

Practice Papers

for GCSE AQA Economics

Paper 2: How the Economy Works

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Contents

Product Support from ZigZag Education	ii
Terms and Conditions of Use	iii
Teacher's Introduction.....	1
Exam Paper Structure	2
Write-on Practice Papers	4
Practice Paper A	4
Practice Paper B	15
Practice Paper C	25
Practice Paper D	35
Non-write-on Practice Papers	45
Practice Paper A	45
Practice Paper B	49
Practice Paper C	53
Practice Paper D	57
Mark Schemes.....	61
Practice Paper A	61
Practice Paper B	68
Practice Paper C	75
Practice Paper D	82

Teacher's Introduction

This resource consists of four Paper 2 practice exams and mark schemes that can be used by teachers to prepare learners to be examined at the end of their AQA GCSE in Economics (8136) course. The well-known saying suggests 'practice makes perfect' and hopefully the papers will help learners to perfect their exam skills, which will be particularly critical given the linear assessment requirements. The qualification is assessed via two exams which are sat at the end of the course, so consequently ensuring students are familiar with the style and content of the papers is essential to provide them with the best chance of securing pleasing results.

Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

The papers are written to cover all topics within the AQA specification. They have been produced after a thorough assessment of the specimen and past papers produced by the exam board to ensure that the questions are written in a similar format, tone and style to those students will face in the real exam.

Using this resource

This resource can be used in a number of ways to help students to prepare for their GCSE exam. It can be used independently by students or as a teacher-led exercise. Here are a few suggestions:

Homework: The papers could be completed by students as homework tasks. Students could be given one or two sections to complete in the run-up to the exam, or alternatively the questions could be divided up and given to students as they progress through the various topics to review their learning.

In-class exam: The practice papers make ideal mock exams to complete under timed exam conditions as they are based on the format of the final exam. There is a mark scheme and suggested answers to accompany every question. The mock exam will then enable teachers to pinpoint the topics that students find challenging, review their exam technique / time management and tailor any intervention activities appropriately. The benefit of using these practice papers as mock exams is that the mark schemes are not in the public domain (unlike past and specimen papers produced by the exam boards which are posted on their website) so they give teachers a true picture of how students perform when tackling an unseen paper.

In class: The papers could be 'walked-through' in their entirety or divided up into sections to give the students guidance related to the requirements of an exam. Using the mark schemes, teachers can inform learners how marks are awarded and the difference between the levels on the extended-mark questions.

Exam technique: The papers can be used to help students of all levels to enhance their exam technique. They can become familiar with what is required from an 'explain', 'calculate' and 'analyse' question so they are aware of the detail expected for each level of response. Students could complete a range of question styles and peer mark their responses to the practice questions to give them the opportunity to 'think like an examiner'.

Revision: When the students are approaching their final exams, a whole practice paper could be given to them to complete. This technique may be particularly appropriate for over a holiday period, e.g. Easter or half term. When the students return from their holiday the teacher can mark the entire paper and also share the mark scheme with the students so they can see how their responses compare.

March 2021

Exam Paper Structure

The AQA GCSE Economics (8136) exams run from 2019 onwards. The qualification sits both exams in the summer of their final year of study (Year 11).

The qualification is assessed via two papers which are equally weighted to determine the final grade.

Paper 1: How markets work	<ul style="list-style-type: none"> Written exam – 1 hour 45 minutes 80 marks 50% of final GCSE grade
Paper 2: How the economy works	<ul style="list-style-type: none"> Written exam – 1 hour 45 minutes 80 marks 50% of final GCSE grade

There are no optional papers in this qualification so all candidates must sit both papers. There are also no higher and foundation tiers so all candidates entered will include differentiated questions aimed at top and lower grades.

Students have one hour and 45 minutes to complete both papers, with a maximum of 105 minutes.

Each paper is divided into two sections: A and B. Section A starts with ten multiple choice questions followed by a range of short and extended response questions. Calculation questions are included in Section A. Section B consists of five questions, which are again a range of short and extended response questions. Section B includes one calculation question as well as an essay-style response question.

Some questions in Section A will be based on stimulus material. Section B is based on a real-world case study. Students should be reminded to read the case study carefully before planning any answer. Students who score the highest marks for the case study should apply their answers to the case study situation rather than offer generic responses. The examiner wants to see that candidates can apply their knowledge to demonstrate their in-depth economics knowledge.

Students should always look at the number of marks awarded for each question to determine the amount of depth a student should include within a response.

Time management is a critical skill for GCSE Economics students to master. It is advised that candidates divide their 105 minutes across the 80 marks offered throughout the exam. The first section is worth 48 marks and, therefore, approximately 63 minutes should be spent reading and answering questions within this section. The remaining time, approximately 42 minutes, should be spent on the second section.

