

Commentary on candidate evidence

The candidate evidence has achieved the following marks for each question.

Candidate 4

Question 10(a)

Discuss the possible advantages and disadvantages of raising the highest rates of income tax.

The answer was awarded **6 marks** (out of 6) for this question for:

- reduces income inequality
- income tax is progressive
- statistic – highest rate in Scotland (max for highest rate in England)
- statistic – GINI coefficient in UK (max for GINI coefficient in Scotland)
- increased tax reinvested in public services
- increased tax revenue
- leads to highest earners leaving the country

A further mark for higher tax rates reducing tax revenue would have been awarded had the candidate not already reached full marks for this question.

Question 10(b)

Explain the reasons for large regional economic disparities within the UK.

The answer was awarded **6 marks** (out of 6) for this question for:

- globalisation leading to deindustrialisation in the North of England
- globalisation leading to unemployment in the North of England, rather than the diverse economy in the South of England

- increased FDI in the South of England
- example of productivity rate in different parts of the country (this could have been a statistic mark if the maximum allocation of 2 stat marks had not already been awarded)
- skills gaps caused by underfunding of education in some part of the country
- skills gaps causing unemployment

No mark was awarded for the fourth paragraph because candidate reiterates the previous point about the impact of productivity differences by region.

Question 10(c)

Evaluate the possible policies that the current UK government could introduce to reduce regional economic disparities.

The answer was awarded **6 marks** (out of 6) for this question for:

- infrastructure projects – creating construction jobs
- infrastructure projects – expensive failures such as HS2
- education in deprived areas – increases skills and occupational mobility
- education – only works as a long-term strategy
- enterprise zones – encourages firms to set up in disadvantaged areas
- enterprise zones – current zones have not reduced disparities

Question 10(d)

Describe the possible economic costs and benefits of renationalising key industries.

The answer was awarded **7 marks** (out of 7) for this question for:

- government can regulate prices

- example of rising prices since privatisation of the rail industry (this could have been a statistic mark if the maximum allocation of 2 stat marks had not already been awarded)
- profits go to government, not shareholders
- profits can be reinvested
- market failure can be corrected and socially optimum can be produced
- can worsen budget deficit/national debt
- lack of competition may lead to inefficiencies

A further 2 marks for reduced quality of service; and potential lack of investment into R&D would have been awarded had the candidate not already reached full marks for this question.

No mark was awarded for the last sentence of paragraph one because the candidate is not directly answering the question.

No mark was awarded for the final paragraph because the candidate is not directly answering the question.

The candidate achieved a total of **25 marks** out of 25 for section 3 (question 10).