



GCE Examiners' Report

Economics
GCE
Summer 2024

Introduction

Our Principal Examiners' report provides valuable feedback on the recent assessment series. It has been written by our Principal Examiners and Principal Moderators after the completion of marking and moderation, and details how candidates have performed in each unit.

This report opens with a summary of candidates' performance, including the assessment objectives/skills/topics/themes being tested, and highlights the characteristics of successful performance and where performance could be improved. It then looks in detail at each unit, pinpointing aspects that proved challenging to some candidates and suggesting some reasons as to why that might be.¹

The information found in this report provides valuable insight for practitioners to support their teaching and learning activity. We would also encourage practitioners to share this document – in its entirety or in part – with their learners to help with exam preparation, to understand how to avoid pitfalls and to add to their revision toolbox.

Further support

Document	Description	Link
Professional Learning / CPD	WJEC offers an extensive programme of online and face-to-face Professional Learning events. Access interactive feedback, review example candidate responses, gain practical ideas for the classroom and put questions to our dedicated team by registering for one of our events here.	https://www.wjec.co.uk/home/professional-learning/
Past papers	Access the bank of past papers for this qualification, including the most recent assessments. Please note that we do not make past papers available on the public website until 12 months after the examination.	Portal by WJEC or on the WJEC subject page
Grade boundary information	Grade boundaries are the minimum number of marks needed to achieve each grade. For unitised specifications grade boundaries are expressed on a Uniform Mark Scale (UMS). UMS grade boundaries remain the same every year as the range of UMS mark percentages allocated to a particular grade does not change. UMS grade boundaries are published at overall subject and unit level. For linear specifications, a single grade is awarded for the subject, rather than for each unit that contributes towards the overall grade. Grade boundaries are published on results day.	For unitised specifications click here: Results, Grade Boundaries and PRS (wjec.co.uk)

¹ Please note that where overall performance on a question/question part was considered good, with no particular areas to highlight, these questions have not been included in the report.

Exam Results Analysis	WJEC provides information to examination centres via the WJEC Portal. This is restricted to centre staff only. Access is granted to centre staff by the Examinations Officer at the centre.	Portal by WJEC
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Bank of Professional Learning materials	Access our bank of Professional Learning materials from previous events from our secure website and additional pre-recorded materials available in the public domain.	Portal by WJEC or on the WJEC subject page.
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Executive Summary

On balance the four examination papers for this series were of similar demand to that of previous series. As is always the case, some questions were more demanding than in previous series, whereas others were less so.

Candidates need to have a knowledge of the entire specification and centres are reminded to include all areas from the third column, additional guidance notes, in their teaching.

Generally, data was incorporated well into responses. Candidates need to ensure that their use of data is meaningful, relevant and that it adds value to any points being made.

If appropriate, definitions and diagrams should be included. Although a question may not explicitly ask for either, often the inclusion can lead to a more focused response. When diagrams are used, they should be referenced and any explanations need to be embedded into the response. Diagrams need to be labelled; this includes the axes. Too often diagrams lacked labels or were incorrectly labelled.

Many candidates failed to maximise their marks due to not reading the question properly. Some wrote extensively but answered a different question from the one that was being asked. Candidates need to be aware of the different command words and the responses they require.

Evaluation continues to be an area that requires improvement. A weighted judgement is required to achieve top marks AO4.

Areas for improvement	Classroom resources	Brief description of resource
Meaning of command words	PAST EXAM PAPERS	
AD/AS diagrams	AD/AS	Resource on website

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UNIT ONE INTRODUCTION TO ECONOMIC PRINCIPLES

Overview of the Unit

Candidates were well-prepared for the structure of the paper, and nearly all candidates were able to complete the paper in the available time.

The multiple-choice section appeared to contain the most accessible questions. In section B, candidates performed comparably better in Question 17, with Question 18 being the most challenging. There was a good spread of marks across all questions, implying that it discriminated well between candidates.

Overall, many candidates attempted to incorporate data/ context into their responses, however candidates should ensure that their use of data/ context is meaningful, relevant, and that it is used to add value to any points made. Exam technique is an area that requires attention, in terms of understanding exactly what the question is asking. There were very explicit and clear instructions provided across the paper, yet many candidates failed to maximise their marks due to not reading the question properly, or for failing to appropriately respond to the command word provided.

Candidates are encouraged to highlight command words or facts/ figures from the question stem to ensure focus in their responses, and make brief notes in the margins to ensure a comprehensive approach, particularly to higher mark questions.

Comments on individual questions/sections

MCQs

Strong candidates tend to score more than 10 marks in this section, and they also tend to complete this section quickly, leaving more time to answer the higher mark questions in Section B. Good practice seen in this section includes the highlighting of key words/ data within the question, diagrams drawn or annotations made (where relevant) to support candidates with reaching the correct answer, and the use of ticks/ crosses next to answers, showing a process of elimination.

Some general thoughts:

- Q.4 and Q.5** It is clear that some candidates struggled with interpreting the data outlined within this question.
- Q.7** Those candidates that answered incorrectly, answered C instead of B. This is a matter of being particular with the wording: imports do indeed fall, but they fall from Q5-Q1 to Q4-Q2, not from Q5 to Q4.
- Q.10** Since McDonald's expects an increase in demand by reducing the price, the most realistic theoretical implication is that the demand for a Big Mac is relatively price elastic.

- Q.16 a)** The best candidates made reference to the “price level increasing, at a decreasing/ slower rate”. Many candidates found it difficult to distinguish between inflation and price level, and therefore resorted to explaining what the CPI inflation chart showed, which is that the rate of inflation is decreasing. Some candidates did not read the question properly, regarding the time frame of between 2017 and 2020, and were referring to dates outside of this range.

