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Pearson Edexcel International A Level
In Economics (WEC04)

Unit 4: Developments in the Global Economy

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Introduction

The entry for this examination series continues to grow. There were just over 400 students sitting this exam.

In Section A, question 3 was the most answered question amongst the essays followed by question 1. Question 2 was attempted by a very small number of students. In Section B, question 4 proved to be the more popular option than question 5. Slightly stronger performances were seen on question 3 from Section A (mostly driven by part (b)) and question 4 from Section B.

Most responses to the essay questions in Section A showed good levels of depth and breadth. It is pleasing to notice the students taking on board the advice that has been offered to them. However, some students struggled to understand the requirements of the question and often did not add enough evaluation to their answers. Some students merely listed points but did not develop them further.

Typically, examiners are looking at three well developed and contextualised analysis points and two well developed and contextualised evaluative points for 15 mark essay questions. Similarly, examiners are looking at four very well developed and contextualised analysis points and three well developed and contextualised evaluative points for the 25 mark essays.

Likewise in answers to Section B, some students did not make appropriate use of the relevant data provided in the extracts. Despite this general trend, there were several good scripts. Students were able to integrate most of their analysis with application to context and evaluated their arguments in sufficient detail.

The questions were accessible at all levels and provided good opportunities for students to differentiate by ability. Answering the exact question asked, integrating data with analysis and strong evaluation continue to remain the essential ways that the A-grade students achieve higher marks.

Moreover, students are also highly encouraged to have better structure to their answers. Many have written the essays in bullet points and some have written in long blocks/paragraphs without making clear distinction between analysis and evaluation. This was also seen throughout all the higher mark questions in the data response section.

SECTION A

Q1(a)

This was a popular question amongst the students. Only a few students have been able to analyse whether globalisation always increases income inequality within countries. A point well explained related to differences in wage rates of the skilled and unskilled workers. Students were not able to develop further analysis points as they were unable to provide chains of reasoning linking their arguments to countries of their choice. This gave them a high score, putting them in level 3.

Those students who listed points and who showed a lack of understanding of the causes were not able to access more than level 1. A few, who were able to explain their arguments but had weak development, were not able to achieve more than level 2. Their points lacked chains of reasoning and therefore were unable to access level 3.

However many students were not able to evaluate the question effectively, where they were not able to examine why globalisation might not increase income inequality. They provided solutions to the effects of inequality (this relates to the question asked in part 1(b)) and did not directly answer the question. As a result, they were unable to gain access to the highest level. This was seen in the answers of students of all abilities.

Q1(b)

Many students were able to evaluate the economic impact of a significant increase in income inequality. Whilst students were able to analyse their arguments in details, their evaluation points were often limited. Therefore students were not able to access level 5.

The most common analysis points made by students were on consumption, economic growth, inflationary pressures and public finances. Most of them were able to explain their arguments in detail. There were a few students who were only able to give a couple of points for analysis and evaluation. They also did not discuss their points in detail and therefore were not able to access the higher levels.

The most common evaluation points revolved around 'significant' increase and level of spare capacity. Few students evaluated only 1 point and this often tended to be less developed. Many students often listed their points.

Many added depth to answers using diagrammatic analysis and by referring to a developed country, which is not a requirement of the question but was credited. They were able to achieve level 5. Others were not able to develop their arguments in much detail and could not access the higher levels.

Q2(a)

There were very few students who attempted this question. Some were able to effectively answer the question but a couple of students did not read the question carefully. They answered the question in the context of developed countries that provides the debt relief.

Most of the students were able to evaluate the case for promoting economic development through debt relief. They used improving human capital, filling the savings gap and improving infrastructure as their main arguments. They were able to provide logical chains of reasoning linking points to economic development. This gave them high scores, putting them in level 3 for their analysis.

They also made a couple of well-developed evaluative comments on the case against debt relief and were able to access level 5. Although some students revealed well-developed analysis points, they were unable to explain their evaluative comments in depth and could not access many further marks.

Few students were able to identify points but not develop them in context of the question. Some students answered it in relation to economic growth and did not link it to economic development or a developing country. Hence they were unable to access higher levels.

Q2(b)

Students were not able to access the higher levels as they were not able to present a sound assessment of the view that absence of property rights is the most significant constraint on economic growth in developing countries. Many candidates did not have a clear understanding of the demands of the question and often discussed the housing market.

A very few good answers were seen for this question, particularly where students were able to write their arguments in context of a developing country in a positive way. Many students were able to include sufficient detail, and integrate their analysis and application to a greater extent.

Responses that received higher levels had strong analysis and evaluation points. Many students discussed points on absence of property rights and then further analysed points on primary product dependency, savings gap and weak human capital. Some candidates explained external debt in their answer and this was not credited as the question asks them to exclude this constraint to growth.

Evaluation points were commonly well written and in context of countries. They presented good terminology and understanding of the question. Some students drew on these concepts to lesser extent in the answers, especially on absence of property rights. They did not often develop their arguments further and needed to show more breadth and depth to their answers.

