

Commentary on candidate evidence

The candidate evidence has been put together from several candidates who sat the 2019 question paper.

Question 1(a)

Candidate A

The candidate was awarded **2/2 marks**:

- ◆ One mark awarded for reference to charge on imports.
- ◆ One mark awarded for reference to the effect of the tariff on goods.

Candidate B

This candidate was awarded **2/2 marks**:

- ◆ One mark awarded for reference to tax on exports.
- ◆ One mark awarded for reference to the effect on demand for the goods exported.

Candidate C

This candidate was awarded **2/2 marks**:

- ◆ One mark awarded for reference to tax on imports.
- ◆ One mark awarded for reference to effect of import tariff on domestic industry.

Question 1(b)

Candidate A

This candidate was awarded **3/4 marks**:

- ◆ One mark was awarded for 'They would be able to export their goods to more countries' (ID) 'therefore making more profit' (EXP).
- ◆ A development mark was awarded for 'This would be beneficial for the employment rate as businesses would grow and possibly expand more people would be hired'.
- ◆ A further development mark was awarded for 'All of this would stimulate economic growth and the increased revenue gained could then be invested in the UK which again would help the UK economy achieve its goals'.

Candidate B

This candidate was awarded **4/4 marks**:

- ◆ One mark was awarded for 'This means firms face more competition' (ID) 'Firms will be focussed on improving the quality of their products to attract consumers. Competition may also result in lower prices' (EXP).
- ◆ One mark was awarded for 'Free Trade may encourage Foreign Direct investment (FDI).' (ID) 'This will have a positive impact on the UK's Balance of Payments.' (EXP).
- ◆ A development mark was awarded for 'FDI may also create more jobs within the UK which will reduce unemployment'.
- ◆ A further development mark was awarded for 'Lower unemployment may lead to increased standards of living depending on the distribution of income'.

Had the candidate not already reached maximum marks for this question, a further mark could have been awarded for:

- ◆ 'Free trade may lead to increased output within the UK (ID) due to access to new markets' (EXP).

Candidate C

This candidate was awarded **4/4 marks**:

- ◆ One mark awarded for 'UK firms can sell to a larger market' (ID) 'therefore they may have a higher demand and so make more profit' (EXP).
- ◆ A development mark then awarded for 'This also means the UK government will receive more corporation tax revenues'.
- ◆ A further development mark then awarded for 'This will allow the government to invest more in capital projects, eg building a new school/hospital. Therefore, creating jobs and increasing employment'.
- ◆ One mark awarded for 'may stimulate UK firms to become more efficient to compete' (ID), 'therefore improving the UK economy's productivity.' (EXP).

Question 1(c)

Candidate A

This candidate was awarded **3/4 marks**:

- ◆ One mark awarded for the fully labelled diagram.
- ◆ One mark awarded for the supply curve shift to the left.
- ◆ One mark awarded for new equilibrium point indicated.

This candidate did not shift the demand curve.

Candidate B

This candidate was awarded **2/4 marks**:

- ◆ One mark awarded for the fully labelled diagram.

- ◆ One mark awarded for new equilibrium point indicated.

This candidate shifted the demand and supply curves in the incorrect directions.

Candidate C

This candidate was awarded **3/4 marks**:

- ◆ One mark awarded for the fully labelled diagram.
- ◆ One mark awarded for the supply curve shift to the left.
- ◆ One mark awarded for new equilibrium point indicated.

This candidate shifted the demand curve in the incorrect direction.

Question 1(d)

Candidate A

This candidate was awarded **2/2 marks**:

- ◆ One mark awarded for 'giving consumers a better standard of living as they have access to more goods'.
- ◆ One mark awarded for 'firms can make more profits'.

Had the candidate not already reached maximum marks for this question, further marks could have been awarded for:

- ◆ 'so are more likely to expand, employing new people and reducing unemployment'.
- ◆ 'increase the government's revenue from income tax and decrease its spending on Job Seekers Allowance'.
- ◆ 'Spill over effects of economic growth can be new technical innovations to help to preserve the environment'.

Candidate B

This candidate was awarded **2/2 marks**:

- ◆ One mark awarded for 'Economic growth will attract foreign direct investment (FDI)'.
- ◆ One mark awarded for 'increasing government revenue'.

Had the candidate not already reached maximum marks for this question, a further mark could have been awarded for:

- ◆ 'new jobs being created which means unemployment will fall'.

Candidate C

This candidate was awarded **2/2 marks**:

- ◆ One mark awarded for 'it means that unemployment is reduced'.
- ◆ One mark awarded for 'increased tax revenue from income tax can be gained'.

Had the candidate not already reached maximum marks for this question, a further mark could have been awarded for:

- ◆ 'revenue gained from consumer confidence and increased employment to invest, so government doesn't have to offer as many grants or subsidies to help struggling firms as in times of low economic growth, increasing National income'.

Question 1(e)

Candidate A

This candidate was awarded **3/3 marks**:

- ◆ One mark awarded for 'Investing in infrastructure increases the geographical mobility of labour' (ID) 'therefore, with improved infrastructure, commuting and relocating for work is easier' (EXP).
- ◆ A development mark was then awarded for 'The increased employment increases disposable income for the newly employed'.
- ◆ A further development mark awarded for 'This can trigger a positive multiplier effect'.

Had the candidate not already reached maximum marks for this question, further marks could have been awarded for:

- ◆ 'can improve domestic firms communication and transport' (ID) 'this therefore improves the productivity of the economy' (EXP).
- ◆ A development mark for 'this can lead to a rise in output. The output may then generate more profits for the firm, allowing them to expand their operation and employ more labour, increasing employment'.

Candidate B

This candidate was awarded **3/3 marks**:

- ◆ One mark awarded for 'Investing in more infrastructure projects will result in a greater increase in National income due to the multiplier effect' (ID). 'This means that the injection from the investing in more infrastructure will have a greater effect than simply improving connections' (EXP).
- ◆ One mark awarded for 'It will lead to the creation of more jobs' (ID) 'which will lead to increased income for many. This will then result in an increase in spending' (EXP).
- ◆ One development mark awarded for the circular flow diagram. Note that the diagram gained a mark in this case as it was illustrating that investment is an injection which leads to the multiplier effect, and the explanation of the

multiplier had been given in the text. A standalone diagram on its own would not have gained a mark.

Had the candidate not already reached maximum marks for this question, further development marks could have been awarded for:

- ◆ 'so an increase in aggregate demand. This will lead to firms increasing output to meet demand'.
- ◆ 'the effect of the multiplier will increase until the equilibrium is met where injections equal leakages'.
- ◆ 'the impact of the multiplier will depend on MP and MPS'.
- ◆ and for the formula.

Candidate C

This candidate was awarded **3/3 marks**:

- ◆ One mark awarded for 'It will reduce costs for firms' (ID) 'and so increase their profits, encouraging them to expand' (EXP).
- ◆ A development mark awarded for 'increasing employment and national income'.
- ◆ One mark awarded for 'The investment is an injection in to the circular flow of income' (ID) 'and so the multiplier will mean that there is a more than proportionate rise in National Income' (EXP).

Had the candidate not already reached maximum marks for this question, further marks could have been awarded for:

- ◆ 'increasing their disposable income' (ID) 'and so increasing demand for goods and services, making firms more profit etc' (EXP).
- ◆ 'government earns more in income tax' (ID) 'and has to pay less in JSA. This means that it will have more money to invest in other areas' (EXP).