OXFORD
INTERNATIONAL
AQA EXAMINATIONS

INTERNATIONAL A-LEVEL

ECONOMICS

EC04

Unit 4 Economic Development and the Global Economy

Mark scheme

January 2023

Version: 1.0 Final

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from oxfordaqaexams.org.uk

International A-level Economics mark scheme

How to mark

Aims

When you are marking your allocation of scripts your main aims should be to:
- recognise and identify the achievements of students
- place students in the appropriate mark band and in the appropriate part of that mark band (high, low, middle)
- record your judgements with brief notes, annotations and comments that are relevant to the mark scheme and make it clear to other examiners how you have arrived at the numerical mark awarded
- put into a rank order the achievements of students (not to grade them − that is done later using the rank order that your marking has produced)
- ensure comparability of assessment for all students, regardless of question or examiner.

Approach

It is important to be **open minded** and **positive** when marking scripts.

The specification recognises the variety of experiences and knowledge that students will have. It encourages them to study Economics in a way that is relevant to them. The questions have been designed to give them opportunities to discuss what they have found out about Economics. It is important to assess the quality of **what the student offers**.

Assessment Objectives

This component requires students to:

AO1	Demonstrate knowledge of terms/concepts and theories/models to show an understanding of the behaviour of economic agents and how they are affected by and respond to economic issues.
AO2	Apply knowledge and understanding to various economic contexts to show how economic agents are affected by and respond to economic issues.
AO3	Analyse issues within economics, showing an understanding of their impact on economic agents.
AO4	Evaluate economic arguments and use qualitative and quantitative evidence to support informed judgements relating to economic issues.

The marking grids

The marking grids cover all the Assessment Objectives indicated as being assessed in each question, followed by indicative content for individual tasks. These have been designed to allow assessment of the range of knowledge, understanding and skills that the specification demands.

The indicative content gives examples of the kind of things students might cover in their responses. They are neither exhaustive nor required – they are simply indicative of what could appear. Other valid content presented in student responses should always be credited.

Using the grids

These levels of response mark schemes are broken down into levels, each of which has descriptors. The descriptors for the level show the performance characteristics of the level. There is the same number of marks in each level. The number of marks per level varies depending upon the total number of marks allocated to the question.

Having familiarised yourself with the descriptors and indicative content, read through the answer and annotate it to identify the qualities that are being looked for and that it shows. You can now check the levels and award a mark.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptors for that level. The descriptors for the level indicate the different qualities that might be seen in the student's answer for that level.

When assigning a level, you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best-fit approach for defining the level and then use the variability of the response to help decide the mark within the level; ie if the response fulfils most but not all of level 3 with a small amount of level 4 material, it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark.

It is often best to start in the middle of the level's mark range and then check and adjust.

The exemplar materials used during standardisation should be referred to. There will be an answer in the standardising materials that will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is of the same standard, better or worse. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

An answer that contains nothing of relevance to the question must be awarded no marks.

Examiners are required to assign each of the students' responses to the most appropriate level according to its overall quality, then allocate a single mark within the level. When deciding upon a mark in a level, examiners should bear in mind the relative weightings of the Assessment Objectives and be careful not to over/under credit a particular skill. For example, in question 13 more weight should be given to AO3 than to AO1 and AO2. This will be exemplified and reinforced as part of examiner training.

Annotating scripts

Annotating scripts will help you with making accurate judgements and it will help any subsequent markers to identify how you are thinking. Please do not write negative comments about students' work; this is unprofessional and it impedes a positive marking approach.

Section A   **Total for this section: 10 marks**

Question	Part	Marking guidance	Total marks
01		Transnational companies (TNCs) may deliberately reduce the profits they make in some countries to reduce the tax they pay. This involves one part of a business charging another part of the same business for goods and services received. This strategy is known as Answer: **D** (transfer pricing.)	**1** **AO1 = 1**

Question	Part	Marking guidance	Total marks
02		What is the unemployment rate to one decimal place? Answer: **B** (4.8%)	**1** **AO2 = 1**

Question	Part	Marking guidance	Total marks
03		All other things being equal, what can be concluded about the size of the public sector debt for France? Answer: **B** (Public sector debt was highest in 2018.)	**1** **AO2 = 1**