Where the term “disinflation” was used, in most cases, candidates did not demonstrate an understanding of the term in context of the ‘price level’.

- b)** Despite this only being a 4 mark question, it assessed across all assessment objectives. To achieve an AO1 mark, candidates needed to state that the target inflation rate is 2% / 2% \mp 1% / or that the BOE finds inflation of between 1% and 3% to be acceptable. Too many candidates stated an incorrect target (3% or 4%, or stated that the target is between 1%-3%). Most candidates were able to identify where the BOE was unsuccessful in achieving the target, but some candidates did not identify where the BOE was successful in achieving the target. Candidates need to be mindful of the command words associated with each question - “assess” requires both sides of an argument/ statement to be considered.

Some candidates did not consider the date range provided in the question when writing their answer, referring to the chart pre-September 2020, which yielded no marks for the point made.

- c)** The majority of candidates were able to identify a suitable macroeconomic objective, with the vast majority stating economic growth or low unemployment. The best answers referenced aggregate demand or an AD/AS diagram as part of their answer, as this allowed candidates to provide a more technical explanation of the conflict identified.

- Q.17 a)** Some candidates drew an accurate PPF diagram, showing an outward shift of the PPF, but too many candidates failed to label the axis correctly, or at all. The best explanations referenced information from the text as part of their answer, as well as linking the justification of the outward shift of PPF to quality or quantity of factors of production, e.g. an increase in the quantity of capital or increased geographical mobility of workers.

- b)** Most candidates drew an accurate diagram, showing an outward shift of the demand for labour curve. Some candidates mislabelled the ‘y’ axis as ‘price’ or ‘price level’. The best answers reference explicitly or implicitly the concept of derived demand, and used the labelling of their diagram to justify why the wage rate would increase. A minority of candidates drew an outward shift of the supply of labour curve, explaining that the supply of labour would increase due to the infrastructure investment, but as the question focused on the wage rate for construction workers specifically, this answer was incorrect.

- Q.18 a)** The majority of candidates were able to identify a correct example of a direct tax, with the vast majority selecting income tax. However, only a minority of candidates achieved the follow-through mark, due to a lack of technicality with their description of a direct tax. Too many candidates focused on describing the example provided, rather than showing a technical understanding of a direct tax. The best answers referred to “a tax on income, profit or assets”, or “a tax where the burden of taxation cannot be passed on”.

- b) This question was generally answered well, with most candidates able to complete the calculation correctly. The main error where candidates did not score marks, is that they failed to include the VAT figure in their taxation total.
- c) Some candidates were only able to provide superficial information regarding the advantages and disadvantages of indirect taxation, which limited their marks. For example, an advantage of indirect taxation is that it enables the government to raise revenue that can be spent on public services. Although this is correct, it is considered a limited response as this could be said of any other type of taxation, and is not specific to indirect taxation. The best answers included specific points such as helping to reduce the consumption of demerit goods such as cigarettes and alcohol as an advantage, and indirect taxation being a regressive tax as a disadvantage. Those answers which contained technical economic language to articulate their points were more likely to achieve higher band marks.

Unfortunately, in a minority of cases some candidates confused indirect with direct taxation, rendering their response unworthy of credit. Many candidates struggled to achieve beyond half marks in this question.

- Q.19**
- a) Candidates should be reminded to show their workings at each stage of the calculation process. Many candidates achieved marks in this question, but other candidates that made errors in their calculation, could have picked up a mark through including knowledge of PED, e.g PED equation.
 - b) When discussing “impacts”, candidates should be mindful that this is not just a case of explaining advantages and disadvantages. Unfortunately, many candidates took this approach, and achieved limited AO4 marks, if any at all, as a result. Candidates were required to explain the impacts (AO3), and then evaluate those impacts (AO4).

There were examples of questionable impacts from some candidates. For example, some believed that those living in North Wales and Mersey would move to Northern England due to cheaper electricity and gas in this area - realistically, this would not happen for a number of reasons. Also, some candidates explained that utility companies would stop provision in areas such as Northern England due to the maximum price being lower than in other areas - this point is, again, unrealistic, and not relevant as the energy suppliers were “fully compensated”. This demonstrates the importance of not only reading the information provided carefully, but also considering whether points are logical.

Summary of key points

- Candidates should ensure questions are read and understood thoroughly, paying close attention to command words and other important information provided, such as data or charts.
- When including diagrams in responses, candidates should remember to ensure that they have accurately labelled the axes: this can be as important as the shape of the curves themselves, particularly in showing detailed understanding of a concept.
- Definitions and diagrams should be included, where appropriate. Although the question may not explicitly ask for a definition or diagram, quite often these can result in a more comprehensive and focused response, enabling higher marks to be achieved.

- Data should be integrated within responses, where relevant. Candidates should make a concerted effort to fully understand any context/ data provided to ensure responses are as relevant as possible to the question being asked.
- Distinguishing between 'inflation' and 'price level' appears to have caused confusion for many candidates. As these are commonly-used terms within macroeconomics, a more accurate appreciation of the difference/ relationship between these terms would be beneficial.
- Direct and indirect taxation appears to be a concept which is less well understood by candidates, certainly from a more technical perspective. Developing a more in-depth appreciation of this area of the specification would be beneficial.