Time allocation



Being disciplined with the time available is critical. Spending extra time answering one question will disadvantage the time available for another. There is a risk that the marks gained from a particular question are less than what could have been achieved by starting a substitution question.

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Command words

The following table outlines some of the commonly used command words for the face when completing these papers.

Command word	Overview
Analyse	Divide information into separate parts and identify their features.
Assess	Make a judgement based on the available evidence.
Calculate	Complete a numerical calculation to work out an answer to avoid simply giving the answer to 'calculation' questions but marks if the final answer is wrong. The examiner is able to use it even if the final answer is wrong.
Define	Explain the meaning of a term or phrase.
Draw	Create a diagram.
Explain	Present reasons or arguments.
Justify	Propose an answer supported by evidence.
State	Express in clear and concise terms.

Assessment objectives

Assessment objectives (AOs) are set by Ofqual and are the same for all exam board qualifications. Here are the AOs and their weightings.

AO1	<ul style="list-style-type: none"> Demonstrate knowledge and understanding of economic concepts. 35% of marks available.
AO2	<ul style="list-style-type: none"> Apply knowledge and understanding of economic concepts and issues. 35% of marks available.
AO3	<ul style="list-style-type: none"> Analyse and evaluate economic information and issues to demonstrate economic activity, make judgements and draw conclusions. 30% of marks available.

Exam technique

Many students rush straight into writing their answer. This is inadvisable as they do not address the question asked and at best may lead to poorly structured responses. Often helps to improve the quality of answers composed; however, it is important as it may leave candidates insufficient time to actually write their answer.

Candidates should spend a few minutes planning their answer. They could use a point list to outline the basic structure and key points.

Activity – Planning

Ask your students to consider some of the practice questions within this resource and come up with a basic plan for their response to each question.

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ZigZag Practice Exam

Supporting GCSE AQA

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PAPER 2A

GCSE AQA Economics

Paper 2: How the economy works

Name

Time allowed

1 hour 45 minutes

Instructions

Answer **all** of the questions and use the space provided.

Information

The total number of marks available for this paper is **80**. The number of marks available for each question is displayed to the right of the question.

Use of an electronic calculator is permitted.

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Section A

For multiple-choice questions, provide only **one** answer.
For calculation questions, you are advised to show your working.

- 01 Which of the following is a cause of cost-push inflation?
- ☐ A Lower taxes
 - ☐ B Demand exceeding supply
 - ☐ C Increases in wages
 - ☐ D Rapid economic growth
- 02 Which of the following is not a principal economic objective of government?
- ☐ A Economic growth
 - ☐ B Price stability
 - ☐ C Reducing costs for businesses
 - ☐ D Balance of payments
- 03 Which of the following is an example of indirect taxation?
- ☐ A Income tax
 - ☐ B National Insurance
 - ☐ C VAT
 - ☐ D Business rates
- 04 Which of the following describes unemployment caused by temporary work?
- ☐ A Structural unemployment
 - ☐ B Seasonal unemployment
 - ☐ C Cyclical unemployment
 - ☐ D Frictional unemployment
- 05 Who stands to benefit most from a rise in interest rates?
- ☐ A Savers
 - ☐ B Borrowers
 - ☐ C Investors
 - ☐ D Consumers
- 06 What is meant by GDP per capita?
- ☐ A Gross domestic product
 - ☐ B Gross domestic product adjusted for standard of living
 - ☐ C Gross domestic product adjusted for employment
 - ☐ D Gross domestic product adjusted for population
- 07 What determines the value of a currency?
- ☐ A Supply and demand
 - ☐ B A country's GDP
 - ☐ C A country's level of development
 - ☐ D The balance of payments
- 08 Which of the following would increase the value of exports?
- ☐ A Low inflation
 - ☐ B High unemployment
 - ☐ C High inflation
 - ☐ D Low unemployment

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09 Which of the following is the responsibility of the Bank of England?

- ☐ A Fiscal policy
- ☐ B Monetary policy
- ☐ C Supply-side policy
- ☐ D Budget surplus

10 Which of the following would be likely to result from an increase in VAT?

- ☐ A Lower prices
- ☐ B Higher inequality
- ☐ C Higher unemployment
- ☐ D Lower inflation

11 State **two** examples of fiscal policy.

1.
2.

12 Explain **one** consequence of a budget surplus.

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.....

13 Explain **one** cause of income inequality.

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14 Figure 1 shows the number of people employed and unemployed in the UK

Figure 1

	Number of people (m)
Employed	33.4
Unemployed	1.6

(i) Using Figure 1, calculate the unemployment rate. Give your answer to

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(ii) Explain **one** benefit of high employment.

