



# **MARKSCHEME**

**November 2011**

**ECONOMICS**

**Standard Level**

**Paper 2**

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*In addition to the assessment criteria use the paper-specific markscheme below. Award up to the maximum marks as indicated.*

**1. (a) Define the following terms indicated in bold in the text:**

**(i) economic growth (paragraph 2) [2 marks]**

level

0 *Wrong definition* **0**

1 *Vague definition* **1**

The idea that an economy becomes bigger/grows.

2 *Precise definition* **2**

An explanation that it is the growth of real output in an economy over time.

(An alternative may be – economic growth is usually measured as growth in real GDP.)

**(ii) exchange rate (paragraph 2). [2 marks]**

level

0 *Wrong definition* **0**

1 *Vague definition* **1**

The idea that it is the value of a currency.

2 *Precise definition* **2**

An explanation that it is the value of one currency expressed in terms of another.

- (b) **Using an appropriate diagram, explain the type of unemployment that a “weak” economy and reduced investment are expected to create (paragraph ③).**

[4 marks]

level

0 *Inappropriate answer*

0

1 *Identification of appropriate theory*

1–2

For drawing a correctly labelled AD/AS diagram illustrating cyclical/demand deficient unemployment **or** providing an explanation that a weak economy and reduced investment imply lower aggregate demand and decrease the demand for labour.

2 *Correct application of appropriate theory*

3–4

For drawing a correctly labelled AD/AS diagram illustrating cyclical/demand deficient unemployment **and** providing an explanation that a weak economy and reduced investment imply lower aggregate demand and decrease the demand for labour.

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

For AD/AS, the vertical axis may be price level, average price level, or inflation. The horizontal axis may be output, national output, real national output, national income (Y), or GDP. Any appropriate abbreviations, such as APL, CPI, RNO, or RNY are allowable. A title is not necessary.

Candidates may draw a labour market diagram showing a wage above the equilibrium wage and explaining that at this wage, the supply of labour exceeds the demand for labour. If correctly labelled, this should be fully rewarded.

- (c) Using an appropriate diagram, explain how a stronger than expected exchange rate might affect aggregate demand in New Zealand (paragraph 2).

[4 marks]

level

- |   |   |            |
|---|---|------------|
| 0 | <i>Inappropriate answer</i>   | <b>0</b>   |
| 1 | <i>Identification of appropriate theory</i><br>For drawing a correctly labelled AD/AS diagram illustrating a shift of AD to the left <b>or</b> for explaining that a stronger exchange rate implies more expensive exports and cheaper imports and thus eventually a decrease in net exports (a component of AD) for New Zealand.       | <b>1–2</b> |
| 2 | <i>Correct application of appropriate theory</i><br>For drawing a correctly labelled AD/AS diagram illustrating a shift of AD to the left <b>and</b> for explaining that a stronger exchange rate implies more expensive exports and cheaper imports and thus eventually a decrease in net exports (a component of AD) for New Zealand. | <b>3–4</b> |

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

For AD/AS, the vertical axis may be price level, average price level, or inflation. The horizontal axis may be output, national output, real national output, national income (Y), or GDP. Any appropriate abbreviations, such as APL, CPI, RNO, or RNY are allowable. A title is not necessary.

- (d) **Using information from the text/data and your knowledge of economics, evaluate the likely effects of “the large decline in the official interest rate” together with the fiscal stimulus on the New Zealand economy (paragraph 4).**

[8 marks]

Responses **may** include:

- lower interest rates imply easier or looser monetary policy aiming at increasing aggregate demand and thus reflation an economy in recession
- lower interest rates are expected to increase spending by households on durables (such as cars and appliances)
- lower interest rates may not result in anticipated increases in household consumption if households use lower interest repayments to increase mortgage repayments
- lower interest rates are expected to boost the housing market
- lower interest rates are expected to increase spending on capital goods by firms (paragraph 3)
- lower interest rates are expected to lower (depreciate) the New Zealand dollar making exports cheaper abroad and imports less attractive and thus increasing net exports (paragraphs 2 and 3)
- fiscal stimulus includes increased levels of government spending and/or lower taxes (paragraph 4)
- an increase in growth affects AD directly
- lower taxes affect AD indirectly (increased disposable income / after tax profits)
- low business sentiment (paragraph 3) suggests that firms are not very optimistic so any increase in disposable income is perhaps not expected to be spent and firms may thus not decide to expand their capacity
- it will take some time for economic activity to return to healthy levels, due to lags and low consumer and/or investor confidence (paragraph 4)
- only in 2010 is growth in New Zealand to become (barely) positive (figure 1).

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

**Level**

0	No valid discussion.	<b>0</b>
1	Few relevant concepts recognized. Little discussion or only basic understanding.	<b>1–2</b>
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	<b>3–5</b>
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	<b>6–8</b>

**2. (a) Define the following terms indicated in bold in the text:**

**(i) negative externalities (paragraph ③)** *[2 marks]*

level

0	<i>Wrong definition</i>	<b>0</b>
1	<i>Vague definition</i> The idea that these are costs that affect society.	<b>1</b>
2	<i>Precise definition</i> An explanation that they are the costs imposed on third parties when a good or service is produced or consumed. (This may also be expressed as marginal social cost being greater than marginal private cost or marginal private benefit being greater than marginal social [benefit.]	<b>2</b>

**(ii) indirect taxes (paragraph ④).** *[2 marks]*

level

0	<i>Wrong definition</i>	<b>0</b>
1	<i>Vague definition</i> The idea that they are taxes on goods.	<b>1</b>
2	<i>Precise definition</i> An explanation that they are taxes on expenditure or that they are taxes that are added to the selling price of a good or service.	<b>2</b>

(b) Using an appropriate diagram, explain why illegal dumping of toxic waste by these manufacturing firms is an example of a market failure (paragraph ①).

[4 marks]

level

0 *Inappropriate answer*

0

1 *Identification of appropriate theory*

1-2

For drawing a correctly labelled demand and supply diagram illustrating that the marginal social cost (MSC) curve is above the supply / marginal private cost (MPC) curve leading to more output than the socially optimum level **or** for explaining that in this case because of the external costs involved, the MSCs exceed the MPCs of production so that more than the socially optimal level of output is produced by these manufacturing firms.

2 *Correct application of appropriate theory*

3-4

For drawing a correctly labelled demand and supply diagram illustrating that the marginal social cost (MSC) curve is above the supply / marginal private cost (MPC) curve leading to more output than the socially optimum level **and** for explaining that in this case because of the external costs involved, the MSCs exceed the MPCs of production so that more than the socially optimal level of output is produced by these manufacturing firms.

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

The use of P and Q on the axes is sufficient for a demand and supply diagram. A title is not necessary. Diagrams may be labelled  $S_{\text{private costs}}$  and  $S_{\text{social costs}}$  as well as D instead of MSB, if this is the case, it should be fully rewarded.



(c) **Using an appropriate diagram, explain the expected effect on the local carrot market resulting from the contamination of the river (paragraph ③).** **[4 marks]**

level

- |   |  |            |
|---|--|------------|
| 0 | <i>Inappropriate answer</i>  | <b>0</b>   |
| 1 | <i>Identification of appropriate theory</i><br>For drawing a correctly labelled demand and supply diagram illustrating that the demand for carrots will shift left leading to lower equilibrium P and Q <b>or</b> for explaining that consumers will fear negative health effects likely to arise from consuming the carrots and that demand for carrots will thus decrease leading to a fall in the price and quantity of carrots being demanded.       | <b>1-2</b> |
| 2 | <i>Correct application of appropriate theory</i><br>For drawing a correctly labelled demand and supply diagram illustrating that the demand for carrots will shift left leading to lower equilibrium P and Q <b>and</b> for explaining that consumers will fear negative health effects likely to arise from consuming the carrots and that demand for carrots will thus decrease leading to a fall in the price and quantity of carrots being demanded. | <b>3-4</b> |

Candidates who incorrectly label diagrams can be rewarded with a maximum of **[3 marks]**.