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UNIT TWO ECONOMICS IN ACTION

Overview of the Unit

All AOs were assessed in this paper. AO1 comprised 19 marks (about 24% of the marks available). AO2 comprised 16 marks (20% of the marks available). AO3 and AO4 comprised most of the marks available, constituting about 26% and 30% of the marks available respectively. This highlights the importance of evaluation in this paper, and the need for candidates to robustly evaluate their arguments throughout.

Candidates on the whole found this a slightly more difficult paper, compared to last year's paper. Although there was significant variation between questions, candidates performed less well in general on Question 1 than on Question 2. Some of this is likely because the paper tested topics (e.g. exchange rates, tradable pollution permits, externalities, etc.) which candidates tend to find more challenging.

It was particularly important to read the questions carefully. Some candidates wrote extensively answering a different question than the one that was asked.

Some responses were weakened by a misunderstanding or a vague understanding of key terminology (e.g. Question 1b and 2a). Candidates should remember the importance of providing accurate and specific definitions of important economic concepts.

Candidates' use of diagrams throughout the paper was generally good. Many candidates provided clear and well-labelled diagrams, even when the question did not specifically require it. For example, in Question 1b, many candidates chose to draw an externalities diagram which, while not necessary, aided them in demonstrating knowledge of external costs and benefits. This was also seen in Questions 1c and 2c. However, many diagrams throughout lacked labels or were inaccurately labelled, and candidates should remember the importance of completely labelling their diagrams.

Comments on individual questions/sections

- Q.1 (a)** Although worth only two marks, for many candidates this question proved one of the most challenging on the paper. Often candidates were able to identify the absence of government intervention as a feature of free markets, but they struggled to link this to climate change and to identify specific market failures that led to climate change. It is worth noting as well that a significant number of candidates confused the term "free market" with "free trade," so centres should look to clarify these terms.
- (b)** Candidates generally performed well on this question. There was a lot of guidance in the text for candidates to use, and many candidates did so effectively. Some candidates wrote at length about the private costs and benefits of wind power which scored no marks. Candidates should be careful to distinguish between private, external, and social costs and benefits.

Although many candidates correctly identified the external costs and benefits of wind power, some struggled to specifically explain how they positively or negatively impacted a third party; this limited their analysis and AO3 marks. The strongest candidates, for example, not only identified lower carbon emissions as an external benefit but then explained how that would benefit third parties through greater food and water security for citizens, lower risk of flooding for some homeowners, etc.

- (c) Candidates found this a difficult question to answer in general. Many candidates conflated tradable pollution permits with carbon taxes, so centres should look to differentiate between these two interventions in teaching this topic. Some candidates also misunderstood that the permits are restricted in supply. The strongest candidates clearly identified both the restricted supply of permits and the incentive to reduce emissions in order to sell excess permits.

A number of candidates included a market diagram with a perfectly inelastic supply curve. While not required, this helped candidates to demonstrate knowledge of tradable pollution permits and aided in their analysis of their effectiveness.

- (d) Many candidates provided accurate definitions of market failure and correctly identified at least one type of market failure. Most candidates also could provide some explanation of how a tax could reduce market failure.

In terms of the diagram, many candidates struggled to label their diagrams effectively. Some candidates also drew a negative consumption externalities diagram, rather than a negative production externalities diagram. Candidates should practise distinguishing between the consumption and production externalities.

- (e) Almost all candidates correctly identified two (or more) macroeconomic objectives. A number of candidates identified equilibrium in the balance of payments as an objective, rather than equilibrium on the current account of the balance of payments, so candidates should be wary of this potential confusion.

Many candidates successfully explained how policies to reduce carbon emissions would conflict or support the macroeconomic objectives. Responses were usually weakened by a lack of a clear link to a specific policy to tackle climate change. Candidates should be reminded to ensure they are answering the question directly and specifically, rather than relying on general analytical commentary.

- Q.2 (a)** Almost all candidates successfully identified, using the text, that the new coal mine would increase tax revenues. Some candidates assumed that the government was spending money building the coal mine. This should serve as a reminder of the importance of reading the text carefully, as it states that the coal mine is a “private sector investment.” Other responses were weakened by a vague understanding of the government budget. Candidates should look to take advantage of opportunities to provide clear, specific and exact definitions of key concepts like the government budget.

- (b) Many candidates demonstrated a vague understanding of the multiplier. The strongest responses included a clear understanding that the multiplier process means that the total increase in national income as a result of the coal mine will be greater than the £165 million initially injected. Candidates should be reminded to learn and use exact definitions of key terminology like the multiplier and to aim for specificity in their answers. Most candidates found the AO2 marks more accessible and were able to use the data effectively.
- (c) Candidates generally provided good analysis for this question and most identified that the new coal mine would likely reduce the price of steel. Most candidates made thorough use of the data provided. Some candidates did not identify a second effect on the steel market, and so their analysis was limited to Band 2 of AO3 if they only discussed the impact on the price of steel. The strongest candidates used the data to clearly explain the link between the coal and steel markets, and this supported their analysis. Although not necessary, many candidates included a market diagram in their response to support their analysis. Candidates should be reminded that, even when not specifically asked, a diagram can often be helpful.
- (d) Most candidates successfully identified that the new coal mine would cause an appreciation of the pound against the euro. Although many candidates correctly illustrated an increase in demand for the pound, many diagrams were weakened by issues with labelling. Candidates should be reminded of the importance of fully and correctly labelling all diagrams. For example, in the specific case of the exchange rate diagram, it is important for candidates to not simply label the y-axis as “Price” but rather as “ER”, “Price of £”, “Price of £ in Euros,” etc.
- (e) Most candidates drew an accurate AD-AS diagram, although some candidates struggled with mislabelling. Candidates should be reminded of the importance of using the correct macroeconomic labels for the x and y-axes (rGDP and PL) as many candidates used microeconomic labels (Q and P). Some candidates also labelled the x-axis as GDP instead of real GDP, and this is a distinction that is important for candidates to appreciate.