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Figure 2

The table below shows the growth figures for a national economy over a

Year	GDP (billion)	Annual growth
Year 1	342.6	4.7%
Year 2	357.8	4.4%
Year 3	361.2	0.9%
Year 4	363.4	0.6%
Year 5	356.7	-1.8%

After a couple of years of slowing growth, the economy has retracted over the last year and entered a recession.

Using **Figure 2**, analyse the policy options available to the government to stimulate economic growth.

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16 State the features of globalisation.

1.
2.

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- 17 Explain **one** benefit of high inflation.

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- 18 Explain **one** disadvantage of supply-side policies.

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- 19 Figure 3 shows the Consumer Prices Index (CPI) for a country's economy.

Figure 3

Date	CPI
January 2019	98.40
January 2020	103.80

- (i) Using **Figure 3**, calculate the inflation rate from 2019 to 2020. Give your answer to one decimal place.

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.....

.....

- (ii) Explain **one** way the government can lower inflation.

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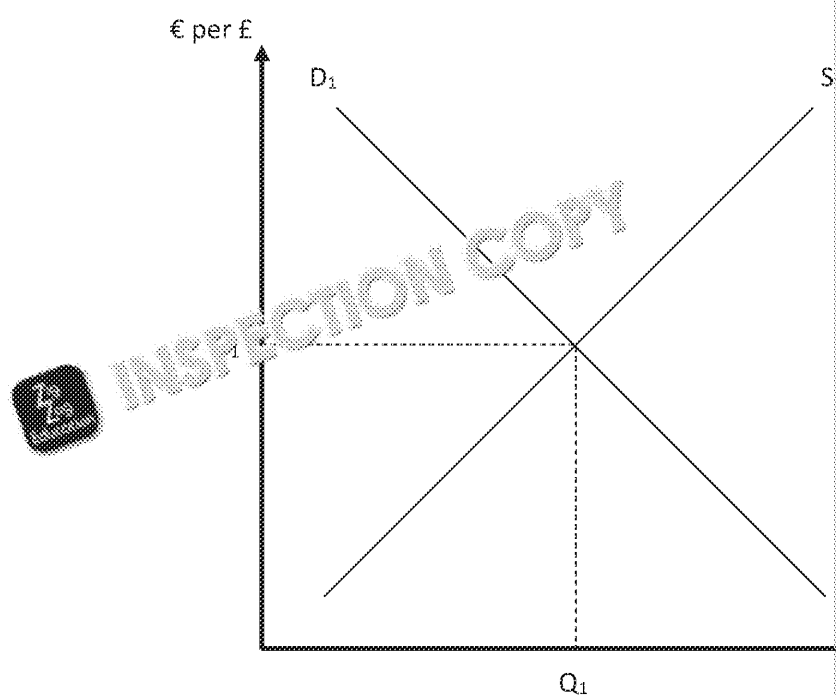
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20 Figure 4 shows the euro to the British pound foreign exchange market.

Draw and label the diagram to show the effects of increased UK exports to

Figure 4



See overleaf for the next question

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Figure 5

The table below shows data from a national economy over two years.

	Year 1	
Unemployment Rate	6.1%	
Population	15.5 million	
Economic Growth	4.2%	
CPI	97.95	

Although the economy is performing strongly in terms of economic growth, it is not so positive. In particular, unemployment remains very high. This is a problem that suggests that the gains from economic growth are not being distributed evenly.

Using **Figure 5**, assess whether government policies to reduce unemployment would be effective.



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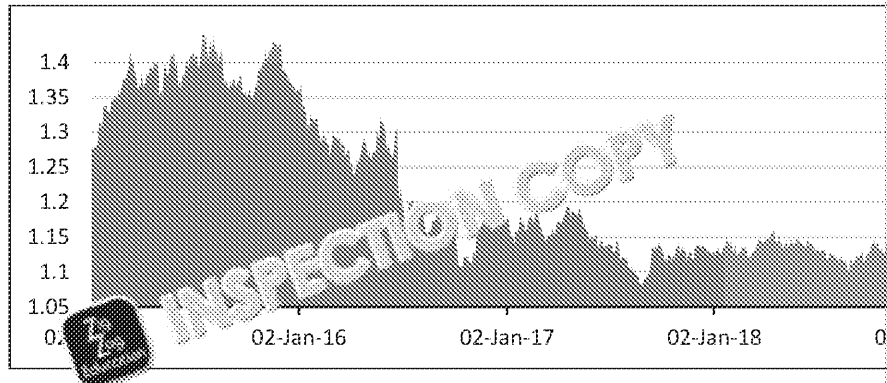
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Section B

Figure 6

The exchange rate between the UK's currency, the pound sterling, and the Euro is highly prone to fluctuations. However, demand for the pound in recent years has compared to the end of 2015. This suggests that the currency has depreciated in value. The graph below shows the price of £1 in euros over a five-year period.



