

Commentary on candidate evidence

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

Candidate 5

Question 11(a)

Discuss the possible economic costs and benefits of increased spending on the NHS.

The answer was awarded **8 marks** (out of 8) for this question for:

- statistic – number of people on current waiting lists
- able to tackle backlog on waiting lists
- improved health of work force increases productivity
- need to cut budgets of other government departments
- potential increase in budget deficit
- statistic – value of national debt
- potential raising income tax to cover cost
- potentially introduce a hypothecated tax

A further 4 statistics were given which were not awarded marks as the candidate had already reached the maximum of 2 marks for statistics in this question.

Question 11(b)

Discuss the economic implications of real wage growth on the UK economy.

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

- increased consumer spending
- increased aggregate demand

- increased economic growth
- incentivise people to seek work
- theory of wage rates versus supply of labour
- diagram of wage rates versus supply of labour

A further 5 marks for increased tax revenue; NLW rate; personal allowance value; increasing wages for low-income earners may not increase tax revenue; and reducing poverty by raising living standards would have been awarded had the candidate not already reached full marks for this question.

No mark was awarded for the second sentence because rising NI contributions for employers does not relate to real wage growth.

No mark was awarded for the point starting 'rising costs for firms may mean ...' because it was too vague and does not directly answer the question.

No mark was awarded for the point starting 'Although rising wages could reduce income inequality ...' because the candidate was alluding to the national living wage and not necessarily rising real wages overall.

Question 11(c)

Explain the possible advantages and disadvantages of low rates of unemployment for the UK economy.

The answer was awarded **5 marks** (out of 6) for his question for:

- increased tax revenue used to increase government spending
- improved social cohesion and reduced crime
- increased output and economic growth
- higher wages needed to attract workers which reduces profit and investment
- increased consumer spending leading to economic growth

No mark was awarded for the point about exports because increased employment does not necessarily lead to an increase in exports.

No mark was awarded for the last advantage because there is not a coherent link between higher wages, higher bargaining power and low rates of unemployment.

No mark was awarded for the first disadvantage because no explanation is given.

No mark was awarded for the second disadvantage because there is no explanation of how increased employment leads to increased bargaining power.

Question 11(d)

Describe the potential economic benefits of a cashless economy.

The answer was awarded **5 marks** (out of 5) for his question for:

- reduced queueing times
- reduced cash-handling costs
- reduced in fraud
- reduced robbery
- increased security through verification
- increased hygiene/reduced disease transmission

A further 2 marks for increased hygiene/reduced disease transmission; and simplified foreign exchange calculations could have been awarded had the candidate not already reached full marks for this question.

No mark was awarded for the sentence starting 'A cashless economy is essential in time of natural disaster ...' because the sentence is mostly a statement with a fact with no benefit given.

The candidate achieved a total of **24 marks** out of 25 for section 3 (question 11).