The use of P and Q on the axes is sufficient for a demand and supply diagram. A title is not necessary.

- (d) **Using information from the text/data and your knowledge of economics, evaluate the solutions that the government could employ to reduce the negative externalities caused by river pollution in Viotia.**

[8 marks]

Responses **may** include:

- an explanation of indirect taxation as a solution
- a diagram to illustrate the indirect tax
- the revenue raised by the tax could be used to pay for cleaning the river
- indirect taxation would force manufacturers to consider the pollution costs they create (*paragraph 4*)
- an explanation of the difficulties involved in measuring the correct size of the necessary tax (*paragraph 4*)
- an explanation of tradable pollution permits as a market based solution in the case of pollution emitting firms
- an explanation of the difficulties in setting up and monitoring such a programme (*paragraph 4*)
- an explanation of possible direct regulatory measures, *e.g.* forcing the use of specific filters, relocation, imposition of fines *etc.* and of the possible advantages and disadvantages of such an approach
- use of subsidies to encourage transition to cleaner production methods.

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

**Level**

0	No valid discussion.	<b>0</b>
1	Few relevant concepts recognized. Little discussion or only basic understanding.	<b>1–2</b>
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	<b>3–5</b>
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	<b>6–8</b>

3. (a) Define the following terms indicated in bold in the text:

(i) **economic development** (*paragraph 2*) [2 marks]

level

0 *Wrong definition* 0

1 *Vague definition* 1  
The idea that living standards improve.

2 *Precise definition* 2  
An explanation that it is a broad concept involving any **two** of the following:  
• improvement in standards of living  
• reduction in poverty  
• improved health and education  
• reduction in unemployment  
• greater equality in income distribution  
• environmental protection  
• increased freedom and economic choice.

(ii) **subsidies** (*paragraph 4*). [2 marks]

level

0 *Wrong definition* 0

1 *Vague definition* 1  
The idea that they are payments by the government to firms.

2 *Precise definition* 2  
An explanation that they are payments by the government to firms aiming at:  
• lowering their production costs **or**  
• increasing output **or**  
• lowering the price of a product.

(b) Using an appropriate diagram, explain the effect on America’s clothing market resulting from removing quotas on Chinese clothing (paragraph 4).

[4 marks]

level

- |   |   |     |
|---|---|-----|
| 0 | <i>Inappropriate answer</i>   | 0   |
| 1 | <i>Identification of appropriate theory</i><br>For drawing a correctly labelled quota diagram showing that the supply of clothing will increase and the price of clothing will fall <b>or</b> for explaining that removing a quota will result in an increase in supply, so that there will be a lower price and a higher quantity.       | 1–2 |
| 2 | <i>Correct application of appropriate theory</i><br>For drawing a correctly labelled quota diagram showing that the supply of clothing will increase and the price of clothing will fall <b>and</b> for explaining that removing a quota will result in an increase in supply, so that there will be a lower price and a higher quantity. | 3–4 |

There are a number of diagrams which may be used to indicate a removal of a quota, including a simple demand and supply diagram showing an increase in supply by the amount of the (removed) quota. Candidates who do not identify the (removed) quota in the diagram may not achieve full marks.

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

The use of P and Q on the axes is sufficient. A title is not necessary.

(c) Using an appropriate diagram, explain the effect on China’s aggregate demand of a decision by the Chinese government to provide the general population with health care insurance and pensions (*paragraph 3*). [4 marks]

level

- 0 *Inappropriate answer* 0
- 1 *Identification of appropriate theory* 1–2  
For drawing a correctly labelled AD diagram with the AD curve shifting to the right **or** for explaining that AD will increase as **either** government expenditure (G) will increase **or** consumers will not have to save as much for medical emergencies and retirement so that consumption (C) will increase.
- 2 *Correct application of appropriate theory* 3–4  
For drawing a correctly labelled AD diagram with the AD curve shifting to the right **and** for explaining that AD will increase as **either** government expenditure (G) will increase **or** consumers will not have to save as much for medical emergencies and retirement so that consumption (C) will increase.