Question	Part	Marking guidance	Total marks
04		Which one of the following combinations shows the most likely impact on the bank's liquidity and profitability? Answer: **B** (Falls Rises)	1 AO2 = 1

Question	Part	Marking guidance	Total marks
05		Which one of the following best describes why banks may engage in risky lending due to this financial support? Answer: **C** (Moral hazard)	1 AO1 = 1

Question	Part	Marking guidance	Total marks
06		 In order to maintain growth rates, the government increases its spending. Which one of the following indicators is most likely to **decrease** as a result of this change in spending? Answer: **A** (International competitiveness)	1 AO2 = 1

Question	Part	Marking guidance	Total marks
07			1 AO2 = 1

	Year 1	Year 2
	$ billion	$ billion
Balance of trade in goods	–75	–60
Balance of trade in services	120	100
Net FDI	90	80
Net portfolio investment	107	117
Payments to the IMF	–5	–4
Overseas development aid	–10	–10

All other things being equal, which one of the following is true?

Answer: **D** (The secondary income balance has improved.)

Question	Part	Marking guidance	Total marks
08			1
			AO3 = 1

	Price elasticity of demand
Exports	−0.65
Imports	−1.20

The economy devalues its currency.

All other things being equal, which one of the following is the most likely impact of this devaluation?

Answer: **B** (The demand for exports rises.)

Question	Part	Marking guidance	Total marks
09		A fall in which one of the following development indicators would indicate an improvement in the standard of living in an economy? Answer: **D** (Multidimensional Poverty Index)	1 AO1 = 1

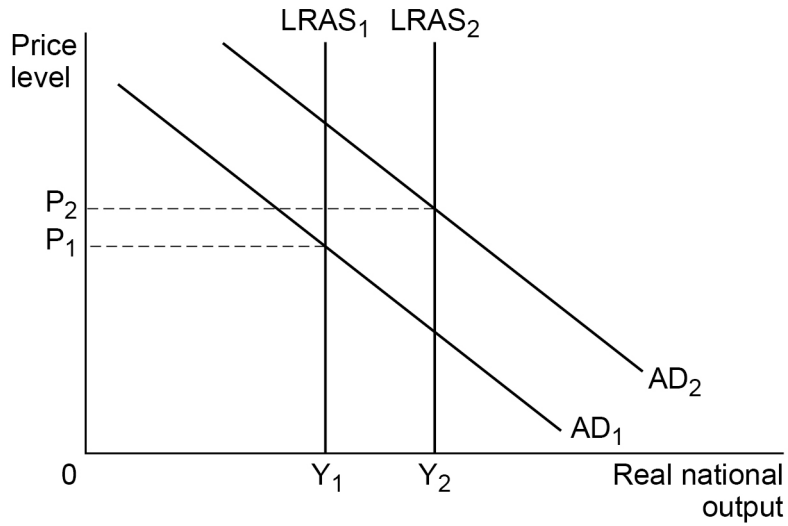| Question	Part	Marking guidance	Total marks
10		Which one of the following changes is most likely to cause a country's currency to appreciate? Answer: **D** (The fall in outward FDI is greater than the fall in inward FDI.)	1 AO1 = 1

Section B   **Total for this section: 10 marks**

Question	Part	Marking guidance	Total marks
11	**1**	Define 'progressive tax'. **A full and precise definition is given (2 marks)** Examples of acceptable definitions worth 2 marks: • as income rises, so does the percentage of income paid in tax • a tax which takes a higher proportion of income as individual income increases • a tax which places a higher burden of taxation upon individuals as their income increases. **The substantive content of the definition is correct, but there may be some imprecision or inaccuracy (1 mark)** Examples of definitions worth 1 mark: • a tax which is higher for those with higher incomes • a tax which charges more to the rich than the poor.	**2** **AO1 = 2**

Question	Part	Marking guidance	Total marks
11	**2**	A government decides to build a new high-speed rail link to raise the rate of economic growth in the economy and increase its productive capacity. Draw an AD/AS diagram to show how increased government spending on infrastructure will affect an economy.	**4** **AO1 = 2** **AO2 = 2**