The crucial event in this depreciation was the UK's decision, made via a referendum, to leave the European Union. Between January 2015 and the date of the referendum, the value of the pound never dips below €1.20 – that is, the value of £1 being equal to €1.20. Following the referendum, the UK pound does not rise above that same sum. This is a reversal of the previous five years, when the pound had been consistently depreciating in value relative to the Euro.

Figure 7

The UK runs a trade deficit with the European Union. This means that it imports more goods and services from the EU than it exports to the EU. While the UK is a net exporter of services to EU countries, it is a net importer of goods from the EU by a much wider margin. The table below shows the value of the UK's exports to the EU, over a three-year period.

	Exports (£m)		Imports (£m)
	Goods	Services	
2016	142,357	105,629	237,929
2017	163,850	117,048	258,840
2018	170,705	120,283	265,000

In order to reduce its trade deficit with the European Union, the UK will need to increase its exports to the EU. In addition, it will also need to produce more of its goods domestically. The principle of free movement of goods, meaning there cannot be any restrictions on the movement of goods between EU countries. The EU conducts trade negotiations on behalf of its member states and trading blocs or free trade areas. This means that all EU countries are subject to the same trading arrangements with all non-EU countries.

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22 Give a definition of free trade.

23 Using **Figure 7**, calculate the percentage change in the UK's trade deficit between 2007 and 2014. Give your answer to one decimal place.

24 Explain **two** advantages of trade to the UK economy.

1.

2.

See overleaf for the next question

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- 25** Using **Figure 6** and **Figure 7**, analyse the likely effect of a depreciating currency balance with the EU.

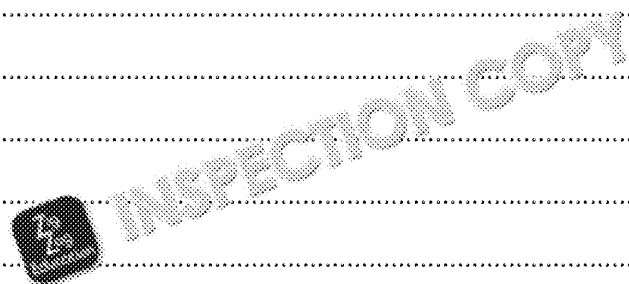


- 26** Do you think leaving the European Union will be beneficial for UK trade? Use your own judgement and your own knowledge to justify your view.

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Preview of Questions Ends Here

This is a limited inspection copy. Sample of questions ends here to avoid students previewing questions before they are set. See contents page for details of the rest of the resource.

Practice Paper D

Note: Although some questions have one correct answer, most of the answers below are exhaustive.

Section A

All AO1, 1 mark each

1	C	6	D
2	B	7	A
3	C	8	B
4	A	9	A
5	C	10	C

Q.	Answering
11	<p>AO1</p> <ul style="list-style-type: none"> • Health • Education • Welfare • Income • Infrastructure <p>Award 1 mark for each correct answer, up to a maximum of 2 marks.</p>
12	<p>AO1</p> <ul style="list-style-type: none"> • High inflation may make borrowing more attractive as the value of money is reducing. • High inflation might make exports less competitive as the value of money relative to other currencies. • High inflation could encourage investment as the value of savings is reduced. • Interest rates might be increased to counteract the effect of high inflation. <p>Award 1 mark for identifying a consequence. Award 1 mark for explaining why.</p>
13	<p>AO1</p> <ul style="list-style-type: none"> • To redistribute wealth and incomes and reduce inequality • To fund government spending on social programmes and government services in the economy • To create financial reserves in boom periods which can be used to reduce the effects of recessions <p>Award 1 mark for identifying a purpose. Award 1 mark for explaining why.</p>
14(i)	<p>AO2</p> $150\,000 + 120\,000 = 270\,000$ $125\,000 + 90\,000 = 215\,000$ $270\,000 - 215\,000 = 55\,000$ <p>Answer: £55,000 surplus</p> <p>Award 2 marks for a correct answer. Award 1 mark for correct calculations but an incorrect answer. Award 1 mark for a correct answer but not presented with a £ sign.</p>
14(ii)	<p>AO1</p> <ul style="list-style-type: none"> • Increases the value of the currency relative to foreign currencies as it reduces the demand for foreign currencies. • Higher levels of employment as more goods and services are being produced than imported from abroad. <p>Award 1 mark for identifying a benefit. Award 1 mark for explaining why.</p>