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

The vertical axis may be price level, average price level, or inflation. The horizontal axis may be output, national output, real national output, national income (Y), or GDP. Any appropriate abbreviations, such as APL, CPI, RNO, or RNY are allowable. A title is not necessary.

- (d) **Using information from the text/data and your knowledge of economics, evaluate China’s export-oriented growth and development strategy.**

[8 marks]

Responses may include:

- an explanation of export-oriented growth
- an explanation of development
- through export-oriented growth China has been able to pursue its growth and economic development goals (*paragraph 2*)
- China’s Human Development Index (HDI) has improved dramatically since 1975 from 0.530 to 0.772 in 2007, (although this may not be due to the export-oriented strategy)
- China’s level of absolute poverty, as measured by the number of people living on less than US\$1.25 a day has fallen dramatically (*Figure 1*) (although this may not be due to the export-oriented strategy)
- possible implications for the population of the increase in the value of HDI in terms of health care, education and purchasing power
- realization that the value of HDI may be limited as it is an average value
- growth and development may be experienced in some areas (urban and industrial centres), but not necessarily in rural areas
- discussion of possible shortcomings of export-oriented growth as a development strategy noting that it does not automatically imply development and it makes a country dependent on overseas demand: and vulnerable to a drastic decrease in export revenues (*paragraph 2*)
- opportunity cost of government subsidies to export industries
- the development strategy followed by China seems to have left most of the population still needing health care, even as absolute poverty fell (*paragraph 3*), (*Figure 1*)
- export-led growth may generate negative externalities and threaten sustainability
- low wages could be a requirement for export-oriented growth, but there may be complaints of exploitation of the labour force and demands for protectionism in other countries
- export led growth can come at the expense of a trading partner, causing political problems.

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

**Level**

0	No valid discussion.	<b>0</b>
1	Few relevant concepts recognized. Little discussion or only basic understanding.	1–2
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	3–5
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	6–8

**4. (a) Define the following terms indicated in bold in the text:**

**(i) unemployment rate (paragraph 4)** *[2 marks]*

level

0 *Wrong definition* **0**

1 *Vague definition* **1**  
The idea that it refers to the number of people unemployed.

2 *Precise definition* **2**  
An explanation that it is the number of unemployed workers, expressed as a percentage of the workforce (or, of the labour force).

An accurate formula is sufficient for full marks – *i.e.* number of unemployed workers/labour force × 100.

**(ii) inflation (paragraph 5).** *[2 marks]*

level

0 *Wrong definition* **0**

1 *Vague definition* **1**  
The idea that it refers to an increase in prices.

2 *Precise definition* **2**  
An explanation that it is a sustained increase in the general (or average) level of prices.

**(b) Using an appropriate diagram, explain the effect of a rise in indirect taxes on the market for petrol (gasoline) (*paragraph 1*).** *[4 marks]*

level

- |   |  |            |
|---|--|------------|
| 0 | <i>Inappropriate answer</i>  | <b>0</b>   |
| 1 | <i>Identification of appropriate theory</i><br>For drawing a correctly labelled diagram showing a leftward shift in the supply curve for petrol (gasoline) <b>or</b> for explaining that an indirect tax will raise production costs for producers and lead to an increase in price and decrease in quantity supplied.       | <b>1–2</b> |
| 2 | <i>Correct application of appropriate theory</i><br>For drawing a correctly labelled diagram showing a leftward shift in the supply curve for petrol (gasoline) <b>and</b> for explaining that an indirect tax will raise production costs for producers and lead to an increase in price and decrease in quantity supplied. | <b>3–4</b> |

Candidates who incorrectly label diagrams can be rewarded with a maximum of *[3 marks]*.