In general, candidates provided effective analysis of the question. Many candidates even identified more than two reasons why GDP may increase. Candidates also effectively used the data to support their analysis. Responses were usually weakened by a lack of evaluation, which constituted a third of the marks available for this question. The most common evaluative responses were the multiplier and the anticipated eventual decrease in demand for coal from the EU, although some particularly strong candidates used the Keynesian LRAS to evaluate their response.

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UNIT THREE EXPLORING ECONOMIC BEHAVIOUR

Overview of the Unit

Unit 3 examined the full breadth of assessment objectives. Section A focused on multiple short data response case studies which included a mixture of short and extended questions assessing the full range of assessment objectives. Section B questions also combined a mixture of short and extended synoptic response questions that were focused on a large data response case study on the economy of Ghana. Section B questions were more synoptic, assessing breadth and depth of economic understanding.

Unit 3 examined a range of direct content across the AS and A Level specification covering elements of micro, macro, global economics as well as synoptic questions where candidates could draw their answers from across the range of the full specification.

Question 3 appeared to be the most accessible question with the highest facility factor (mean mark as a percentage of the maximum mark), whilst question 5 proved the trickiest. The unit assessed a balanced mixture of micro, macro and global economic concepts and it allowed stronger candidates to demonstrate their breadth and depth of understanding.

Comments on individual questions/sections

Section A

Q1

The mean mark achieved for question 1 was 4.2 out of 8 with 99.5% of candidates attempting the question.

In part (a), a large percentage of candidates were able to recognise the difference between internal economies and diseconomies of scale. Some candidates had labelling errors, using AC or AS instead of LRAC. Furthermore, some candidates described the difference between the two terms using costs rather than average or unit costs and so lost AO1 mark(s). Data from the case study was often used well, especially for diseconomies of scale.

In part (b), candidates found this question more difficult than part (a). Application to the case study was still accessible. However, the diagram itself posed problems for many. Only the minority of candidates achieved full marks, demonstrating understanding of external economies of scale with an accurate diagram. Some candidates used a full cost and revenues (C&R) diagram, when all that was needed was a shift downwards of LRAC. On some occasions, when using a full C&R diagram showing a fall in AC, candidates interpreted the diagram without any reference to the case study. The diagram itself posed more problems than the understanding or application of external economies of scale.

Q.2 The mean mark achieved for question 2 was 3.8 out of 7 with 99.8% of candidates attempting the question.

In part (a), a large proportion of candidates were able to identify the level of output of a profit maximising firm in a perfectly competitive market structure.

In part (b), however, the majority of candidate failed to shade the correct area of total variable costs of production for the output indicated in part (a). One mark rather than two marks was more commonly awarded for candidates who interpreted the vertical area between ATC and AFC for the profit maximising level of output, with incorrect shading. More candidates achieved zero marks for this question compared to part (a).

In part (c), many candidates were able to describe a feature of perfect competition for AO1. A high proportion of candidates were also able to determine that abnormal (supernormal) profits were currently being made by the firm (AO2). Often candidates were able to explain that in the long run new firms would enter the market and therefore profit levels would fall. AO3 marks were often lost as the candidate did not link their answer to the impact on output of the firm. Stronger candidates were able to explain the impact on output and in many cases demonstrated this using the available diagram.

Some candidates were able to demonstrate good use of the diagram from the short run to the long run but were not able to demonstrate why this is expected for this type of market structure (e.g. due to low barriers) and so did not achieve the AO1 mark.

Q.3 The mean mark achieved for question 3 was 4.8 out of 8 with 99.7% of candidates attempting the question. This data suggests that it was the most accessible question on the paper.

Most candidates were able to demonstrate understanding of an advantage(s) and disadvantage(s) of privatisation. There were few responses that showed no understanding.

Weaker responses identified arguments with limited development and without using the case. Stronger responses were able to develop chain(s) of argument, using the case to support this. The case study was used more effectively when arguing the reason(s) why privatisation may not be successful, for example “underdeveloped financial markets and weak transparency.” Often candidates used only the names of the companies being privatised which, when used on its own, does not achieve credit for AO2. The strongest of all answers were also able to weigh up both sides of the argument and provide a weighted judgement, using phrases such as “it depends on” which allowed top band AO4 marks to be awarded. However, most candidates did not offer a weighted judgement and therefore struggled to achieve top band AO4 marks.

Q.4 The mean mark achieved for question 4 was 3.1 out of 6 with 99.8% of candidates attempting the question.

Application to the data proved more problematic to candidates when building arguments to the question. Fewer AO2 marks were awarded compared to the other AO's. Understanding of the impact of changing interest rates was generally strong. However, to a more limited extent on the impact of interest rates becoming negative. This resulted in a number of band one AO1 marks. Stronger candidates were able to demonstrate a greater understanding of the impact on negative interest rates on both savers and borrowers and were able to develop detailed chain of arguments focusing on different components of AD rather than AD generically. Weaker responses analysed the impact of falling interest rates rather than negative interest rates and so could only achieve band one marks.

Q.5 The mean mark achieved for question 5 was 4.5 out of 11 with 99.2% of candidates attempting the question. This data suggested that it was the least accessible question on the paper.