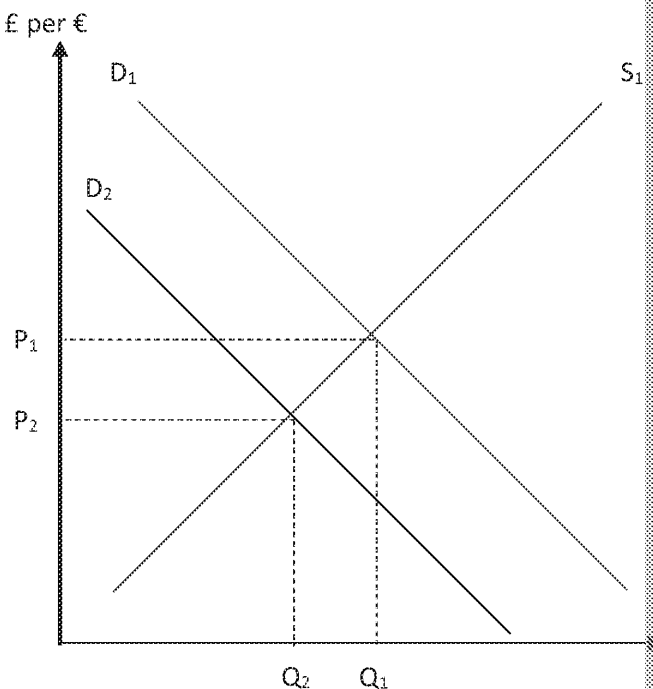
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Q.	Marking															
15	<p>AO2, AO3</p> <ul style="list-style-type: none">• The government could use fiscal policy to increase its revenue by raising taxes. Alternatively, the government could use fiscal policy to reduce its outgoings by cutting spending in some areas.• The government could use monetary policy to increase the supply of money, which would reduce the value of the currency, which would make paying back its debt easier. This could reduce reliance on borrowing in the long term.• The government could sell off some of its assets, such as state-owned enterprises, to generate revenue in the short term, and reduce its spending on maintenance. In the long term it may increase economic activity by creating new avenues for investment, which would boost economic growth and further expand government revenues.• The government could use fiscal policy to stimulate demand by investing in infrastructure. Cutting taxes could also stimulate demand on the monetary side by reducing interest rates, which would boost investment and generate economic growth.• Supply-side policies such as reducing regulation and labour market reform could increase economic activity and generate revenue, but they also increase the government's revenue cost to the extent that they increase the government's reliance on borrowing.• A range of policy options is available to the government; however, they must be used with caution and in complement with one another. Rushing through a series of contradictory reforms in order to balance a budget could be counterproductive and increase the government's reliance on borrowing. <table><tr><th>Level</th><th>Marks</th><th>Description</th></tr><tr><td>3</td><td>5–6</td><td>A complete analysis of economic concepts which demonstrates a deep-based knowledge successfully and presents a coherent and structured argument.</td></tr><tr><td>2</td><td>3–4</td><td>A partial analysis of economic concepts which demonstrates relevant knowledge and follows a logical structure.</td></tr><tr><td>1</td><td>1–2</td><td>Some analysis of economic concepts which fails to demonstrate a coherent argument.</td></tr><tr><td></td><td>0</td><td>Student produced no material worthy of a mark.</td></tr></table>	Level	Marks	Description	3	5–6	A complete analysis of economic concepts which demonstrates a deep-based knowledge successfully and presents a coherent and structured argument.	2	3–4	A partial analysis of economic concepts which demonstrates relevant knowledge and follows a logical structure.	1	1–2	Some analysis of economic concepts which fails to demonstrate a coherent argument.		0	Student produced no material worthy of a mark.
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16	<p>AO1</p> <ul style="list-style-type: none">• Cost-push inflation• Demand-pull inflation <p><i>Award 1 mark for each answer.</i></p>															
17	<p>AO1</p> <ul style="list-style-type: none">• It does not have a damaging effect on the government's finances. It is a result of demand or making exports more competitive without spending and investment.• Decisions in the UK on monetary policy are taken independently of the government. Short-term political incentives have less of an impact on monetary policy.• The effects of monetary policy are often felt more quickly than with fiscal supply-side policies. <p><i>Award 1 mark for identifying a benefit.</i> <i>Award 1 mark for explaining why.</i></p>															
18	<p>AO1</p> <ul style="list-style-type: none">• Advantages gained through economic growth are not necessarily distributed equally. In the presence of fiscal policies in place to redistribute wealth, economic growth can lead to greater inequalities.• Economic growth usually involves an increasing use of physical resources, which can be detrimental to the environment. <p><i>Award 1 mark for identifying a disadvantage.</i> <i>Award 1 mark for explaining why.</i></p>															