The use of P and Q on the axes is sufficient. A title is not necessary.



(c) Using an appropriate diagram, explain why “higher wage costs, on the other hand, could endanger the country’s economic gains” (paragraph 5). [4 marks]

level

- 0 *Inappropriate answer* 0
  
- 1 *Identification of appropriate theory* 1–2  
For drawing a correctly labelled diagram that shows how an increase in wages costs raises production costs, shifting AS (SRAS) to the left **or** for explaining that higher wage costs imply higher production costs, reduced AS, and thus an increase in the price level and a fall in real output.
  
- 2 *Correct application of appropriate theory* 3–4  
For drawing a correctly labelled diagram that shows how an increase in wages costs raises production costs, shifting AS (SRAS) to the left **and** for explaining that higher wage costs imply higher production costs, reduced AS, and thus an increase in the price level and a fall in real output.

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

For AD/AS, the vertical axis may be price level, average price level, or inflation. The horizontal axis may be output, national output, real national output, national income (Y), or GDP. Any appropriate abbreviations, such as APL, CPI, RNO, or RNY are allowable. A title is not necessary.

The downward sloping SRAS curve may be labelled AS, and this is allowable. However, a Keynesian AS (LRAS) curve is not appropriate in this question and should not be rewarded.

- (d) **Using information from the text/data and your knowledge of economics, evaluate the policies the government might use to reduce income inequality in South Africa.**

*[8 marks]*

Responses **may** include:

- a definition of income inequality
- an explanation of how tax can be used to reduce income inequality, *e.g.* making the tax system more progressive
- an explanation of how government spending can be used, *e.g.* increase in pay and better benefits for public sector workers (*paragraph 2*)
- an explanation of how land could be redistributed
- use of supply-side policies to improve productivity
- policies to encourage more FDI
- disadvantages of using tax:
  - worker incentives
  - collection/tax evasion
  - less revenue collected
- disadvantages of government spending:
  - finance
  - inefficient spending
  - government debt
- disadvantages of redistributing land:
  - loss of economies of scale
  - managing the process
  - social unrest.

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

**Level**

0	No valid discussion.	<b>0</b>
1	Few relevant concepts recognized. Little discussion or only basic understanding.	<b>1–2</b>
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	<b>3–5</b>
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	<b>6–8</b>

**5. (a) Define the following terms indicated in bold in the text:**

**(i) terms of trade (paragraph ③)** *[2 marks]*

level

0	<i>Wrong definition</i>	<b>0</b>
1	<i>Vague definition</i> The idea that it involves the prices of imports and exports.	<b>1</b>
2	<i>Precise definition</i> An explanation that it is: <ul style="list-style-type: none"> <li>• <b>either</b> an index that shows the value of a country’s average export prices relative to their average import prices</li> <li>• <b>or</b> the ratio of a country’s average export prices to its average import prices.</li> </ul>	<b>2</b>

An accurate formula is sufficient for full marks – *i.e.* index of export prices/index of import prices × 100.

**(ii) depreciation (paragraph ③).** *[2 marks]*

level

0	<i>Wrong definition</i>	<b>0</b>
1	<i>Vague definition</i> The idea that the currency falls.	<b>1</b>
2	<i>Precise definition</i> An explanation that it is a fall in the value of one currency in terms of another currency in a floating exchange rate system.	<b>2</b>

(b) Using an appropriate diagram, explain how “the global recession that began in 2008 led to a decrease in the price of oil” (*paragraph 3*). [4 marks]

level

- |   |  |     |
|---|--|-----|
| 0 | <i>Inappropriate answer</i>  | 0   |
| 1 | <i>Identification of appropriate theory</i><br>For drawing a correctly labelled demand and supply diagram for the oil market showing a leftward shift of the demand curve and a drop in the price of oil, <b>or</b> for explaining that the global recession led to drops in income (or consumer and business confidence), causing a decrease in the demand for oil, and therefore a drop in the price of oil.       | 1–2 |
| 2 | <i>Correct application of appropriate theory</i><br>For drawing a correctly labelled demand and supply diagram for the oil market showing a leftward shift of the demand curve and a drop in the price of oil, <b>and</b> for explaining that the global recession led to drops in income (or consumer and business confidence), causing a decrease in the demand for oil, and therefore a drop in the price of oil. | 3–4 |

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

The use of P and Q on the axes is sufficient for a demand and supply diagram. A title is not necessary.