Part (a) was an effective assessment of both economic theory and numerical ability. The question was problematic for weaker candidates but allowed stronger ones to show case their skills. Marks were awarded across the whole range. A proportion of candidates were awarded one mark, despite a wrong answer, when it was evident that there was an approach to calculate a weighted index. This separated candidates who attempted a weighted index calculation to those with no understanding. The question worked well as a differentiator in assessing candidates' quantitative skills.

Part (b). A small but significant number of candidates did not attempt this part of the question (more so compared to questions earlier in the paper), showing a weaker area of understanding and a more challenging test. Stronger candidates were able to use data from multiple figures to argue the case for both sides of the question and were able to link data to economic understanding of a wage-price spiral. However, only a minority of candidates were able to offer a weighted judgment weighing up both sides of the question to achieve top band marks for AO4. These reasons were evident in a lower mean mark for this question, suggesting a higher difficulty level for candidates.

Moreover, this question is "reversible" which means that a one-sided answer could access band 2 AO4 marks (3) rather than band 2 AO3 marks (2), resulting in a higher overall mark. This was a common feature for this question, with many offering a strong-one sided response.

Section B

Q.6 The mean mark achieved for question 6 was 4.8 out of 10 with 100% of candidates attempting the question.

In part (a) i), a large proportion of candidates found this question accessible, showing a high level of understanding of how to calculate percentage changes using unseen data. Some candidates did lose a mark because of inaccurate rounding, and a minority of candidates were not able to re-call how to calculate percentage changes.

Part (a) ii), appeared to be a very challenging question for candidates, with very few achieving full marks. Candidates found it very challenging when applying exchange rate changes to the 2022 price of Palm Oil in Cedi's. Many candidates increased their full answer to part a i) by 50% or 100%, the incorrect method.

There was a small number of candidates who increased the 2022 Cedi price by 50% (rather than 100%) to get an answer of 127%. Due to the difficulty level in this question, this was awarded one mark as there was some understanding of the need to change the 2022 palm oil price only because of the exchange rate change.

In part (b), it was pleasing to see a high proportion of candidates achieving 3 / 4 marks for their diagram. Where marks were lost it was usually either incorrect labelling of the new profit area, or only one of the cost curves being increased. Almost all candidates attempted the diagram and only a minority achieved no marks for this part of the question. Some weaker responses used standard demand and supply diagrams and therefore could not access AO1 marks.

For AO2, stronger candidates were able to link the data to both MC, AC, and the impact it had on prices and profit. Weaker responses repeated the case study / data without fully referencing it to their diagram changes. A small minority of candidates interpreted the change(s) to their diagram without any reference to the case study.

- Q.7** The mean mark achieved for question 7 was 4.6 out of 8 with 99.3% of candidates attempting the question. This data suggests that it was the most accessible extended response question in the paper.

This synoptic data response question assessed the ability of candidates to apply their economic understanding to unseen data when building a case for and against Ghana's 2022 economic problems being caused by internal or external factors.

As the question focused on economic difficulties at the end of 2022, candidates needed to use data that focused or could be linked to this date. Stronger responses were able to use and explain the data on both sides of the question and how they caused Ghana difficulties at the end of 2022. Weaker responses either ignored the specific date or were unable to demonstrate economic understanding of the data when building a chain of argument.

A minority of candidates considered a one-sided approach and therefore couldn't access both AO3 and AO4 marks.

AO4 is awarded for developing counter arguments, however, candidates should weigh up both sides of the argument and provide a weighted judgement to access top band 3 AO4 marks. This was seen by the strongest of candidates who were able to access top band AO4 marks.

- Q.8** The mean mark achieved for question 8 was 4.7 out of 10 with 99.2% of candidates attempting the question. This data suggests that it was the least accessible extended response question in section B of the paper.

This question assessed candidates' ability to evaluate possible government solutions to support the Cedi. The question not only assessed candidates economic understanding, but also their ability to use data when building a case on both sides of the argument for each solution.

Stronger candidates were able to consider a two-sided balanced argument for each of the solutions mentioned in the case study. The best answers were then able to make a weighted judgement on the decision to support the Cedi, this allowed candidates to achieve top band marks, which for AO4 were less commonly awarded.

Typical candidate responses considered pros or cons for each solution, rather than an evaluation of each solution, and as a result usually achieved band 2 marks.

Weaker answers also used the case superficially, didn't develop chains of argument, or only considered one of the two solutions mentioned within the case study.

Some candidates developed a high-level evaluative response to one of the two ways (usually an evaluation of increasing interest rates). In the cases where this type of response was applied effectively, it allowed these candidates to achieve top band 2 marks (7 marks).

Some other candidates provided theoretical answers on the pros and cons of rising interest rates without any application to the case. As a result, very low/no AO2 marks were awarded, despite good AO3 and AO4.

Due to these reasons the mean mark for this question was a lower percentage of the full mark than other extended response questions in this paper.

Q.9 The mean mark achieved for question 9 was 6.3 out of 12 with 98.6% of candidates attempting the question.

Most candidates used the case study (AO2) well when building arguments on both sides of the question. Stronger candidates were able to develop detailed chains of reasoning using multiple points from the case study on both sides of the argument. Stronger candidates were also able to analyse and evaluate the data to a higher degree. For example, explaining how the support package (and lack of current government funds due to high debt repayments) could improve the development indicators in table two and linking this to living standards. Secondly, counter arguing this against the IMF conditions, the internal governance problems within Ghana, and that they have had financial support 16 times previously. The best answered consistently focused their answer on living standards and measures of living standards that may and may not be improved.