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Q.	Marking
19(i)	<p>A02</p> $1.30 - 1.25 = 0.05$ $0.05 / 1.25 = 0.04$ $0.04 \times 100 = 4$ <p>Answer: 4% increase in unemployment</p> <p>Award 2 marks for a correct answer. Award 1 mark for a correct answer but missing a % sign, or not indicating an increase. Award 1 mark for some correct calculations but an incorrect answer.</p>
19(ii)	<p>A01</p> <ul style="list-style-type: none"> Unemployment caused by a downturn in overall economic performance caused by a recession; such unemployment is not the short-term but also the long-term amount of labour. <p>Award 1 mark for defining this form of unemployment caused by recession/downturn. Award 1 mark for stating that this form of unemployment may be temporary.</p>
20	<p>A02</p>  <p>Award 1 mark for drawing and labelling the new D curve to the left of the original D curve. Award 1 mark for labelling the new equilibrium currency value. Award 1 mark for labelling the new equilibrium quantity.</p>

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Q.	Marking															
21	<p>AO2, AO3</p> <p>More positive externalities</p> <ul style="list-style-type: none">• Sugar consumption is associated with widespread public health problems and diabetes. By reducing sugar consumption, action is being taken to improve public health. This may also improve government finances as health is one of the priorities for public spending.• Allocating revenue generated by the sugar tax towards sports in schools improves public health by providing younger generations – those often most likely to consume sugary drinks – with greater ability and resources to exercise.• The sugar tax is a good example of market prices being altered to more accurately reflect social costs, and externalities being taken into account on price terms.• The sugar tax, rather than undermining the sales of soft drinks, has achieved its aim of improving public health performance. This means that firms which produce sugary drinks and have not lost jobs or suffered from reduced sales as a result of the tax, which have benefited them. <p>More negative externalities</p> <ul style="list-style-type: none">• The sugar tax is a highly regressive tax which disproportionately affects lower income families. This is compounded by the fact that people on lower incomes tend to consume a greater quantity of healthier products, such as sugary drinks. In this case, the tax can be regarded as increasing inequality and placing the cost on the consumer rather than on the manufacturers themselves.• The sugar tax has generated significantly less revenue than first expected, with the benefits from this revenue being dedicated to sports in schools may be less than what had been predicted by the government.• The sugar tax has clearly not reduced demand for unhealthy products; demand for soft drinks has increased. Its limited scope, covering soft drinks, does not prevent manufacturers from investing their extra revenue in other unhealthy products. Certain products, for instance, contribute just as much to obesity as soft drinks.• The health risks of artificial sweeteners are not as thoroughly researched as those of sugar, and so it is possible they could also pose health risks. <p>Conclusion</p> <ul style="list-style-type: none">• Overall, it could be argued that the sugar tax has had the desired effect of reducing sugar consumption considerably; however, whether this outweighs the costs of the tax is largely a matter of personal opinion. <table><tr><th>Level</th><th>Marks</th><th>Description</th></tr><tr><td>3</td><td>7–9</td><td><ul style="list-style-type: none">• Knowledge of relevant economic concepts is clear and is presented using a logical structure and an expanded vocabulary.• A complete analysis of ideas and concepts which is supported by evidence-based knowledge in a manner well suited to the context.• A thorough conclusion which uses relevant supporting arguments, displaying a high level of evaluative skills.</td></tr><tr><td>2</td><td>4–6</td><td><ul style="list-style-type: none">• Displays reasonable knowledge of relevant economic concepts, which are presented in a logical manner.• A coherent but partial analysis of ideas and concepts which addresses some of the issues raised by the question.• Conclusion is mostly supported by appropriate evidence, but may display incomplete evaluative skills.</td></tr><tr><td>1</td><td>1–3</td><td><ul style="list-style-type: none">• An understanding of relevant economic concepts is shown, but these concepts are presented in a disconnected manner.• Some analysis of ideas which fails to produce a coherent argument.• Conclusion is lacking in supporting evidence and is not clearly relevant to the context.</td></tr><tr><td></td><td>0</td><td>Student produced no material worthy of a mark.</td></tr></table>	Level	Marks	Description	3	7–9	<ul style="list-style-type: none">• Knowledge of relevant economic concepts is clear and is presented using a logical structure and an expanded vocabulary.• A complete analysis of ideas and concepts which is supported by evidence-based knowledge in a manner well suited to the context.• A thorough conclusion which uses relevant supporting arguments, displaying a high level of evaluative skills.	2	4–6	<ul style="list-style-type: none">• Displays reasonable knowledge of relevant economic concepts, which are presented in a logical manner.• A coherent but partial analysis of ideas and concepts which addresses some of the issues raised by the question.• Conclusion is mostly supported by appropriate evidence, but may display incomplete evaluative skills.	1	1–3	<ul style="list-style-type: none">• An understanding of relevant economic concepts is shown, but these concepts are presented in a disconnected manner.• Some analysis of ideas which fails to produce a coherent argument.• Conclusion is lacking in supporting evidence and is not clearly relevant to the context.		0	Student produced no material worthy of a mark.
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	0	Student produced no material worthy of a mark.														

