OXFORD
INTERNATIONAL
AQA EXAMINATIONS

INTERNATIONAL AS
ECONOMICS
EC02

Unit 2 The National Economy in a Global Environment

Mark scheme

June 2022

Version: 1.0 Final Mark Scheme

226XEC02/MS

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 AS 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 21 more weight should be given to AO4 than to AO1, AO2 and AO3. 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: 15 marks**

Question	Part	Marking guidance	Total marks
01		Which one of the following is an example of contractionary monetary policy? Answer: **D** (An increase in the rate of interest)	**1** **AO1 = 1**

Question	Part	Marking guidance	Total marks
02		Which one of the following statements is correct? Answer: **A** (Investment is an injection into the circular flow of income.)	**1** **AO1 = 1**

Question	Part	Marking guidance	Total marks
03		<table><tr><th>Injections and withdrawals</th><th>$m</th></tr><tr><td>Investment</td><td>200</td></tr><tr><td>Savings</td><td>150</td></tr><tr><td>Exports</td><td>400</td></tr><tr><td>Imports</td><td>450</td></tr><tr><td>Government spending</td><td>300</td></tr><tr><td>Taxation revenue</td><td>300</td></tr></table> GDP at the start of the year was $1200m. All other things being equal, what is the value of GDP at the end of the year? Answer: **B** ($1200m)	**1** **AO3 = 1**

<table>
<tr><th>Question</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>04</td><td></td><td>
<table>
<tr><th>Item</th><th>Weight</th><th>Price index in Year 2 (Year 1 = 100)</th></tr>
<tr><td>Food</td><td>30%</td><td>105</td></tr>
<tr><td>Housing</td><td>45%</td><td>102</td></tr>
<tr><td>Transport</td><td>25%</td><td>110</td></tr>
</table>
What is the weighted price index in Year 2?

Answer: A (104.9)
</td><td>1

AO3 = 1</td></tr>
</table>

Question	Part	Marking guidance	Total marks
05		If a government has a balanced budget, this means that Answer: **B** (government spending equals tax revenue.)	**1** **AO1 = 1**

Question	Part	Marking guidance	Total marks
06		National income rises by €500bn. In turn, consumer spending on domestically produced goods rises by €250bn, savings rise by €100bn and the tax paid rises by €50bn. Which one of the following is true? Answer: **B** (the marginal propensity to import is 0.2)	**1** **AO2 = 1**

Question	Part	Marking guidance	Total marks
07		An economy has a positive output gap. Which one of the following must be true? Answer: **D** (Potential output is less than actual output.)	**1** **AO1 = 1**

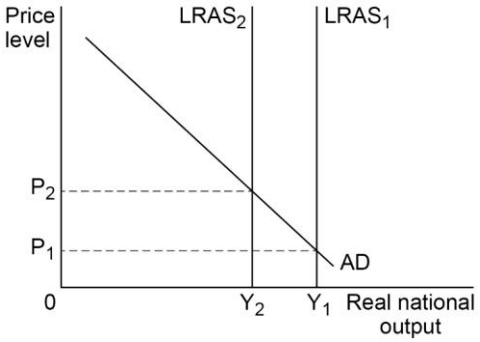
Question	Part	Marking guidance	Total marks
08			1 AO3 = 1

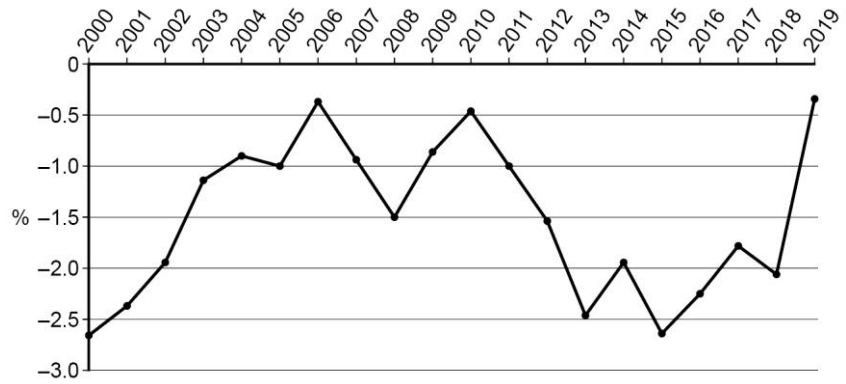
Indicator	2018	2019	2020
Nominal GDP	102	104	106
Price level	101	105	108
Nominal investment	104	106	110

Which one of the following can be concluded from the data?

Answer: **A** (Investment fell in real terms between 2018 and 2020.)