Weaker responses were not able to link their data points together, or link their answers to living standards, as this was key to allow candidates to achieve top band marks. For example, not linking arguments to the possible impact they could have on the HDI, income, or other living standard indicators. It was also common for weaker responses to describe the data for both sides of the argument rather than analysing and evaluating it.

AO4 is awarded for counter arguments, however, candidates should weigh up both sides of the argument and provide a weighted judgement to achieve top band AO4 marks. Using phrases such "Whether living standards in Ghana are likely to improve depends on...." This type of evaluation allows candidates to provide a more in-depth evaluation that weighs up both sides of the argument when forming a judgement.

Finally, timing appeared to be a problem as some candidates with strong extended response answers prior to this question were unable to develop the same quality of response.

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UNIT FOUR
EVALUATING ECONOMIC MODELS AND POLICIES

Overview of the Unit

Unit 4 is based upon assessing candidates' depth of understanding. There is no case study and therefore AO2 (application) is not assessed in this paper.

Candidates have a choice option for this paper and must pick a question from each of the three sections. However, these questions, in particular part b, the 20-mark essays, are designed to be fully synoptic. This means that candidates can draw their understanding from all areas of the specification when answering a particular question.

Each question totals 30 marks each. Altogether for each section there are 12 marks for knowledge (AO1), 10 marks for analysis (AO3), and 8 marks for evaluation (AO4). In total this equates to 36 marks for AO1, 30 marks for AO3 and 24 marks for AO4, the paper is out of 90 marks.

Depth of understanding is crucial for higher grades in this paper, as band 3 (excellent) is assessed in all questions. For AO1 in the 10 markers, and for AO1, AO3 and AO4 for the 20 markers. Therefore, this paper assesses depth of understanding of the choice of questions that are answered.

In section A, candidates had to choose between answering questions on types of growth and flexibility **or** profit maximisation and other business objectives.

In section B, candidates had to choose between answering questions on economic growth and inequality and the impact of rising labour costs on an economy **or** supply-side causes of unemployment and policies to tackle deflation.

In section C, candidates had to choose between answering questions on the causes of a structural deficit on the current account and the impact of a rising terms of trade index for different economies **or** measuring living standards for different economies and the impact of free trade for LEDCs.

Overall question choice showed a greater imbalance in section choices compared to previous years paper.

The overall performance compared to 2023 was that 2024 had a slightly higher overall mean mark for all learners across the paper, and the mean was more in line with 2019 and 2022 unit 4 papers.

In 2023 there were 584 candidates who achieved a mean mark of 48.81 (49 marks) with a standard deviation of 15.52. Prior years to 2023 the mean mark was slightly lower.

In 2024 there were 518 candidates who achieved a mean mark of 51.89 (52 marks) with a standard deviation of 15.02.

This suggests that overall performance across the paper is improved year on year will slightly higher mean score. The mean score was more in line to the outcomes from 2019 and 2022 papers. The standard deviation (the spread of marks around the mean score) has remained constant allowing for similar differentiation of marks between all candidates.

Comments on individual questions/sections

Section A

Q.1 The mean mark achieved for part (a) was 6 out of 10. While the mean mark for part (b) was 8.3 out of 20. Given the low number of students attempting this question (15.5%), this score is spread amongst fewer candidates than question 2, making it less reliable when compared to the attainment of question 2. However, 1a) had a similar mean score to 1b), but 2a) had a significantly lower mean score compared to question 2b. Question 1b had the lowest mean score across all 20-mark essays, suggesting that candidates found this essay more challenging overall.

In part (a), there were three parts to AO1 for this question. Candidates had to demonstrate understanding of internal growth, external growth, and with the use of examples. For AO3, candidates had to develop chain(s) of arguments detailing how each type of growth might be achieved or pros/cons of each method.

Most candidates were able to demonstrate good understanding of the different types of growth. However, the use of examples were often limited which prevented answers reaching top band 3 for AO1. A large proportion of candidates described the different types of growth, rather than analysing the impact/pros/cons to a business when pursuing each type of growth, therefore achieved no/limited AO3 marks. Stronger responses described the key differences between internal and external growth using examples and excellent terminology such as different types of integration. Stronger candidates were also able to develop chains of reasoning on the impact/consequences of each type of growth being pursued by the firm to achieve AO3 marks.

Part (b), also challenged candidates with multiple elements to the question. Candidates were asked to evaluate the impact on firms of greater flexibility in both product and factor markets. Responses to this question were very mixed. Most candidates demonstrated some understanding of flexibility but linking this to both product markets and factor markets (such as labour) proved difficult. Weaker responses either lacked understanding of flexibility or were only able to develop arguments for one of the two markets. However, stronger responses were able to differentiate themselves by being able to link the impact on firms of flexibility in both markets.

Out of the two types of flexibility, candidates on the whole struggled with the concept of product market flexibility and it is recommended that this term is included when teaching demand and supply in year 12 and market structures in year 13.

Where candidates were able to demonstrate understanding of the likely impact on flexibility, they were also often able to demonstrate a counter argument and achieve AO4. For example, the reduction of costs through zero-hour contracts but the lack of motivation and struggles to recruit because of this. To achieve top band AO4, candidates are expected to weigh up both sides of the argument to make an informed judgement. The use of words such as "it depends on" proved an effective way to do this for this question.

Q.2 The mean mark achieved for part (a) was 6.3 out of 10. While the mean mark for part (b) was 11.8 out of 20. Question 2a's mean score was the highest out of all the 10-mark options on the paper which suggested the most accessible 10-mark question. However, the alternative 10-mark choice in section A had an almost equal high mean score, suggesting section A's 10-mark options was the most accessible.

