

Commentary on candidate evidence

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

Question 2(a)

Candidate A

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

- ◆ One mark awarded for 'recurring costs involved in the day-to-day running of public services'.
- ◆ One mark awarded for 'e.g. NHS salaries'.

Candidate B

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

- ◆ One mark awarded for 'everyday spending by the government'.
- ◆ One mark awarded for 'to pay for things like teacher's wages'.

Candidate C

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

- ◆ One mark awarded for 'refers to day-to-day spending'.
- ◆ One mark awarded for 'For example, government spending on nurses and doctors or teachers'. (The candidate does not mention wages specifically, but there is very little else that it could be and therefore the mark was awarded.)

Question 2(b)(i) and (ii)

Candidate A

This candidate was awarded **1/1 mark for (i)**:

- ◆ One mark awarded for 'as the private sector completely fails to provide them' (ID) 'as they are not profitable' (EXP).

This candidate was awarded **1/1 mark for (ii)**:

- ◆ One mark awarded for 'only produced by the private sector to the extent they are profitable' (ID) 'which means there is a shortage & the government must intervene eg education and healthcare' (EXP).

Candidate B

This candidate was awarded **1/1 mark for (i)**:

- ◆ One mark awarded for 'goods which would be underprovided if the government didn't intervene' (ID). 'This is because they are non-rivalry and non-excludable' (EXP).

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

- ◆ 'if left to the private sector, nobody would want to pay for them, eg street lighting'.

This candidate was awarded **1/1 mark for (ii)**:

- ◆ One mark awarded for 'Merit goods are deemed to benefit the society (ID) and would be under-consumed if left to the private sector eg education and healthcare' (EXP).

Candidate C

This candidate was awarded **1/1 mark for (i)**:

- ◆ One mark awarded for 'people who do not pay for the good may be able to consume it ie "free riders" (ID). 'Therefore the government intervenes to provide these eg policing, street lighting, traffic lights' (EXP).

This candidate was awarded **1/1 mark for (ii)**:

- ◆ One mark awarded for 'The private sector may provide the service, however only to those who can afford it eg schooling and hospitals' (ID). 'Therefore the government intervenes to provide merit goods for everyone, as the social benefit outweighs the loss incurred' (EXP).

Question 2(c)

Candidate A

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

- ◆ One mark awarded for 'PSNCR (Public Sector Net Cash Requirement) is the borrowing by the public sector in a year due to its budget deficit'.
- ◆ One mark awarded for 'National Debt is the total amount of money owed by a country it is made up of all of the countries PSNCR'.

Candidate B

This candidate was awarded **0/2 marks**:

This candidate was not awarded the mark for the definition of PSNCR as no mention was made of the borrowing being in one year.

This candidate was not awarded the mark for the definition of National Debt as there was no reference to it being an accumulation of debt.

Candidate C

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

- ◆ One mark awarded for 'what the government has to borrow from in a deficit budget, this increases national debt if used'.
- ◆ One mark awarded for 'National Debt is an accumulation of all the money the government owes'.

Question 2(d)

Candidate A

This candidate was awarded **1/3 marks**:

- ◆ 'Multinationals could also set up in the UK and employ many more workers' (ID) 'which could, through increased income and more disposable income more tax can be gained' (EXP).

The other points are not explanations of a way to either increase revenue or reduce costs.

Candidate B

This candidate was awarded **0/3 marks**:

The candidate was not awarded any marks as no explanations referring to reducing national debt were fully explained – references to exporting more and inflows of money were too general.

Candidate C

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

- ◆ One mark awarded for 'allows UK firms to access larger markets' (ID) 'and benefit from economies of scale, cutting their costs and making them more profit. This will increase the governments revenue in corporation tax' (EXP).
- ◆ One mark awarded for 'with UK firms making more profits they are more incentivised to expand, employing more people' (ID) 'and increasing the governments revenue in income tax, which can be used to reduce national debt' (EXP).
- ◆ One mark awarded for 'Expanding firms will also reduce unemployment' (ID) 'so reducing the government's spending on Job Seekers Allowance, helping to improve its budget' (EXP).

Question 2(e)

Candidate A

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

- ◆ One mark awarded for an appropriately labelled PPC diagram.
- ◆ One mark was awarded for quantities indicated on the axes using numbers.
- ◆ One mark was awarded for 'Opportunity cost is the sacrifice of the next best alternative' (ID) 'If the government increase resources to the NHS, they will have less money to spend on other things such as education' (EXP).

Candidate B

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

- ◆ One mark awarded for an appropriately labelled PPC diagram.
- ◆ One mark was awarded for quantities indicated on the axes using letters.
- ◆ One mark awarded for 'Opportunity cost for governments is the sacrifice of providing the next best service forgone' (ID). 'The opportunity cost of increasing NHS spending from E to F is losing C to D on other government spending on other services. So the government can provide less other services (EXP).'

Candidate C

The candidate was awarded **2/3 marks**:

- ◆ No mark awarded for labelling the PPC diagram, as 'source 1' and 'source 2' were not appropriate.
- ◆ One mark was awarded for quantities indicated on the axes using numbers.
- ◆ One mark was awarded for 'The opportunity cost to the UK Government of allocating increased resources to the NHS' (ID) 'is that there are now less resources to go to other areas' (EXP).

Question 2(f)

Candidate A

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

- ◆ One mark awarded for 'The NHS will see a smaller labour pool within which to choose a candidate, therefore they may choose a less eligible worker for the job'.
- ◆ A development mark was awarded for 'lowering the NHS's productivity.'
- ◆ One mark awarded for 'The decrease in supply of NHS workers may mean the workers demand a higher payrise/job perks as they are more valuable to the NHS'.

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

- ◆ 'therefore increasing government spending and potential industrial action'.

Candidate B

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

- ◆ One mark awarded for 'output will be reduced despite demand remaining constant. This will result in a shortage of labour'.
- ◆ One mark awarded for 'The government may need to increase wages for NHS employees in order to attract new workers'.
- ◆ A development mark was awarded for 'This will cause problems as it means there will be less spending on other areas of the NHS such as on technology'.

Candidate C

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

- ◆ One mark awarded for 'skills and productivity lost as a lot of NHS staff are not British or we would be reducing our workforce and possible skill transfer'.
- ◆ One mark awarded for 'This can mean an increased population of people not getting the service they need from the NHS creating an unhealthier population'.
- ◆ One mark awarded for 'Increased spending by government may be needed for more training courses etc to help satisfy demand'.

The point about increasing stress on the NHS is too vague to be awarded a mark.