

# Commentary on candidate evidence

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

## Question 4(a)

### Candidate A

This candidate was awarded **6/6 marks**:

- ◆ One mark was awarded for 'could increase income tax' (ID). 'This would mean a higher percentage of income is taken from those on a higher income' (EXP).
- ◆ A development mark was awarded for 'The revenue raised from an increase in income tax could be reinvested into those on a lower income through benefits'.
- ◆ One mark was awarded for 'reduce indirect taxes such as VAT' (ID). 'This would mean consumers could purchase goods without losing a large percentage on goods with high VAT' (EXP).
- ◆ A development mark was awarded for 'This would also be the reduction in a regressive tax'.
- ◆ A further development mark was awarded for 'which takes a higher percentage of income from those on a lower income than it does for those on a higher income'.
- ◆ One mark was awarded for 'increase its capital spending eg build a new hospital' (ID). 'This would create many jobs which would mean unemployment could be reduced' (EXP).

Had this candidate not reached maximum mark allocation, they could also have been awarded a development mark for:

- ◆ 'This may lead to those who previously relied on JSA have increased income and so the income inequality gap is reduced'.

### Candidate B

This candidate was awarded **6/6 marks**:

- ◆ One mark awarded for 'Increase progressive direct taxes, e.g income tax for higher income earners' (ID) 'therefore lowering the disposable and reducing wage disparities' (EXP).
- ◆ One mark awarded for 'can increase JSA job seekers allowance' (ID). 'This will raise the income of the lowest in society' (EXP).
- ◆ A development mark was awarded for 'and improve their standard of living'.
- ◆ One mark awarded for 'The government may also increase capital spending projects, eg build a new hospital' (ID). 'Therefore the government will employ labour to build the capital, increasing employment' (EXP).

- ◆ A development mark was awarded for 'providing a greater income than what they were previously on with JSA'.
- ◆ One mark awarded for 'may offer a subsidy to a firm' (ID) 'encouraging them to employ more workers' (EXP).

Note that no mark was awarded for the explanation regarding Minimum Wage since this was regarded as a Supply Side Policy rather than Fiscal.

### Candidate C

This candidate was awarded **4/6 marks**:

- ◆ One mark awarded for 'increasing income tax' (ID) 'as income tax is a progressive tax' (EXP).
- ◆ A development mark was awarded for 'means that it takes into account the ability of people to pay so it takes more from the rich than the poor'.
- ◆ One mark awarded for 'increasing government spending' (ID). 'This means the government would be able to provide more merit goods such as education and healthcare which benefits individuals. This would also create jobs which means unemployment will fall' (EXP).
- ◆ One mark awarded for 'VAT could be lowered' (ID) 'because this is a regressive tax' (EXP).

This candidate then provide development which was incorrect and was awarded no more marks.

## Question 4(b)(i)

### Candidate A

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

- ◆ One mark awarded for 'GDP is the value of goods and services traded within a year whereas the GNP includes UK firms operating abroad'.
- ◆ One mark awarded for 'GDP is more commonly used as an economic indicator than GNP'.

Note that the word 'traded' (in the first bullet point) is not ideal but was acceptable in this instance as a comparator.

### Candidate B

This candidate was awarded **1/2 mark**:

- ◆ One mark awarded for 'GDP is the total value of goods and services produced within the UK in a year, whereas GNP is the total value of goods and services produced by UK owned assets in a year, and so includes overseas UK assets and excludes foreign assets in the UK'.

### Candidate C

The candidate was awarded **1/2 mark**:

- ◆ One mark awarded for 'Gross domestic product is the value of goods and services produced in an economy while gross national product is the value of goods and services produced in an economy take away the value of goods and services produced by multinationals in the UK add on the value of goods and services produced abroad'.

## Question 4(b)(ii)

### Candidate A

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

- ◆ One mark awarded for 'National income statistics do not reveal the extent of regional inequalities in a country and so do not give accurate results on places that need aid'.
- ◆ One mark awarded for 'Some countries may calculate their national income differently leading to misleading values between countries'.
- ◆ One mark for 'Inflation is not always accounted for in National Income statistics and so the real value is not shown'.
- ◆ One mark for 'There may be mistakes in counting the statistics'.

Had this candidate not reached maximum mark allocation, they could also have been awarded a mark for:

- ◆ 'these may have been converted with an out of date exchange rate therefore inaccurate'.

### Candidate B

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

- ◆ One mark awarded for 'there may be errors or omissions when they've been calculated. This may be because some countries don't have the sufficient infrastructure or equipment to calculate them properly'.
- ◆ One mark awarded for 'National Income statistics don't show the quality of goods and services produced or the working conditions they were produced in. They also don't show the amount of overtime workers or the amount of leisure time people have which makes them less useful'.
- ◆ One mark awarded for 'National Income statistics don't show changes in the population'.
- ◆ One mark awarded for 'They have to be calculated taking into account inflation ie real terms otherwise the statistics can't be properly compared'.

### Candidate C

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

- ◆ One mark awarded for 'not all countries may have the means to produce accurate statistics so can be less reliable'.
- ◆ One mark awarded for 'Another limitation could be that the statistics do not show what is being produced whether it be guns and bullets or chairs'.
- ◆ One mark awarded for 'Another limitation would be some goods produced may not be recorded'.

- ◆ One mark awarded for 'Another limitation would be that populations are all different so incomes per capital may all be different'.

## Question 4(c)

### Candidate A

This candidate was awarded **7/8 marks**:

- ◆ One mark awarded for 3 labels on diagram – recession, recovery, slump.
- ◆ One mark awarded for the description of boom - 'This is where GDP is at its highest'.
- ◆ One mark awarded for adding that 'spending is high' at this stage.
- ◆ One mark awarded for the description of recession - 'where there has been negative GDP growth for 2 successive quarters'.
- ◆ Two marks for adding that 'Unemployment rises' and 'consumer confidence falls so spending falls also'.
- ◆ One mark awarded for the description of slump – 'unemployment is at its highest'.

### Candidate B

This candidate was awarded **6/8 marks**:

- ◆ One mark awarded for the stage labels recession, peak, slump, recovery (provided in text rather than on a diagram).
- ◆ Two marks awarded for the descriptions of recession – 'this is when demand is low' and 'unemployment is high and there is cyclical unemployment'.
- ◆ One mark awarded for the description of recovery – 'at this point there will be increasing unemployment (but at a slow rate)'.
- ◆ One mark for the description of peak – 'this is when consumer spending is high and aggregate demand is high'.
- ◆ One mark for qualifying this with 'however this may cause the economy to overheat due to high rates of inflation'.

No further marks were awarded as the other points made were applying the same descriptions to different stages, ie consumer spending, aggregate demand.

### Candidate C

This candidate was awarded **4/8 marks**:

- ◆ One mark awarded for an appropriately labelled curve and axes.
- ◆ One mark awarded for 'They reach a boom where these factors are maximised'.
- ◆ Two marks awarded for descriptions of 'downfall' – 'During this, businesses can sometimes shrink, having to let staff go' and 'profits will decrease until there is a recession'.