In part (a), candidates had to explain, using examples, different alternative business objectives (3 parts to the question) for AO1. For AO3, candidates had to explain why a business may choose this alternative objective compared to profit maximisation.

Many candidates were able to demonstrate good understanding of alternative objectives, and a large proportion were able to use accurate diagrams to describe the differences between them (even though diagrams were not necessary). Similarly to q1a), candidates struggled to use examples when describing these objectives which prevent top band 3 AO1 marks. Stronger responses were able to achieve top band marks for AO3, by explaining why a firm might choose that alternative objective. For example, the principal agent problem e.g. in the banking sector, whether the business is new or existing, and to appeal to a different variety of stakeholders.

In part (b), candidates had to weigh up the advantages and disadvantages to firms choosing to maximise profits. AO1 assessed understanding of points made, whilst AO3 and AO4 assessed the development of chains of arguments and counter arguments. To achieve top band AO4, candidates had to provide a clear judgement that weighed up both sides of their argument.

Many responses were able to demonstrate the pros and cons to firms of maximising profits. Stronger responses were able to develop stronger chains of reasoning of the impact of these pros and cons and focusing their impacts on a variety of stakeholders. The best answers continually weighed up both sides of the argument to provide a weighted judgement, using phrases such as "it depends on", which allowed band 3 AO4 marks to be awarded. Weaker responses were still able to identify pros and cons to firms of having this objective, for example, greater ability for dynamic efficiencies, but higher prices than other objectives. However, were not able to develop their points, its impact(s), and/or not focusing on a range of different stakeholders. Weaker responses also failed to include any type of weighted judgement with limited AO4 marks, and instead focused on the pros and cons in isolation rather than comparatively.

Section B

Q.3 The mean mark achieved for part (a) was 5.5 out of 10. While the mean mark for part (b) was 10.7 out of 20. In both cases the mean scores were slightly lower than the alternative option in question 4. However, neither was the most difficult or most accessible across all question choices within the paper.

In part (a), candidates had to explain how economic growth can reduce inequality. For AO1 candidates were assessed on their understanding of these concepts, and for AO3, how they are linked together. Many candidates were able to describe these two concepts and link economic growth to jobs and incomes. However, only the minority of responses were able to link the two concepts together to explain how the inequality gap would be reduced, rather than analyse the benefits economic growth can bring to people with lower income / wealth and opportunity. In many cases the analysis was written in a way that would be more suitable for a question on reducing poverty rather than inequality. Stronger answers were able to differentiate between poverty and inequality and focused their answers fully on the inequality gap because of the effects of different types of economic growth.

In part (b), candidates had to discuss the impact on an economy of rising labour costs. Within the answer it was expected that a diagram was used to develop argument(s).

Many candidates were able to demonstrate understanding of possible impacts of rising labour costs on an economy. Weaker responses failed to develop chains of arguments of the impacts and struggled to counter argue the points raised and therefore achieved fewer AO4 marks. Achieving AO4 marks appeared to be more difficult for candidates with this question. Developing chains of reasoning of the negative impacts on an economy of rising labour costs were generally good, however, counter arguing this with the benefits proved more difficult. Stronger answers were able to demonstrate not only detailed one-sided chains of arguments but were also able to counter these arguments achieving at least band 2 AO4 marks. Those that were also able to provide weighted judgements comparing both sides of their argument were able to access band 4 AO4 marks.

Q.4 The mean mark achieved for part (a) was 5.9 out of 10. While the mean mark for part (b) was 12.1 out of 20. This suggested that not only was this question choice more accessible than the alternative (question 3), the 20-mark essay in part b), was the most accessible across the whole paper, with the highest mean score.

In part (a), Candidates had to explain possible supply-side causes of unemployment. AO1 assessed understanding of these causes, while AO3 assessed the implications of these causes on unemployment. Most candidates were able to correctly describe at least one supply-side cause of unemployment. Stronger responses used key terminology when describing each cause in more detail. Some candidates did confuse supply-side and demand-side causes or were not able to fully link the causes to them being supply-side problems, which reduced AO1 marks. For example, a large number of candidates identified the NMW as a cause of supply side unemployment, but when analysing this concept often analysed it from the demand perspective rather than supply. Weaker responses also failed to link the cause to why it causes unemployment, therefore AO3 marks were more limited.

The best answers were able to develop chains of reasoning on how the supply-side causes described resulted in unemployment and the relative difficulty in finding jobs because of the cause. This allowed higher band AO3 marks to be awarded.

In part (b), candidates had to assess the policies that could be used to tackle deflation. Similar to q3b), at least one diagram was expected.

Many candidates understood the term deflation and were able to show (using a diagram(s)) how different policies could raise the price level in an economy. Weaker responses either were unable to develop chains of reasoning, link their answers to

deflation, use their diagram effectively within their argument(s), or were unable to counter argue reasons why the policies may not solve the problems of deflation. Weaker responses also failed to offer a weighted judgement, such as “the effectiveness of the policy depends on”.

Some weaker responses also confused deflation with disinflation and as a result impacted the marks awarded for the development of arguments.

Stronger responses were able to provide more developed chains of reasoning that centered on the issue of deflation. Stronger responses also considered the extent to which the policies would work to solve deflation, considering the difficulties governments have when trying to get out of a deflationary spiral. Furthermore, stronger responses were able to provide a weighted balanced judgement, considering the effectiveness of policies.