(c) Using an appropriate diagram, explain how currency speculation contributed to the depreciation of the naira (the Nigerian currency) (paragraph ③).

[4 marks]

level

0 *Inappropriate answer*

0

1 *Identification of appropriate theory*

1–2

For drawing a correctly labelled foreign exchange diagram for the naira, showing a rightward shift in the supply of naira curve and a fall in the exchange rate, **or** for explaining that the expectation of a fall in the value of the naira caused speculators to sell the naira, thus causing its value to fall.

2 *Correct application of appropriate theory*

3–4

For drawing a correctly labelled foreign exchange diagram for the naira, showing a rightward shift in the supply of naira curve and a fall in the exchange rate, **and** for explaining that the expectation of a fall in the value of the naira caused speculators to sell the naira, thus causing its value to fall.

Candidates who incorrectly label diagrams can be rewarded with a maximum of [3 marks].

For an exchange rate diagram, the vertical axis may be exchange rate, naira per US\$, or naira. The horizontal axis should be quantity, or quantity of naira. A title is not necessary.

- (d) **Using information from the text/data and your knowledge of economics, evaluate the impact of a falling oil price in Nigeria’s economy.**

[8 marks]

Responses **may** include

- an explanation that Nigeria’s high dependence on production and exports of oil have made it extremely vulnerable to a fall in the price of oil (*paragraph 1*)
- when the price of oil falls, there are many consequences such as:
  - deterioration in the terms of trade (*paragraph 3*)
  - the need to increase exports for a given volume of imports (*paragraph 4*)
  - reduced export revenues
  - reduced possibilities to finance investments
  - reduced ability to import needed inputs for production
  - depreciation of the currency with impacts on the domestic economy, *e.g.* inflationary pressures as Nigeria heavily depends on support for both consumption and production (*paragraph 1*)
  - possibility of speculation that worsens the currency depreciation (*paragraph 3*)
  - reduced growth and development prospects and increasing poverty
  - increasing balance of payments problems
  - possible increasing social unrest
- an explanation that falls in the price of oil lead to significant drops in government revenues, since the government is dependent on oil for 80 % of its revenues, making it far more difficult to pursue growth development objectives (investments in social services and infrastructure) (*paragraph 1*)
- oil price fluctuations also create uncertainties for private investment and consumption, which affect macroeconomic stability, as well as growth and development prospects (*paragraph 4*)
- benefits to Nigeria of a falling oil price:
  - reduced externalities (*paragraph 2*)
  - reallocates resources and encourages diversification, *e.g.* expansion of the agriculture sector (*paragraph 5*)
  - falling currency reduces the price of exports (*paragraph 3*).

Effective evaluation may be to:

- consider short-term versus long-term consequences
- examine the impact on different stakeholders
- discuss advantages and disadvantages
- prioritize the arguments.

Examiners should be aware that candidates may take a different approach which if appropriate, should be rewarded.

If there is no direct reference to the text/data, then candidates may not be rewarded beyond level 2.

**Level**

0	No valid discussion.	<b>0</b>
1	Few relevant concepts recognized. Little discussion or only basic understanding.	<b>1–2</b>
2	Relevant concepts recognized and developed in reasonable depth. Some attempt at application and analysis.	<b>3–5</b>
3	Relevant concepts developed in reasonable depth, demonstrating effective evaluation, supported by appropriate evidence or theory.	<b>6–8</b>

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