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Q.	Marking
22	<p>A01</p> <ul style="list-style-type: none"> Investment in a country by a foreign-owned company, meaning profits economic activity in the country will go overseas. <p>Award 1 mark for defining as investment from foreign-owned company. Award 2 marks for identifying that any profits will go overseas.</p>
23	<p>A02</p> <p>$245 \times 1.07 = 262.15$ GDP in 2019 = \$262 billion $262\,000\,000\,000 / 95\,000\,000 = 2757.89$</p> <p>Answer: \$2,758</p> <p>Award 3 marks for a correct answer. Award 2 marks if the answer is correct but not rounded to nearest dollar or is the \$ sign. Award 1 mark for correct calculations but an incorrect answer.</p>
24	<p>A02</p> <ul style="list-style-type: none"> Technological innovation, in areas such as information, communication and transport, has made the movement of goods, services and people far quicker and easier. The removal of trade barriers and promotion of free trade across the world has increased the volume of trade and promoted the idea of specialisation, which boosts international trade. Multinational companies have moved their production processes to developing countries where labour is plentiful and cheaper than in developed countries, spreading production across the world. This has made it cheaper to import than produce domestically in many countries. Migration as people from developing countries have migrated to developed countries where wages are much higher. <p>Award 3 marks for explaining with a full explanation, or a partial explanation. Award 2 marks for explaining with a partial explanation. Award 1 mark for identifying a factor that has contributed to globalisation.</p>

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Q.	Marking															
25	<p>AO2, AO3</p> <ul style="list-style-type: none">Foreign direct investment can be beneficial for developing countries as companies often have the resources required to scale up production and technological innovation, making the production process more efficient and increasing economic output. This significantly improves economic growth and increases GDP per capita.Multinational companies also often tend to be big employers which help production to developing countries due to the low cost and abundant resources. In this sense, FDI is an excellent way of reducing unemployment in developing countries, improve standards of living, reduce inequalities within the country and improve government's finances.FDI can also have negative effects. In particular, domestically owned businesses may struggle to compete with large multinationals as they cannot take advantage of economies of scale or technological resources. As a result, FDI tends to concentrate production among foreign-owned companies, whose profits do not remain in the country in which the company is based.This can have the effect of locking a developing country into a relationship with developed countries and their companies, as the developing country becomes reliant on FDI for its economy to function.Such reliance can make the country far more vulnerable to global shock decisions made by multinational companies, which could choose to scale back operations in a developing country at any time.In addition, developing countries are often reliant on exporting raw materials to multinationals, which are goods of considerably less value than manufactured goods. This means developing countries are relatively uncompetitive on global markets and a reliance on raw materials can cause severe economic damage.Overall, foreign direct investment can improve efficiency and productivity in developing countries, and generate huge amounts of economic growth; however, due to an imbalance in their resources, it is very easy for developing countries to become reliant on FDI, leaving their economies more vulnerable. <table><tr><th>Level</th><th>Marks</th><th>Description</th></tr><tr><td>3</td><td>5-6</td><td>A complete analysis of economic concepts which demonstrates a deep understanding based knowledge successfully and presents a coherent and structured argument.</td></tr><tr><td>2</td><td>3-4</td><td>A partial analysis of economic concepts which demonstrates some relevant knowledge and follows a logical structure.</td></tr><tr><td>1</td><td>1-2</td><td>Some analysis of economic concepts which fails to demonstrate a coherent argument.</td></tr><tr><td></td><td>0</td><td>Student produced no material worthy of a mark.</td></tr></table>	Level	Marks	Description	3	5-6	A complete analysis of economic concepts which demonstrates a deep understanding based knowledge successfully and presents a coherent and structured argument.	2	3-4	A partial analysis of economic concepts which demonstrates some relevant knowledge and follows a logical structure.	1	1-2	Some analysis of economic concepts which fails to demonstrate a coherent argument.		0	Student produced no material worthy of a mark.
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26	<p>AO2, AO3</p> <p>Globalisation is beneficial for UK</p> <ul style="list-style-type: none">Globalisation has a number of positive effects on the UK economy.Firstly, UK firms can take advantage of an abundance of labour at a low cost, which can help to reduce the cost of their production and make their products more competitive internationally. This is beneficial for the UK economy overall as it maximises the value added by domestic companies.Secondly, firms can take advantage of large economies of scale through which they can reduce costs and makes their goods and services more competitive.Thirdly, by transferring labour-intensive, low-paid manufacturing work to developing countries, a service-orientated economy is created, as alluded to by Figure 6. This allows the UK to focus on skilled and highly paid work to the UK population. Services tend to be more valued and competitive on international markets.Fourthly, globalisation provides consumers with more choice and cheaper goods due to increased imports from a greater variety of locations. <p>Globalisation is not beneficial for UK</p> <ul style="list-style-type: none">Large numbers of lower skilled manual labourers have suffered from increased unemployment as a result of globalisation. With manufacturing increasing in developing countries, large areas of the country formerly based around manufacturing have been left behind, with the gains from globalisation being felt elsewhere, in other parts of the world.															

