economic concepts and/or terms to the question. Use of appropriate economic terminology.	**1 mark**
Level 0	No attempt made to apply economic knowledge to the question.	**0 marks**

Select/Organise/Analyse and Interpret		
Level 3	Information/data has been selected in an effective way. The information selected has been well organised; at least three sources have been analysed. Evidence of interpretation of information/data, applicable to the question has been clearly demonstrated.	**4 marks**
Level 2	Information/data has been selected in an effective way. The information selected has been organised; at least two sources have been analysed. Begins to interpret information/data in relation to the question.	**2-3 marks**
Level 1	Some evidence that data/information has been selected. There is evidence of selection and organisation from at least one source. There has been some relevant analysis of the information used, but little or no interpretation has been carried out.	**1 mark**
Level 0	No attempt made to select, organise, analyse or interpret data.	**0 marks**

Evaluation/Judgement		
Level 3	Examines the problem and draws conclusions which are supported with evidence. Judgements and recommendations have been made, using economic knowledge from the course. There is good evaluation of evidence with some reasoned judgements.	**9-12 marks**
Level 2	Begins to examine critically and draw conclusions supported by some evidence with judgements and recommendations based on economic knowledge from the course. There is some relevant evaluation of evidence.	**5-8 marks**
Level 1	A limited attempt to draw conclusions and make reasoned judgements in an elementary way. There is some attempt to evaluate the evidence.	**1-4 marks**
Level 0	No attempt made to draw conclusions.	**0 marks**

Examples of expected responses

- Lower mortgage rates makes it cheaper for potential buyers to purchase new homes.

- People find it easier to move upmarket.

- Consumers have more "spare" income to meet housing costs.

- Building firms themselves have lower borrowing costs for raw materials, machinery etc.

- Higher demand – lower costs = more profit.

How government grants might help small building firms:

- Lower costs   ⎫ therefore increased
- Fewer constraints ⎭ supply

Ease problems as time between start of project and sale of new houses reduced. All leads to more profit.

Following assessment of all answers, a mark for Quality of Written Communication should be awarded using the following scheme:

Quality of Written Communication	
Information is clearly and logically presented using an appropriate form. The text is legible. Candidates spell, punctuate and use the rules of grammar accurately, enabling the meaning to be clearly understood.	**4 marks**
Information is presented in an appropriate form. The text is legible. Candidates generally spell, punctuate and use the rules of grammar accurately, although there may be some errors. The meaning is clear.	**2-3 marks**
Some of the information presented is in an appropriate form. Generally the text is legible. Although there are errors in spelling, punctuation and grammar, candidates' meaning can be understood.	**1 mark**
Candidates have failed to reach the standard required for the award of a mark.	**0 marks**

AQA