Response	Max 4 marks
Accurately drawn AD/AS diagram showing an outward shift of AD and an outward shift of LRAS. Original equilibrium shown, P_1, Y_1, and new equilibrium price level and output, for example P_2, Y_2 with both axes and all curves and coordinates labelled correctly.	**4 marks**
Accurately drawn diagram showing either an outward shift in AD or an outward shift in LRAS with all curves and equilibria accurately labelled. Both axes and all curves and coordinates are labelled correctly. **OR** Accurately drawn diagram showing both AD and LRAS shifting outward but with one label missing/incorrect.	**3 marks**
Accurately drawn diagram showing either an outward shift in AD or an outward shift in LRAS but with one label missing/incorrect. **OR** Accurately drawn diagram showing both AD and LRAS shifting outward but with two labels missing/incorrect.	**2 marks**
Accurately drawn diagram showing an initial equilibrium point with both axes, both original curves and both original curves labelled, for example P_1, Y_1 **OR** Shows either an outward shift in LRAS or an outward Shift in AD with correct labelling for both axis and the curves shown	**1 mark**

Indicative content:

The expected diagram is as follows:

Depending on the size of the AD and LRAS shift, the price level may go up, down or stay the same. Any of these outcomes is acceptable.

Credit other valid diagrams.

Acceptable labels include:

Vertical axis: price level, inflation, PL

Horizontal axis: real national output, real GDP, RGDP, Real National Income

Do **not** allow P and Q or Price and Quantity for the axis labels.

Question	Part	Marking guidance	Total marks
11	**3**	Calculate the total change in national income due to the increase in government spending. Give your answer to the **nearest billion dollars**. Calculation: MPW = 0.2 + 0.3 + 0.15 = 0.65 MPC = 1 – 0.65 = 0.35 Multiplier value = $\dfrac{1}{(1 - 0.35)}$ = 1.53846… Multiplier × initial injection = 1.53846... × \$70bn = \$107.692...bn Answer = \$108bn	**4** **AO1 = 2** **AO2 = 2**

Response	Max 4 marks
For the correct answer (with or without working): $108bn	**4 marks**
For the correct answer but with missing/incorrect units: eg 108bn **OR** For the correct answer with the correct units but not rounded to the nearest billion dollars: eg $107.6bn **OR** For the correct answer rounded the wrong way: $107bn	**3 marks**
For the correct calculation of the multiplier value: eg 1.54 **OR** For the correct method throughout but the wrong answer.	**2 marks**
For the correct calculation of the MPC or MPW: 0.35 or 0.65 **OR** For identifying the multiplier formula: $\dfrac{1}{1 - \text{MPC}}$ or $\dfrac{1}{\text{MPW}}$	**1 mark**

MAXIMUM FOR QUESTION 11: 10 MARKS

Section C   **Total for this section: 45 marks**

Question	Part	Marking guidance	Total marks
12	**1**	**Extract A** shows the value of world exports and the growth of world real GDP (%), from 2004 to 2020. Explain why changes in the value of world exports are likely to affect the growth of world real GDP.	**4** **AO1 = 1** **AO2 = 1** **AO3 = 2**

Examiners are reminded that AO1, AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives in this question.

Level	Marks	Descriptor
2	3–4	• Shows sound knowledge and understanding of relevant economic terminology, concepts and principles. • Includes reasonable application of relevant economic principles to support the response. • Includes well-focused analysis with a clear, logical chain of reasoning.
1	1–2	• Shows some limited knowledge and understanding of relevant economic terminology, concepts and principles. • May include some application of relevant economic principles to the question. • May include some attempted analysis but the analysis is not adequately developed and/or may be confused.
	0	No creditworthy material

Indicative content:

- definitions of world exports and world real GDP
- explanation of the impact on aggregate demand and output both from higher export and import values
- explanation of the impact on levels of employment and business investment
- explanation of possible multiplier and accelerator effects on real GDP from a rising value of world exports
- explanation of the impact on costs and the level of aggregate supply
- explanation of the impact on competitiveness, productivity and efficiency from rising world exports as the level of competition in domestic markets increases due to increases in imports
- explanation of the impact of export-led growth in particular economies on global growth rates.