Students who listed points were not able to access more than level 1. Few, who explained their points but had limited development, were not able to achieve more than level 2 for their analysis. It is important that all students explain property rights before further analysing the other constraints to gain access to the higher levels. Students who answered this question, therefore, found it difficult to access highest levels.

Q3(a)

There were many students who attempted this question. Few students were able to analyse their points in context of an EU country (although it was not required) to answer this question and were therefore able to add depth to their arguments. Almost all students discussed why national debt is a cause for concern in their analysis. The most common points that were developed included impacts on inflation, crowding out and credit rating of the country.

Those who were unable to sufficiently develop their points but had identified why national debt is a concern were able to access no more than level 2. A few students only listed in bullet point format, and they were able to access level 1. There were no chains of reasoning provided.

In evaluation, many students explained why national debt is not a cause for concern. However the depth of their arguments was relatively limited. They attempted to evaluate how inflation erodes the real value of debt and that because interest rates are low, national debts will not be an issue.

Q3(b)

Students produced some good answers to this question, and in particular were able to apply their answers to Turkey. It was clear that when the students included context they were able to include far more detail, and integrate their analysis and application to a greater extent.

Majority of the students examined the likely economic benefits to Turkey of joining a trading bloc. Several students discussed benefits to consumers, producers, government and trade creation. They were able to evaluate each of the policies analysed in context of a developed country.

Responses that received higher levels made well developed analysis points. They showed good depth to their arguments but often lacked the necessary depth in their evaluative comments. Some students were unable to develop their analysis arguments, often just listing them without providing context. Many students did not make reference to Turkey and hence, did not attain higher levels.

Across scripts, there was little application to Turkey. Applying answers with country reference may provide students with a framework in which to base more in-depth analysis and evaluation.

SECTION B

Q4(a)

This question was generally not well answered and students were not able to accurately outline two roles of the IMF. They were often confused with the WTO. Some students offered only one role. A few offered two roles in their answer and hence, obtained full marks for knowledge. Examiners are looking for two separate pieces of data reference and only a few students were able to access both application marks as they correctly identified these from the extract.

Q4(b)

Most students have been able to evaluate the likely macroeconomic effects of the introduction of VAT on the UAE economy and have added reasonable depth to all their answers. For listing various points, they could only access level 1. Many were able to add development of their points but did not get level 3 if they did not write it in context of the question given. Hence, they were only able to get level 2. For 16 mark question, 8 marks are available for knowledge, application and analysis and 8 marks for evaluation.

Level 1 would be identification of an effect, level 2 would be identification of an effect and use of data from the extract OR development of the point, and level 3 would be identification of an effect, use of data AND development of their point. For arguments which do not contain relevant data in the extract, students needed to develop their point effectively to access the higher level.

Students used a wide range of points – on economic growth and inflation, on income distribution, on public finances and on incentives to work. Many also supported this with an AD/AS diagram. However, several candidates discussed the microeconomic effects of an increase in indirect tax and were not therefore not rewarded with the higher levels.

Evaluation points were not as well developed although many students made an attempt to evaluate the analysis points they had analysed. Students who listed their points without any development accessed only level 1. To access the higher levels, students need to demonstrate good depth and breadth in their answers. Typically, examiners are looking for 3 well developed analysis points and 3 well developed evaluation points in 16 mark questions.

This suggests that additional practice in reading and understanding the kind of extracts found in data response questions would be beneficial, as would practice in how to integrate application with students' own analysis to make a complete and well explained argument.

Q4(c)

Students were able to analyse benefits of infrastructure improvements for the UAE economy, but often found it difficult to develop their points. They had to refer to the last paragraph of Extract 1. Many explained benefits of increased employment, positive impact on growth and increase in FDI. Few students also used diagrams to support their explanation.

Most students added sufficient depth to their answers and they explained them well. This allowed them to get all 3 marks for each point. However, handful of students explained drawbacks of infrastructure improvements which did not directly answer the question and did not receive any marks. Few students did not include any application from the data provided and therefore did not access any application marks.

Q4(d)

Although students were able to use Extract 2 to discuss structural reforms, other than infrastructure improvements, that could help the UAE 'diversify the economy away from oil', they were unable to consistently apply it in context. They struggled to account for aptly detailed explanations to earn level 3 marks for knowledge, application and analysis. For every 12 mark question, 8 marks are available for knowledge, application and analysis and only 4 marks for evaluation.

Level 1 would be identification of structural reform, level 2 would be the identification of a structural reform and use of data from the extract OR development of their point, and level 3 would be the identification of a structural reform, use of data AND development of their point. For their arguments which do not contain any relevant data in the extract, students needed to develop their point effectively to access the higher level.

Some students' answers often lacked depth and breadth. They were able to apply the data from the extracts but with no further development and this got credited at Level 2 if mentioned along with identification of a structural reform. Some used Extract 1 and this was not credited.