Question	Part	Marking guidance	Total marks
09		All other things being equal, which one of the following diagrams shows the most likely impact of this shock on the economy? Answer: **D**	1 AO2 = 1



Question	Part	Marking guidance	Total marks
10		 Which one of the following can be concluded about Mexico's economy? Answer: **D** (There were more outflows than inflows of money into its current account each year.)	**1** **AO2 = 1**

Question	Part	Marking guidance	Total marks
11		The cost of raw materials rises for all industries in an economy. All other things being equal, what is the most likely impact on this economy's inflationary pressure and real national output? Answer: **C** (Impact C: inflationary pressure increases, real national output decreases)	**1** **AO2 = 1**

Question	Part	Marking guidance	Total marks
12		Deflationary policy Answer: **A** (aims to reduce aggregate demand)	**1** **AO1 = 1**

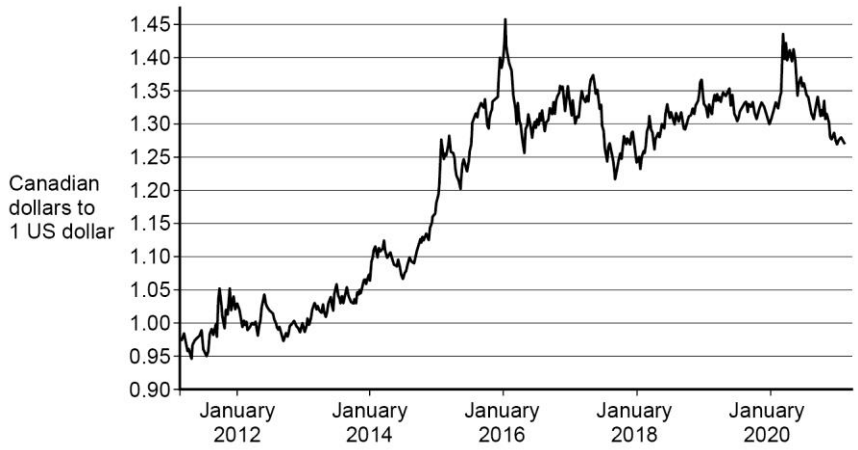
Question	Part	Marking guidance	Total marks
13			1 AO2 = 1

Economy	Value of exports ($m)	Value of imports ($m)	Aggregate demand ($m)
Economy X	500	100	4000
Economy Y	150	300	1200
Economy Z	800	600	4800

Which one of the following statements is true?

Answer: **A** (The aggregate demand of Economy Y is a quarter of Economy Z.)

Question	Part	Marking guidance	Total marks
14		Which one of the following is a cyclical influence on a government's budget balance? A change in Answer: **C** (tax revenue due to a fall in the level of GDP)	1 AO1 = 1

Question	Part	Marking guidance	Total marks
15		 All other things being equal, which one of the following can be concluded from the data? Answer: **C** (The US dollar appreciated against the Canadian dollar over the period shown.)	1 AO3 = 1

Section B **Total for this section: 65 marks**

Question	Part	Marking guidance	Total marks
16	**1**	Define 'GDP per capita' (**Extract B**, line 2). **A full and precise definition is given (3 marks)** Examples: • total national income divided by population • total national output for each person in the economy. **The substantive content of the definition is correct but there may be some imprecision or inaccuracy (2 marks)** Examples: • income per head • output per person. **Fragmented points only (1 mark)** Examples: • income • per person • measure of wellbeing.	**3** **AO1 = 3**

Question	Part	Marking guidance	Total marks
16	**2**	Define 'underemployment' (**Extract C**, line 4). **A full and precise definition is given (3 marks)** Examples: • people who are employed but in a job requiring lower skill/education than they have • people who are employed but in a job working fewer hours than they would like to work. **The substantive content of the definition is correct but there may be some imprecision or inaccuracy (2 marks)** Example: • people with jobs/employment but not working to their full capability. **Fragmented points only (1 mark)** Examples: • people who are unproductive • people who could do more work than they are doing.	**3** **AO1 = 3**

MAXIMUM FOR QUESTION 16: 6 MARKS

<table>
<tr><th>Question</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>17</td><td>1</td><td>
Extract A shows data on the growth rates and unemployment rates of HICs and UMICs from 2010 to 2019.

You are advised to show your working for the calculations below.

Use Extract A (i) to calculate the change in the difference between the growth rates of HICs and UMICs in 2019 compared to 2010.

Give your answer to one decimal place.