Note: some students may support their answer with a diagram, but this is not needed for full marks.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
12	**2**	To what extent do the data suggest that changes in the value of world exports have affected growth of world real GDP between 2004 and 2020? Use the data in **Extract A** to support your answer.	**4** **AO1 = 1** **AO2 = 1** **AO4 = 2**

Examiners are reminded that AO1, AO2 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives in this question.

Level	Marks	Descriptor
2	3–4	• Includes sound evidence that indicates the extent to which changes in the value of world exports have affected growth of world real GDP. • Includes a supported judgement concerning the extent to which changes in the value of world exports have affected growth of world real GDP.
1	1–2	• Includes some limited evidence that indicates the extent to which changes in the value of world exports have affected growth of world real GDP. • May attempt a judgement concerning the extent to which changes in the value of world exports have affected growth of world real GDP but this is not adequately supported by the data.
	0	No creditworthy material

Indicative content:

• The growth in the value of world exports is highest in the first part of the 2000s, with the index of the value of exports increasing from 55.7 to 97.6 (75.2%) between 2004 and 2008. At the same time, the two highest rates of world economic growth were recorded in 2004 and 2006, at 4.4%.
• When growth in the value of world exports slowed from 2012 to 2014 (21.1% to 2.6%), world real GDP growth slowed from 2014 to 2016 (2.9% to 2.6%) suggesting that there may be a time lag between the two variables.
• A 21.3 (22%) index point rise in the value of world exports between 2016 and 2018 was accompanied by an increasing real GDP growth rate for 2018 of 3%.
• When the value of world exports fell by 11.8 index points between 2018 and 2020, world real GDP growth turned negative and was –3.6% in 2020.
• The highest increase in the growth rate was between 2008 and 2010, from 1.9% to 4.3% (an increase of 2.4 percentage points or 126%). However, over the same period the index of the value of world exports fell from 97.6 to 92.5 (a fall of 5%).
• A fall in the index of the value of world exports between 2014 and 2016 did not produce negative real GDP growth in the same or subsequent time period with real GDP growth rates of 2.6% in 2016 and 3% in 2018.
• Over the 16-year period both the value of world exports and the value of world real GDP have increased. Between 2004 and 2020, the index of the value of world exports grew from 55.7 to 106.4 (91%) while over the same period world real GDP grew every year except 2020.
• Consideration of the nature of the data and the likely differences to be found within an aggregate global data set. Also, the data only covers alternate years making the link difficult to establish.
• Other factors are likely to be affecting levels of world real GDP, with domestic consumption, government spending and investment often making up a larger proportion of real GDP in many countries.

- Students are likely to conclude that there is some evidence to support the view that the changes in the value of world exports are associated with world real GDP growth, but that the relationship is not always strong or obviously causal in one direction and there are likely to be many other factors affecting the level of world real GDP.

Credit valid alternative content.

MAXIMUM FOR QUESTION 12: 8 MARKS

Question	Part	Marking guidance	Total marks
13		**Extract B** (lines 1–2) states: 'There is growing evidence that the world economy has reached the end of a long period of lower tariffs and reduced protectionism.' Explain why a country may decide to adopt protectionist policies.	**12** **AO1 = 3** **AO2 = 3** **AO3 = 6**

Examiners are reminded that AO1, AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives in this question. More weight should therefore be given to AO3 than AO1 and AO2.

Level	Marks	Descriptor
3	9–12	• Is well organised and develops one or more of the key issues that are relevant to the question. • Shows sound knowledge and understanding of relevant economic terminology, concepts and principles. • Includes good application of relevant economic principles and/or good use of data to support the response. • Includes well-focused analysis with a clear, logical chain of reasoning. • May include a relevant diagram that is accurate and used appropriately to support their explanation.
2	5–8	• Includes one or more issues that are relevant to the question. • Shows reasonable knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present. • Includes reasonable application of relevant economic principles and/or data to the question. • Includes some reasonable analysis but it might not be adequately developed and may be confused in places. • May include a relevant diagram to support their explanation.
1	1–4	• Is very brief and/or lacks coherence. • Shows some limited knowledge and understanding of economic terminology, concepts and principles but some errors are likely. • Demonstrates very limited ability to apply relevant economic principles and/or data to the question. • May include some very limited analysis but the analysis lacks focus and/or becomes confused. • May include a diagram but the diagram is likely to be inaccurate in some respects or is inappropriate.
	0	No creditworthy material

