

Candidate 3 commentary

The evidence for has been put together from several different 2018 question paper candidates.

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

Question 1a(i)

The candidate was awarded **1 mark** because ...

The candidate has given the first part of the standard definition, including 'demanders and suppliers meet' [SIC] **(1 mark)**.

Question 1a(ii)

The candidate was awarded **3 marks** because ...

The candidate has given a very comprehensive description of the substitution effect **(1 mark)**, the income effect **(1 mark)** and the law of diminished marginal utility **(1 mark)**.

The candidate was not awarded a further mark for the development point about the law of diminishing marginal utility as full marks had already been reached.

Question 1b(i) and (iii)

The candidate was awarded **1 mark** for 1b(i) and **0 marks** for 1b(iii) because ...

The candidate has drawn an accurate demand and supply diagram showing a shift to the right in demand **(1 mark)**.

No mark was awarded for showing the new equilibrium point as there was neither 'P₁' and 'Q₁' nor an 'e₁'.

No mark was awarded in b(iii) as the incorrect labels have been used.

Question 1b(ii) and (iii)

The candidate was awarded **2 marks** for 1b(ii) and **1 mark** for 1b(iii) because ...

The candidate has drawn an accurate demand and supply diagram showing a shift to the left in supply **(1 mark)** and a new equilibrium point using 'P₁' and 'Q₁' **(1 mark)**.

The candidate labelled both diagrams in b(i) and b(ii) accurately (1 mark).

Question 1c

The candidate was awarded **1 mark** because ...

The candidate has given a variable cost that is appropriate for Highland Spring in 'plastic to make the bottles' **(1 mark)**.

Question 1d(i)

The candidate was awarded **0 marks** because ...

No marks were awarded as the candidate has named 3 barriers to trade rather than described them.

Question d(ii)

The candidate was awarded **3 marks** because ...

- ◆ The candidate has given protection from dangerous products **(1 mark)**.
- ◆ The candidate has given protecting domestic jobs **(1 mark)**.
- ◆ The candidate has given retaliation **(1 mark)**.

The candidate was not awarded a further mark for protecting strategic industries as full marks had been reached.

Question 1e

The candidate was awarded **1 mark** because ...

The candidate has given making a comparison of average price with previous years **(1 mark)**.

The basket of goods was given in the question, therefore no marks were awarded for it in this instance.

Question 2a

The candidate was awarded **1 mark** because ...

The candidate has given the correct figure of 800,000 and shown their working **(1 mark)**.

Question 2b

The candidate was awarded **0 marks** because ...

- ◆ The candidate's use of 'a home survey' is too vague to be awarded a mark.
- ◆ The candidate's use of 'people who claim benefits' is too vague to be awarded a mark.

Question 2c

The candidate was awarded **3 marks** because ...

- ◆ The candidate has given technological unemployment **(1 mark)**.
- ◆ The candidate has given cyclical unemployment **(1 mark)**.
- ◆ The candidate has given frictional unemployment **(1 mark)**.

The candidate was not awarded a further mark for regional unemployment as full marks had been reached.

Question 2d

The candidate was awarded **3 marks** because ...

- ◆ The candidate has given a decrease in JSA payments **(1 mark)**.
- ◆ The candidate has developed this by giving more giving examples of where the additional spending could be used **(1 mark)**.
- ◆ The candidate has given less pressure on the NHS **(1 mark)**.

Question 2e

The candidate was awarded **0 marks** because ...

The answer 'EU countries are located in Europe' is too vague.

Question 2f

The candidate was awarded **2 marks** because ...

- ◆ The candidate has linked trade barriers and cost **(1 mark)**.
- ◆ The second paragraph about being culturally similar does not attract a mark, as it is about being European not specifically about being a member of the EU.
- ◆ The candidate has linked market size and demand for products **(1 mark)**.

Question 2g

The candidate was awarded **1 mark** because ...

- ◆ The candidate has linked more expensive to buy sterling with a decrease in exports **(1 mark)**.

The candidate failed to develop the point for a second mark.

Question 2h(i)

The candidate was awarded **0 marks** because ...

No mark was awarded as the candidate has not given a full definition of fixed costs to include that costs do not change with the level of output.

Question 2h(ii)

The candidate was awarded **3 marks** because ...

The candidate has drawn the cost curves accurately (**3 marks**), however the horizontal axis should be 'output', not 'quantity' (**0 marks**).

Graphs that take between $\frac{1}{3}$ and $\frac{1}{2}$ of the page are the clearest for marking.

Question 3a(i)

The candidate was awarded **1 mark** because ...

The candidate has given income tax (**1 mark**).

The candidate was not awarded a further mark for inheritance tax as full marks had been reached.

Question 3a(ii)

The candidate was awarded **1 mark** because ...

◆ The candidate has given VAT (**1 mark**).

The candidate was not awarded a further mark for excise duties as full marks had been reached.

Question 3b

The candidate was awarded **0 marks** because ...

The candidate has incorrectly given percentage decrease.

