



Examiners' Report

Principal Examiner Feedback

November 2021

Pearson Edexcel International GCSE

In Economics (4EC1/02)

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General

This was the fifth opportunity to sit the paper and overall, candidates' performance showed a sound grasp of economic concepts. Answers suggested that candidates, on the whole, 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.

Report on individual questions

Question 1c:

There were two parts to the definition of what is meant by a 'downturn'. Candidates should have referenced that it is a period where GDP is still growing but more slowly. Candidates had to provide both parts to gain 2 marks. Many candidates were able to gain at least 1 mark for this question.

Question 1d:

Again, this question required candidates to give two parts to their definition of what is meant by the term 'infant industries'. This question was well answered with many candidates being able to identify that an infant industry was a new industry that has yet to be established. Some candidates did state that it was a new but small industry, but this is not always the case, so only scored 1 mark for a partial definition.

Question 1e:

Many candidates were able to calculate the correct answer so achieved 2 marks. Marks were not awarded if the € sign was missing or if not given in millions e.g. €78.84 was often seen and only scored 1 mark due to omitting the millions or m to indicate this was in fact in millions. 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 leftward shift of the supply curve, a higher equilibrium price, labelled and for a lower equilibrium quantity, labelled. Unfortunately, many candidates shifted both the supply and demand curve so therefore scored 0 marks. Candidates will only ever be asked to shift one curve for these types of questions and will automatically receive 0 marks if both curves are shifted.

Question 1g:

A mark was available for any suitable disadvantage and many candidates referred to inflation or to environmental damage. An additional mark was available for developing the stated disadvantage and a third mark was available for either applying this to the context or for the application of economic concepts. For example, candidates who stated that there could be environmental damage often explained why this occurred and some included an explanation about deforestation or how pollution could be caused by the factories making goods.

Question 1h:

This question was marked using a levels-based mark scheme. The question focused on how monetary policy can be used to control inflation in a country such as Kenya. Application could have been references to the information in the stem of the question or candidates' own knowledge of the use of monetary policy. Some candidates gave a list rather than developing or analysing how a monetary policy might have helped to control inflation. Worryingly, some candidates confused monetary policy with fiscal policy or analysed how a reduction rather than an increase in interest rates could help to control inflation. 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 an effect on the balance of payments of improved quality of domestic goods. The most popular response was an improvement in the balance of payments. Candidates did not have to explain their chosen effect. Overall, this question was answered well by all candidates.

Question 2d:

Marks were awarded for a reference to decisions about government spending, taxation and borrowing that affect aggregate demand in the economy. Some candidates still confused fiscal policy with either supply-side or monetary policy so scored 0 marks.

Question 2e:

This question asked for an impact of increasing unemployment rates on business confidence in a country such as Venezuela. Many candidates gave a definition of unemployment which cannot be rewarded. Marks were awarded for the impact (often as simple as stating that business confidence is likely to fall) rather than any definition. Some candidates were able to develop their way and apply this to the context. There were some detailed responses that were able to link a fall in business confidence to a lack of demand for goods in the economy or why businesses might be reluctant to invest due to rising unemployment.

Question 2f:

This question looked at why the reduced cost of transport has helped to increase globalisation. Again, no marks are awarded for definitions on any of the Explain questions. Many candidates did try to define the term globalisation or simply reworded the information in the question rather than answering the question set.

Question 2g:

This was the first 9 mark levels-based question on the examination paper. Many candidates were able to assess the use of investment in healthcare as a way to reduce the level of inequality and poverty in a country such as England. Candidates were able to discuss how if people could access free medical care to treat illnesses, this could prolong life expectancy and therefore help contribute to economic growth.

The counter argument mainly focused on the opportunity cost of investment in healthcare in the long term. A conclusion was not required for the 9 mark Assess questions but often seen.

Question 3c:

This question required candidates to explain the advantage of using subsidies on the export of clothing for Bangladesh. Many advantages were accepted such as helping to increase exports and therefore improving the current account balance. Marks were awarded for developing this advantage and contextualising by either the use of the data in the question or the application of economic concepts. Overall, this question was very well answered.

Question 3d:

This 6 mark question concerned the advantages of using taxation to help protect the environment. This was well answered by the vast majority of candidates. Many candidates were able to demonstrate the link between increasing the level of taxation on diesel and petrol so that people switched to alternative modes of transport such as electric vehicles or other forms of public transport. Credit was also given for how the government could use the additional revenue to tackle pollution and protect the environment.

Question 3e:

This question was answered poorly in comparison to the previous 9 mark question on the examination paper. Only a few candidates were able to give the usefulness of GDP as a measure of growth for a country such as Ghana. Unfortunately, many candidates just copied out the extract. The counter argument was often much more detailed with the majority of candidates able to give some limitations of GDP as a measure of growth in terms of inflation, the hidden economy and statistical errors.

Question 4a:

Many candidates were able to correctly calculate the annual average value of FDI for India so gained 2 marks. Again, many candidates did not include the correct units of \$bn despite this being in the question and therefore only received 1 mark. It is essential that workings are shown and the correct unit and decimal place are used to gain 2 marks.

Question 4b:

This question required a one-sided argument regarding the benefits for India from being a member of a trading bloc. Some candidates were able to show analyse of the benefits but for many candidates, the question was left completely blank. Overall, candidates did not perform as well on this question compared to other 6 mark questions on the paper.

Question 4c:

This was the highest mark question on the paper. Many candidates were able to explain the benefits of FDI for a country such as India in terms of employment, GDP, tax revenue for the government and skills/technology transfer. The counter argument mainly focused on the exploitation of workers, profits being repatriated and impact on domestic firms. Better responses used the information in the extract rather than just copying it. 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 in order 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 do 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.