Indicative content:

- definition and examples of protectionism
- analysis of how different protectionist policies work
- understanding of the ways in which free trade may be blamed for economic problems and therefore lead to rising protectionism
- explanation of how protectionism may protect employment
- explanation of how protectionism may reduce a deficit on the current account

- enhancing diversification of the domestic economy
- protectionism may be a response to dumping
- protection of infant or sunset industries
- the benefits of tariffs in raising government revenue
- explanation of the impacts of the global recession on supply chains and the need to reduce reliance on foreign imports that may fluctuate in supply
- strategic industry arguments and reducing reliance on foreign supply of politically or economically important sectors
- protectionism as a method of retaliation for other economies' protectionist policies.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
14		**Extract C** (lines 9–10) states: 'Governments have taken action to correct balance of payments problems due to concerns over unemployment and economic growth.' Assess the effectiveness of different policies that may be used to solve balance of payments problems.	**25** **AO1 = 4** **AO2 = 3** **AO3 = 9** **AO4 = 9**

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives in this question. More weight should therefore be given to AO4 and AO3 than AO1 and AO2.

Level	Marks	Descriptor
5	21–25	**Sound, focused analysis and well-supported evaluation that:** • is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors • includes good application of relevant economic principles to the given context and, where appropriate, good use of data to support the response • includes well-focused analysis with clear, logical chains of reasoning • includes supported evaluation throughout the response and in a final conclusion.
4	16–20	**Sound, focused analysis and some supported evaluation that:** • is organised, showing sound knowledge and understanding of economic terminology, concepts and principles but some minor errors may be present • includes some good application of relevant economic principles to the given context and, where appropriate, some good use of data to support the response • includes some well-focused analysis with clear, logical chains of reasoning • includes some reasonable, supported evaluation.
3	11–15	**Some reasonable analysis but generally unsupported evaluation that:** • focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present • includes reasonable application of relevant economic principles to the given context and, where appropriate, some use of data to support the response • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes fairly superficial evaluation; there is likely to be some attempt to make relevant judgements but these aren't well-supported by arguments and/or data.
2	6–10	**A fairly weak response with some understanding that:** • includes some limited knowledge and understanding of economic terminology, concepts and principles is shown but some errors are likely • includes some limited application of relevant economic principles to the given context and/or data to the question • includes some limited analysis but it may lack focus and/or become confused • includes some evaluation which is weak and unsupported.

1	1–5	**A very weak response that:** • includes little relevant knowledge and understanding of economic terminology, concepts and principles • includes application to the given context which is, at best, very weak • includes attempted analysis which is weak and unsupported.
	0	No creditworthy material

Indicative content:

• Definition of balance of payments and identification of what balance of payments problems might include.
• Distinction between the different areas of the balance of payments that could have 'problems', including trade deficits (including deficits in goods or services), trade surpluses, a lack of FDI, variable speculative flows, high levels of indebtedness.
• Explanation of impact of balance of payments problems on other macroeconomic objectives such as growth, unemployment and inflation.
• Analysis of the causes of balance of payments problems and an evaluation of the possible policies as they apply to these causes, eg low productivity, falling growth, anti-dumping etc.
• Examples of policies to solve balance of payments problems such as:
  • trade protectionism versus free trade policies, with liberalisation being promoted by the IMF
  • support for domestic industries
  • exchange rate interventions, however, this may cause a slowdown in the domestic economy
  • lower taxes and deregulation to attract FDI
  • supply-side policies, for example, investments in human capital and infrastructure to promote export-led growth, as in Malaysia, Rwanda and Singapore etc
  • paying back larger proportions of external debt.
• Analysis of policies by category, eg expenditure-switching versus expenditure-reducing.
• Evaluation of alternative policies.
• Analysis of the factors that may determine the suitability of balance of payments policies such as the cause of the problem, the specific country context, the objectives of policy makers.
• Knowledge of different economies with balance of payments problems.
• Evaluation of the short-run versus long-run impacts of policies.
• Evaluation of the importance of the PED of exports and imports in determining the impact of policies such as tariffs and devaluations.
• Evaluation of the necessity of policies – do deficits necessarily hurt an economy, eg USA and UK and what about persistent surpluses?
• Evaluation of the extent to which different accounts on the balance of payments can be used to mitigate balance of payments problems. Some countries continue to attract financial inflows on the financial account in the balance of payments despite persistent deficits.
• An overall assessment of the effectiveness of different policies which may be used to solve balance of payments problems.

