Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International GCSE Economics (4EC1)
Paper 2R: Macroeconomics and the Global Economy

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Introduction

This was the third opportunity to sit the paper and overall, candidates' performance showed a sound grasp of economic concepts. Answers suggested that candidates, overall, had been prepared for this paper. There appeared to be use of economic terminology throughout all sections of the paper.

Better candidates demonstrated excellent application of their knowledge to the precise question set, whilst some candidates attempted questions from a 'common sense' approach rather than demonstrating any economic concepts.

The examination paper required candidates to apply their understanding; some candidates performed strongly, with clear development of points. Examination timing skills appeared to be very good.

Question 1c:

There were two parts to the explanation of a central bank. Marks were awarded for references to the monetary authority that manages a country's money supply and interest rates. Candidates had to provide both parts to gain 2 marks. Many candidates were unable to gain both marks for this question and often were only able to score 1 mark for this question.

Question 1d:

Again, this question required candidates to give two parts to their explanation of a disadvantage of free trade. This was well answered with many candidates being able to give a disadvantage and then explain why this disadvantage impact might occur.

Question 1e:

Some candidates were able to calculate the correct answer so achieved 2 marks. Marks were not awarded if the currency sign was missing. This was not very well answered with many candidates unable to score any marks on this question. It is essential that candidates show their workings to gain 1 mark if an incorrect answer is given or if units are missing otherwise marks cannot be awarded.

Question 1f:

Marks were awarded for the correct shift of the supply curve to represent the new quota level. Many candidates did correctly shift the supply curve but failed to label the new curve. It is essential that labels are clear and only one curve is shifted. If a candidate shifts both curves, 0 marks are awarded.

Question 1g:

A mark was available for any suitable impact of high rates of inflation on wages. An additional mark was available for developing the stated impact and the third

mark was available for either applying this to the information in the stem or for the application of economic concepts.

Question 1h:

This was question was marked using a levels-based mark scheme. The question focused on how the benefits of being a member of a free trade area. Application could have been references to the information in the stem of the question or candidates' own knowledge of free trade areas or trading blocs. Some candidates gave a list rather than developing or analysing how being a member of a free trade area could benefit member countries in terms of a reduction in tariffs or access to a larger market. Again, some candidates evaluated, and marks cannot be awarded for evaluation on a 6-mark question.

Question 2c:

This is the only 'State' question on the examination paper. Candidates were asked to state a one reason why a government wants to reduce poverty and inequality. The most popular response was to improve standards of living for the population. Candidates did not have to explain their chosen reason. Overall, this question was answered well by all candidates.

Question 2d:

Marks were awarded for references to the systems needed for the operation of an economy. Many candidates only gave examples such as roads and schools rather than a definition of infrastructure. Marks **cannot** be awarded for examples in 'what is meant by' questions.

Question 2e:

This question looked at the impact of falling unemployment rates on tax revenues. Many candidates were able to show the impact in terms of a government having potentially more tax revenue from either direct or indirect taxation sources. Marks were awarded for the development of the reason and either application of the economic concept or application to the context.

Question 2f:

This question asked for one reason why UK consumers need protecting from some imported goods. Overall, many candidates were able to use the information in the stem to provide a detailed explanation of why some goods imported into the UK might be harmful and are dangerous for consumers. Overall, this question did score highly with many candidates able to score at least 2 marks.

Question 2g:

This was the first 9-mark levels-based question on the examination paper. Many candidates were able to assess the effectiveness of deregulation to reduce unemployment in South Korea. The counter argument mainly focused on the negative consequences of removing labour market regulation in terms of the lack of protection for workers and the environment in the long term. A conclusion was not required for the 9-mark Assess questions.

Question 3c:

This question required candidates how globalisation has affected consumers. Marks were awarded for any relevant way and many candidates were able to use the information in the stem to identify that consumers have a greater choice, particularly with food. Further marks were awarded for developing this way and contextualising by the either the use of the data in the question or the application of economic concepts. Overall, this question was well answered.

Question 3d:

This 6-mark question concerned why Mondelez would want to invest in Bangladesh when previously it had been exporting to the country. Many candidates did not read the question properly and instead gave benefits for Bangladesh of having MNCs rather than the benefits to Mondelez. Again, some candidates simply listed reasons for Mondelez locating in Bangladesh rather than analysed the reasons such as lower production costs and avoidance of tariffs/quotas.

Question 3e:

This question was answered poorly in comparison to the previous 9-mark question on the examination paper. Some candidates confused a current account deficit with a fiscal deficit so were unable to score any marks on this question. Again, many candidates just copied out the extract without evaluating the impact of a current account deficit for Indonesia. A conclusion was not required but some candidates did provide a conclusion which is unnecessary.

Question 4a:

Many candidates correctly calculated the percentage change in spending on education so gained 2 marks. Again, many candidates did not include the percentage sign therefore only received 1 mark. It is essential that workings are shown, and the correct unit and decimal place is used to gain 2 marks.

Question 4b:

This question required a one-sided analyse of the role of the WTO in the growth of international trade. Some candidates were able to show how the WTO helps to

reduce trade barriers and can help with disputes between countries. Detailed chains of reasoning and developing of the role of the WTO was required to access the higher levels rather than a simplistic list of what the WTO does.

Question 4c:

This was the highest mark question on the paper. Many candidates were able to explain the potential trade-off between economic growth and environmental protection using the information in the stem. The counter argument was poorly attempted with many candidates unable to provide any evaluation. Unfortunately, many candidates did just copy of large chunks of the information. A conclusion was required for this question and this was often lacking or was just a repeat of the points made previously.

Summary

There are several points which could raise performance in future sittings. Based on their performance on this paper candidates are offered the following advice:

- Read the questions carefully in terms of the command words. It was clear that some candidates were not aware of the demands of the question or how to structure their responses.
- 'What is meant questions' will always require two parts to the explanation and examples are not rewarded.
- Quantitative Skills will be tested throughout the paper and these may be in the form of calculations, diagrams or using the data from the Extracts.
- For calculation questions, it is essential that the answer has the correct units or is to two decimal places (if specified).
- The 'Explain' questions will always have one context mark and this can be for either using (not just copying) the information from the stem or for a detailed application of the economic concept so ensure that there is sufficient development in the response to gain all 3 marks. Marks cannot be awarded for definitions so do not waste time giving a definition in any of the 3-mark questions.
- Analyse – this question only requires a one–sided argument and evaluation is not required for a 6 mark Analyse question.
- The command words 'Assess and 'Evaluate' are evaluative command words so candidates must provide both sides of an economic argument to achieve full marks.
- Use of relevant application is required throughout and this can be from the Extracts provided or using examples provided by the candidate themselves. The Extracts are there for a reason – so use them.
- Use economic concepts rather than generic 'common sense' answers.

- Examination timings – make sure there is enough time to answer the 12-mark question.