Question 3c

The candidate was awarded **0 marks** because ...

The candidate has confused transfer payments with a bank transfer and therefore was awarded no marks.

Question 3d

The candidate was awarded **0 marks** because ...

The candidate is neither clear nor accurate in their distinction between capital and current spending.

Question 3e

The candidate was awarded **0 marks** because ...

The candidate has confused sectors of industry with sectors of the economy and therefore was awarded no marks.

Question 4a

The candidate was awarded **3 marks** because ...

This candidate has given a series of statements about developing countries, followed by series of statements about emerging economies. The marker then matched the statements to find pairs before allocating marks. This style of writing is time consuming for markers and should be discouraged.

- ◆ The candidate makes a comparison between low and rapid growth **(1 mark)**.
- ◆ The candidate makes a comparison between poor and improving infrastructure **(1 mark)**.
- ◆ The candidate makes a comparison between low and medium standards of living **(1 mark)**.

The candidate was not awarded a mark for a comparison between high and falling employment, given the high numbers of people potentially working in subsistence farming and casual labour in developing countries.

Question 4b

The candidate was awarded **0 marks** because ...

The candidate has misread the question and answered about the advantages and disadvantages to the multinational, rather than the UK, of locating in the UK.

Question 4c(i)

The candidate was awarded **0 marks** because ...

The candidate's definition of an exchange rate is too vague to be awarded a mark.

Question 4c(ii)

The candidate was awarded **1 mark** because ...

The candidate has shown their working and given €11 (**1 mark**).

Question 4c(iii)

The candidate was awarded **1 mark** because ...

The candidate has shown their working and given €1 (**1 mark**).

Question 5a

The candidate was awarded **1 mark** because ...

- ◆ The candidate has drawn a correctly labelled market diagram (**1 mark**).
- ◆ The candidate has shown neither a surplus nor a shortage on the diagram (**0 marks**).

The candidate has not *explained* the method by which suppliers can 'find a perfect balance'.

Question 5b

The candidate was awarded **4 marks** because ...

The candidate has explained their answers as well as described them, which shows good knowledge but does not attract any more marks.

- ◆ The candidate has given the value of the pound (**1 mark**).
- ◆ The candidate has given advertising (**1 mark**).
- ◆ The candidate has given a rise in real incomes (**1 mark**).
- ◆ The candidate has given consumer confidence (**1 mark**).

Question 5c

The candidate was awarded **2 marks** because ...

- ◆ The candidate has linked increasing supply with increasing profits (**1 mark**).
- ◆ The candidate has developed the point to say more producers will enter the market (**1 mark**).

Question 6a(i)

The candidate was awarded **2 marks** because ...

- ◆ The candidate has given credit card company **(1 mark)**. Although credit card companies are sub-divisions of banks, it was felt that this was a distinction that a candidate sitting N5 would not necessarily understand.
- ◆ The candidate had given bank **(1 mark)**.

The candidate was not awarded a mark for loan shark, as this is not a financial institution.

Question 6a(ii)

The candidate was awarded **1 mark** because ...

- ◆ The candidate has given the rate of interest being charged **(1 mark)**.

The candidate was not awarded a mark for the second point as in order for it to be useful advice the person receiving the advice would have to be able to influence the rate of inflation.

Question 6b

The candidate was awarded **3 marks** because ...

- ◆ The candidate has linked increase mortgage repayments with a lower standard of living **(1 mark)**.
- ◆ The candidate has developed less spending power with prioritising on non-luxuries **(1 mark)**.
- ◆ The candidate has linked the cost of borrowing with being discouraged from borrowing **(1 mark)**.

Question 6c

The candidate was awarded **3 marks** because ...

- ◆ The candidate has given unlimited wants **(1 mark)**.
- ◆ The candidate has given limited resources **(1 mark)**.
- ◆ The candidate has given advertising as a reason for unlimited wants **(1 mark)**.

The candidate was not awarded a further mark for greed as a reason for unlimited wants as full marks had been reached.

Question 7a(i)

The candidate was awarded **2 marks** because ...

- ◆ The candidate has given cost push inflation **(1 mark)**.

- ◆ The candidate has given demand pull inflation **(1 mark)**.

Question 7a(ii)

The candidate was awarded **1 mark** because ...

- ◆ The candidate has given an increase in the cost of raw materials **(1 mark)**.

The candidate was not awarded a mark for the description of demand pull inflation as they only said that demand was very high, not that demand outstripped supply.

Question 7b

The candidate was awarded **2 marks** because ...

- ◆ The candidate has given putting pressure on the MPC to decrease interest rates **(1 mark)**.
- ◆ The candidate has given investing in education **(1 mark)**.

Question 7c

The candidate was awarded **4 marks** because ...

The candidate has drawn a full diagram showing households and firms **(1 mark)**, expenditure to pay for goods and services **(1 mark)**, rent, wages, interest and profit **(1 mark)** and correctly draw arrows **(1 mark)**.

The candidate was not awarded any further marks for the physical flows, or injections and leakages as full marks had been reached.