The use of relevant diagrams to support the analysis should be taken into account when assessing the quality of the student's response to the question.

Credit valid alternative content.

Section D   **Total for this section: 25 marks**

Question	Part	Marking guidance	Total marks
15		In 2018, the Organisation for Economic Co-operation and Development (OECD) launched an initiative about economic growth. This initiative encourages economies to consider environmental factors and quality of life when working towards economic growth, instead of just focusing on GDP. Evaluate whether economic growth should be the main economic objective for all economies.	**25** **AO1 = 4** **AO2 = 3** **AO3 = 9** **AO4 = 9**

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives in this question. More weight should therefore be given to AO4 and AO3 than AO1 and AO2.

Level	Marks	Descriptor
5	21–25	**Sound, focused analysis and well-supported evaluation that:** • is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors • includes good application of relevant economic principles to the given context and, where appropriate, good use of data to support the response • includes well-focused analysis with clear, logical chains of reasoning • includes supported evaluation throughout the response and in a final conclusion.
4	16–20	**Sound, focused analysis and some supported evaluation that:** • is organised, showing sound knowledge and understanding of economic terminology, concepts and principles but some minor errors may be present • includes some good application of relevant economic principles to the given context and, where appropriate, some good use of data to support the response • includes some well-focused analysis with clear, logical chains of reasoning • includes some reasonable, supported evaluation.
3	11–15	**Some reasonable analysis but generally unsupported evaluation that:** • focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present • includes reasonable application of relevant economic principles to the given context and, where appropriate, some use of data to support the response • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes fairly superficial evaluation; there is likely to be some attempt to make relevant judgements but these aren't well-supported by arguments and/or data.
2	6–10	**A fairly weak response with some understanding that:** • includes some limited knowledge and understanding of economic terminology, concepts and principles is shown but some errors are likely • includes some limited application of relevant economic principles to the given context and/or data to the question • includes some limited analysis but it may lack focus and/or become confused • includes some evaluation which is weak and unsupported.

1	1–5	**A very weak response that:** • includes little relevant knowledge and understanding of economic terminology, concepts and principles • includes application to the given context which is, at best, very weak • includes attempted analysis which is weak and unsupported.
	0	No creditworthy material

Indicative content:

- explanation of economic growth and economic objectives
- knowledge of different economies and/or groups of economies, their levels of economic development, and primary economic objectives
- analysis of how economic growth benefits economies and therefore why it should be the main economic objective, eg higher employment, improvement in standards of living, tax revenue, improvements in public services, consumption of merit goods, etc
- analysis of how economic growth harms economies and therefore why it should not be the main economic objective, eg environmental externalities, poor quality of life, harmful working conditions, inequality, consumption of demerit goods, etc
- evaluation of the extent to which economic growth can be measured accurately and as a result the difficulties of having economic growth as a main economic objective
- analysis and evaluation of possible alternative objectives that may be more important than economic growth such as low and stable inflation, lower inequality, quality of public services, environmental sustainability, happiness, lower unemployment, improved productivity etc
- discussion of the extent to which achieving these alternative objectives may detract from/support the achievement of economic growth
- analysis of the policies that may be needed to achieve economic growth and an evaluation of the extent to which they can be implemented
- evaluation of the relative position of economic growth in comparison to other objectives and the extent to which it is the 'main' objective
- evaluation of how the 'main' economic objective may vary with economic context and that the conditions in a particular economy may determine what is prioritised
- evaluation of the short-term versus long-term impacts of economic growth and the extent to which growth can be a continuous objective over time
- an overall assessment of whether economic growth should be the main economic objective for all economies.