Common counter arguments centered around the problems of policies. For example, lowering a certain type of tax to boost AD, may increase the government’s fiscal deficit and national debt. Although this was credited as AO4; this type of response didn’t highlight why the policy may not solve the issue of deflation and therefore could not be awarded strong AO4 marks.

Section C

Q.5 This was by far the least popular choice of question in the paper, with only 3.1% of candidates section this question, compared to 95.9% choosing question 6.

The mean mark achieved for part (a) was 5.6 out of 10. While the mean mark for part (b) was 8.7 out of 20. This data is based on very few candidates that selected this question choice. For those that did, question 5a appeared more accessible than the alternative question 6a. However, question 5b appeared significantly more difficult compared to question 6b.

In part (a), candidates had to explain the possible causes of a structural deficit on the current account of the balance of payments. For AO1 candidates had to demonstrate relevant causes and understanding of the current account. For AO3, candidates had to demonstrate a chain of analysis of the reasons why the structural causes result in a current account deficit ($M > X$). Overall, the understanding of the current account and a current account deficit was strong. However, the level of understanding of a structural deficit was much weaker. Weaker responses described different reasons for a current account deficit rather than demonstrating understanding of how the causes demonstrated structural problems for an economy. Furthermore, weaker responses were only able to link these causes to a limited extent to why it caused $M > X$. Stronger answers were able to fully explain how each cause resulted in $M > X$ on the current account.

In part (b), candidates were asked to evaluate the impact of a rising terms of trade for economies at different stages of development. The number of responses to this question was limited given the amount that choose question 6 instead.

Candidates who answered this question generally showed a good level of understanding of the terms of trade and a rising terms of trade index. Stronger responses even used their own calculations to demonstrate this understanding. Some weaker responses confused a rising TOT index with rising more export sales and fewer import sales rather than the index price of exports against imports.

The key differentiator between stronger and weaker responses were the development of chains of arguments that continuously centered around economies at different stages of development. Some strong responses even used actual MEDC and LEDC countries when developing their chains of argument. This allowed chains of arguments to reach the higher bands as answered focused specifically on the question.

Common AO4 approaches often centered around a rising TOT being better for certain economies and bad for others. However, better evaluations focused on the extent to which each economy (MEDC / LEDC) advantaged and disadvantaged from a rising TOT.

- Q.6** This was the most popular question choice in the whole paper, demonstrating a greater confidence amongst candidates on their understanding of free international trade in comparison to a rising TOT.

The mean mark achieved for part (a) was 5.1 out of 10. While the mean mark for part (b) was 11.9 out of 20. This suggested that it was the most challenging part a) question in the paper, this is due to AO3 (described below). Question 6b was the second most accessible 20-mark essay in the paper, and achievement was far better than the candidates who selected question 5b.

In part (a), candidates were asked to demonstrate their understanding of the way living standards can be measured for AO1. For AO3, candidates needed to link these measures to its appropriateness to countries at different stages of development.

Overall, candidates were able to describe different ways living standards can be measured. However, linking these to countries at different stages of development proved difficult for many candidates. Therefore, this was the least accessible part (a) question for AO3 marks.

A common approach was to use the HDI index and describe that LEDCs score closer to 0, while MEDCs score closer to 1. However, this does not explain the relevance this measure was for different economies, and so achieved AO1 but not AO3 marks. For example, considering the effects on the repatriation of profits from MNC's on the development of LEDCs when analysing the national income measure would be a more suitable way of accessing AO3 marks.

The best answers were able to link measures to different economies that they had studied, this allowed the application of measures more directly to different MEDCs and LEDCs. This type of response was an effective way of achieving top band marks. However, many stronger responses also linked measures to MEDCs and LEDCs generically which was also fine.

In part (b), candidates were asked to assess whether free international trade is always beneficial for developing economies. Responses to this question were mixed.

Common lines of arguments considered the impact of reduced protectionism leading to a larger export market and cheaper raw material imports. This was often countered by the problems of comparative advantages in low-value, primary sector volatile goods, poor governance, and the impact of preferring imports than domestic industries.

However, it was not uncommon that candidates assumed that free international trade also came automatically with other "free" conditions such as free movement of

labour, capital etc. Although this isn't incorrect, it's also not always true. This limited top band marks when candidates developed arguments around the assumption that it automatically came with other "free" agreements and not just free trade for the LEDC. For example, the assumption of free movement of capital (FDI) to the LEDC, which unless linked to why this occurs because of free trade was awarded only to a limited level. A better way of linking this point to free trade was seen when candidates explained why liberalisation would make it more attractive for FDI to locate within the LEDC due to fewer trade restrictions.

Furthermore, weaker responses answered this question generically without focusing on the impact on LEDCs and therefore were limited to low band marks.

Similarly to other 20-mark questions, chains of argument and counter arguments were more developed and closely linked to the actual question for stronger responses. Stronger responses had a greater consideration to the differing obstacles of LEDCs, and that all LEDCs are not the same as each other when evaluating free trade to LEDCs. The best responses were also able to offer a weighted judgement considering both sides of the argument which was important for band 3 AO4 marks.

Finally, timing appeared to be generally ok for this paper as few candidates left a question choice unanswered. Most candidates also appeared to use their time well for each of the three sections. However, some had a less developed answer for their final attempted 20-mark essay, suggesting time management problems for some. It was also not uncommon for candidates to start with section B or C. However, most appeared to start the exam with section A, and answer questions in numerical order. Finally, some candidates appeared to start writing answers for a question choice, only to cross out their work and answer the alternative question, suggesting decision making and planning problems for some.

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