Evaluation was limited and students did not explain their arguments well. Some students listed basic evaluation points without development and this gave them access to Level 1 only. Typically examiners are looking for 3 very well developed analysis points and 2 very well developed evaluation points in 12 mark questions.

This question could not be fully or meaningfully answered without reference to the data provided, and many students failed to appreciate this and tried to write answers solely from their own knowledge. Those who tried to make reference to the data were able to offer sound analysis of the evidence.

Q5(a)

This question was not well answered and students were not able to outline two features of floating exchange rate. They were often confused with fixed exchange rate. Some students offered only one feature. Only a few offered two features in their answer and hence, obtained full marks for knowledge. Examiners are looking for two separate pieces of data reference and only a few students were able to access both application marks as they correctly identified these from the extract.

Q5(b)

Not all students were able to analyse deregulation of financial markets and labour markets. Most students made an attempt to explain but they did not answer it in the context of the question provided. Only a handful of students explained both, and this gave them access to 3 marks per point made. For those students who only provided analysis of one part of the question, they could only obtain a maximum of five marks if they applied the correct data from the extract.

Not many students were able to access the two application marks as they did not refer to the extract carefully. Some students made reference to their own knowledge and this was not credited.

Q5(c)

This question required the students to assess the economic benefits which the Australian economy gained 'from the rapid industrialisation and growth of China'. Students were not able to well answer this question where most of them copied the information from the given extract and did not develop these points written. This gave them access to level 1 only. Some students discussed the benefits to China and this was not credited.

Few were able to provide sufficiently detailed explanations of the reasons to earn them level 3 mark for knowledge, application and analysis. For every 12 mark question 8 marks are available for knowledge, application and analysis and 4 marks for evaluation.

Level 1 is the identification of a benefit, level 2 would be the identification of benefit and use of data from the extract OR development of their point, and level 3 would be identification of benefit, use of the data AND development of their point. For their arguments which do not contain any relevant data in the extract, students needed to develop their point effectively to access the higher level.

Evaluation points were relatively weak across all scripts. Many were able to draw upon short run vs long run, and magnitude of growth considerations, but this was not always developed. Some students listed points and hence only accessed level 1.

This question could not be fully or meaningfully answered without reference to the data provided, and many students failed to appreciate this and tried to write answers solely from their own knowledge. Those who made sound reference to the data were able to offer sound analysis of evidence.

Q5(d)

This question was answered reasonably well in terms of its analysis, with some students showing good evaluation of the likely economic costs of a fall in net migration to Australia. Many students used extract 2 for their analysis and evaluation arguments. Most common points explained were impact on tax revenues, consumption and economic growth, and unemployment. For 16 mark questions, 8 marks are available for knowledge, application and analysis and 8 marks for evaluation.

Level 1 is the identification of a cost, level 2 would be the identification of a cost and use of data from the extract OR development of their point, and level 3 would be identification of a cost, use of the data AND development of their point. For their arguments which do not contain any relevant data in the extract, students needed to develop their point effectively to access the higher level. Few students copied paragraphs from the extract and offered these as their points and were therefore unable to access higher levels.

Evaluation was a little generic but few students offered the benefits of the fall in net migration. They were able to access the higher levels as they answered their questions in context of the question. To get the access to higher levels, students need to be consistent with the context and should show good depth and breadth in the answers. Typically, examiners are looking for 3 well developed analysis and 3 well developed evaluation points in 16 mark questions.

This suggests that additional practice in reading and understanding the kind of extracts found in data response questions would be beneficial, as would practice in how to integrate application with students' own analysis to make a complete and well explained argument.

Conclusion

• Students must read all the questions carefully, and make sure that they have addressed all parts of a question in their response. In a few different questions on this paper, not understanding requirements of the questions, in terms of depth and breadth, was the main reason for low scores.

• Application is a key assessment objective, and a skill that all students should aim to show throughout their responses, even when a question does not explicitly ask for it. Particularly in response to essay questions in Section A, reference to particular countries and examples would help to improve the quality of responses and allow students to add depth and breadth to their points.

• Evaluation is the highest level assessment objective and on this paper in particular, the ability to evaluate was the main discriminator between the weaker and stronger responses. Indeed in some cases, students did not even attempt any evaluation which immediately constrained their scores on the questions that required this.

• There are no evaluation marks for 8 mark questions. Please use the time given effectively and avoid assessing the analysis points made. Students need to be aware that they need to use the information as indicated by the question to get application marks, wherever applicable.

• To access the highest level, students must show sufficient depth and breadth to their analysis and evaluation points. These points must be consistently written in context of the question. Material also needs to be presented in a relevant and logical way.

• Students are also highly encouraged to have better structure to their answers. They must avoid writing essays and higher mark questions in bullet points or in long blocks/paragraphs without making a distinction between their analysis and evaluation points.