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Q.	Marking																					
26	<ul style="list-style-type: none">Furthermore, this risk of structural unemployment remains, and standard economic growth pick up pace in developing countries. As wages increase in leading developing countries will also move towards service-orientated than in the West, risking further outsourcing of jobs and structural unemployment on an even larger scale.The gains from globalisation are not distributed equally and can often create inequalities. While large multinational companies benefit from globalisation, more profitable, free movement of money also allows companies to avoid their obligations, meaning the government does not receive the amount it needs and cannot so effectively redistribute wealth in order to reduce inequality and demand. These reduced financial capabilities could be contributing to the problems in the UK, as highlighted in Figure 6, as money made by multinational companies is being reinvested domestically.In addition, increased global economic interconnectedness makes the world more vulnerable to economic shocks happening elsewhere, which it has a limited ability to protect its economy against.Finally, globalisation has a number of environmental negative externalities, such as increased transportation of goods and people, as well as the environmental damage caused by increased economic activity. <p>Conclusion</p> <ul style="list-style-type: none">Overall, globalisation provides large firms in the UK with substantial benefits, leading to a more highly valued service economy; however, the gains are often not shared equally and the UK economy is exposed to global shocks and is vulnerable to a global economic downturn. <table><tr><th>Level</th><th>Marks</th><th>Description</th></tr><tr><td>5</td><td>13-15</td><td><ul style="list-style-type: none">Strong knowledge of relevant economic concepts, which is evident, and is presented confidently and logically with an expanded vocabulary.A complete analysis of ideas and concepts which uses evidence-based knowledge in a manner well suited to the context.A thorough conclusion which uses relevant supporting evidence extensively, displaying a high level of evaluation.</td></tr><tr><td>4</td><td>10-12</td><td><ul style="list-style-type: none">Demonstrates a good level of knowledge and understanding of economic concepts, which are presented in a logical structure and an expanded vocabulary.A coherent and confident analysis of ideas and concepts which are mostly relevant to the context.Conclusion addresses most issues raised by the question with appropriate supporting evidence, but could be expanded further.</td></tr><tr><td>3</td><td>7-9</td><td><ul style="list-style-type: none">Demonstrates reasonable knowledge of relevant economic concepts, which are presented in a logical manner.A coherent analysis of ideas and concepts which are relevant to the question.Conclusion is mostly supported by appropriate supporting evidence, but may display incomplete evaluative skills.</td></tr><tr><td>2</td><td>4-6</td><td><ul style="list-style-type: none">An understanding of relevant economic concepts, but these concepts are presented in a disconnected manner.Some analysis of disconnected ideas which fail to form a coherent argument.Conclusion is lacking in supporting evidence and relevance to the context.</td></tr><tr><td>1</td><td>1-3</td><td><ul style="list-style-type: none">A minimal understanding of relevant economic concepts is displayed.Some analysis of ideas which may lack relevance to the question.No conclusion is presented.</td></tr><tr><td></td><td>0</td><td>Student produced no material worthy of a mark.</td></tr></table>	Level	Marks	Description	5	13-15	<ul style="list-style-type: none">Strong knowledge of relevant economic concepts, which is evident, and is presented confidently and logically with an expanded vocabulary.A complete analysis of ideas and concepts which uses evidence-based knowledge in a manner well suited to the context.A thorough conclusion which uses relevant supporting evidence extensively, displaying a high level of evaluation.	4	10-12	<ul style="list-style-type: none">Demonstrates a good level of knowledge and understanding of economic concepts, which are presented in a logical structure and an expanded vocabulary.A coherent and confident analysis of ideas and concepts which are mostly relevant to the context.Conclusion addresses most issues raised by the question with appropriate supporting evidence, but could be expanded further.	3	7-9	<ul style="list-style-type: none">Demonstrates reasonable knowledge of relevant economic concepts, which are presented in a logical manner.A coherent analysis of ideas and concepts which are relevant to the question.Conclusion is mostly supported by appropriate supporting evidence, but may display incomplete evaluative skills.	2	4-6	<ul style="list-style-type: none">An understanding of relevant economic concepts, but these concepts are presented in a disconnected manner.Some analysis of disconnected ideas which fail to form a coherent argument.Conclusion is lacking in supporting evidence and relevance to the context.	1	1-3	<ul style="list-style-type: none">A minimal understanding of relevant economic concepts is displayed.Some analysis of ideas which may lack relevance to the question.No conclusion is presented.		0	Student produced no material worthy of a mark.
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