The use of relevant diagrams to support the analysis should be taken into account when assessing the quality of the student's response to the question.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
16		According to the United Nations (UN) 'Education... is a key to escaping poverty. Education helps reduce inequalities and reach gender equality... In 2018, some 773 million adults – two-thirds of whom are women – were illiterate'. Assess whether poor education is likely to be the most significant factor limiting economic development	**25** **AO1 = 4** **AO2 = 3** **AO3 = 9** **AO4 = 9**

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives in this question. More weight should therefore be given to AO4 and AO3 than AO1 and AO2.

Level	Marks	Descriptor
5	21–25	**Sound, focused analysis and well-supported evaluation that:** • is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors • includes good application of relevant economic principles to the given context and, where appropriate, good use of data to support the response • includes well-focused analysis with clear, logical chains of reasoning • includes supported evaluation throughout the response and in a final conclusion.
4	16–20	**Sound, focused analysis and some supported evaluation that:** • is organised, showing sound knowledge and understanding of economic terminology, concepts and principles but some minor errors may be present • includes some good application of relevant economic principles to the given context and, where appropriate, some good use of data to support the response • includes some well-focused analysis with clear, logical chains of reasoning • includes some reasonable, supported evaluation.
3	11–15	**Some reasonable analysis but generally unsupported evaluation that:** • focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present • includes reasonable application of relevant economic principles to the given context and, where appropriate, some use of data to support the response • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes fairly superficial evaluation; there is likely to be some attempt to make relevant judgements but these aren't well-supported by arguments and/or data.
2	6–10	**A fairly weak response with some understanding that:** • includes some limited knowledge and understanding of economic terminology, concepts and principles is shown but some errors are likely • includes some limited application of relevant economic principles to the given context and/or data to the question • includes some limited analysis but it may lack focus and/or become confused • includes some evaluation which is weak and unsupported.

1	1–5	**A very weak response that:** • includes little relevant knowledge and understanding of economic terminology, concepts and principles • includes application to the given context which is, at best, very weak • includes attempted analysis which is weak and unsupported.
	0	No creditworthy material

Indicative content:

- meaning and measures of economic development
- the types of economies that could suffer from limited economic development
- understanding of how educational quality and poor education might be measured, for example through years of schooling, literacy rates, global test scores etc and the difficulties that come with measuring quality of education
- analysis of the link between education and economic development, including:
  - improved productivity
  - higher wages
  - lower costs of production
  - attraction of FDI
  - higher levels of business investment
  - increased formal economic activity of women
  - levels of innovation
  - higher tax revenues
- analysis of the possible related causes of poor education and the importance of solving these before dealing with education, for example corruption, poor healthcare, conflict, absolute poverty, attitudes to women
- evaluation of the possible benefits of a poorly educated population, such as lower costs of production and the ability to employ large of amounts of unskilled labour at a low wage
- knowledge and analysis of the many factors that may limit economic development beyond education, eg poor infrastructure, conflict, corruption, a lack of available credit, dependence on natural resources, protectionism or free trade etc
- evaluation of the importance of different levels of education or of training as opposed to education
- evaluation of the extent to which the factors that limit economic development are within an individual country's control and the role of international organisations or MEDCs in reducing or creating some of the barriers to economic development
- evaluation of the importance of the individual country context when assessing the significance of different limitations to economic development
- discussion of different countries having different goals and hence the varying importance of education
- overall assessment of whether poor education is likely to be the most significant factor limiting economic development.

The use of relevant diagrams to support the analysis should be taken into account when assessing the quality of the student's response to the question.

Credit valid alternative content.

Assessment Objectives Grid

	AO1	AO2	AO3	AO4	Total
Section A					
01	1				**1**
02		1			**1**
03		1			**1**
04		1			**1**
05	1				**1**
06		1			**1**
07		1			**1**
08			1		**1**
09	1				**1**
10	1				**1**
Section B					
11.1	2				**2**
11.2	2	2			**4**
11.3	2	2			**4**
Section C					
12.1	1	1	2		**4**
12.2	1	1		2	**4**
13	3	3	6		**12**
14	4	3	9	9	**25**
Section D					
15 and 16	4	3	9	9	**25**
Unit total	**23**	**20**	**27**	**20**	**90**