Calculation:

Difference between the growth rates in 2010 = 7.6 – 2.9
= 4.7 percentage points

Difference between the growth rates in 2019 = 3.6 – 1.6
= 2.0 percentage points

The change = 4.7 – 2.0 = 2.7 percentage points (or –2.7 percentage points if students consider the direction of the change)
<table>
<tr><th>Response</th><th>Max 3 marks</th></tr>
<tr><td>For the correct answer: 2.7 percentage points or –2.7 percentage points (also allow 2.7% or –2.7%)
OR
For the correct answer: 2.7 percentage points but also allow between 2.3 and 3.1 percentage points (inclusive), accepting 0.1 percentage point out on each of the four growth rates

(With or without working shown)</td><td>3 marks</td></tr>
<tr><td>For the correct value but with missing/incorrect units: eg 2.3 to 3.1
OR
For the correct answer but not to one decimal place: eg 2 percentage points
OR
For calculating the difference in 2010 and in 2019 but without calculating the change</td><td>2 marks</td></tr>
<tr><td>For the correct answer but not to one decimal place and with missing/incorrect units: eg 2
OR
For calculating the correct difference in 2010 or 2019 but without calculating the change</td><td>1 mark</td></tr>
</table>
</td><td>3

AO1 = 1
AO2 = 2</td></tr>
</table>

		OR For the correct method but with an answer outside of the acceptable range 3.1 to 2.3 percentage points **OR** For calculating the percentage change in the difference between growth rates: eg (–)57.4%		

Notes: students may calculate the difference in 2010 and 2019 but instead of calculating the change/difference they may calculate percentage change. As this falls in above criteria for 2 marks and 1 mark respectively, award 2 marks.

Question	Part	Marking guidance	Total marks
17	**2**	In 2019, the labour force in HICs was 628 587 432 people. Use **Extract A (ii)** to calculate the number of employed people in HICs in 2019. Give your answer to the nearest **whole** number. Calculation: $\frac{(100 - 4.8)}{100} \times 628\,587\,432 = 598\,415\,235$	**3** **AO1 = 1** **AO2 = 2**

Response	Max 3 marks
For the correct answer: 598 415 235 (With or without working shown)	**3 marks**
For the correct answer but not to the nearest whole number: eg 598 415 235.3 **OR** For the correct answer rounded incorrectly: eg 598 415 236	**2 marks**
For calculating the number of unemployed people to the nearest whole number: 30 172 197 or 30 172 196 or within the range **OR** For the correct method but the wrong answer	**1 mark**

MAXIMUM FOR QUESTION 17: 6 MARKS

Question	Part	Marking guidance	Total marks
18	**1**	**Extract C** (lines 2–3) states: 'economic growth can lead to falling unemployment.' Explain why positive rates of economic growth can lead to falling unemployment.	**6** **AO1 = 2** **AO2 = 2** **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
3	5–6	• Shows sound knowledge and understanding of relevant economic terminology, concepts and principles. • Includes good application of relevant economic principles to support the response. • Includes well-focused analysis with a clear, logical chain of reasoning.
2	3–4	• Shows reasonable knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present. • Includes reasonable application of relevant economic principles to the question. • Includes some reasonable analysis but it might not be adequately developed and may be confused in places.
1	1–2	• Shows limited knowledge and understanding of relevant economic terminology, concepts and principles. • Includes limited application of relevant economic principles to the question. • May include some limited analysis but the analysis lacks focus and/or becomes confused.
	0	No creditworthy material

Indicative content:

- understanding of economic growth and unemployment
- recognition that positive rates of economic growth means that output is rising in an economy, and so more labour is demanded
- recognition that positive rates of economic growth means that income is rising in an economy, causing rising demand for goods and services, and so there is more demand for labour
- recognition that if demand for labour rises faster than the increase in the working population, then unemployment should fall.

Some students may support their answer with a diagram(s) but this is not needed for full marks.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
18	**2**	To what extent do the data suggest that positive rates of economic growth lead to falling unemployment? Use the data in **Extract A** to help support your answer.	**6** **AO2 = 1** **AO3 = 1** **AO4 = 4**

Examiners are reminded that 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.

Level	Marks	Descriptor
3	5–6	• Includes sound evidence that indicates the extent to which positive rates of economic growth lead to falling unemployment. • Includes a supported overall judgement concerning the extent to which positive rates of economic growth lead to falling unemployment.
2	3–4	• Includes limited evidence that indicates the extent to which positive rates of economic growth lead to falling unemployment. • Attempts a judgement concerning the extent to which positive rates of economic growth lead to falling unemployment.
1	1–2	• Includes evidence that does not clearly indicate the extent to which positive rates of economic growth lead to falling unemployment. • May include an unsupported judgement concerning the extent to which positive rates of economic growth lead to falling unemployment.
	0	No creditworthy material

Indicative content:

UMICs:

- overall the rate of economic growth has fallen from 7.6% in 2010 to 3.6% in 2019, and unemployment has increased from 5.4% to 6.2%
- as positive growth rates have fallen, unemployment has risen
- the change in unemployment rates (an increase of 14.8% or 0.8 percentage points) has not been as great as the change in economic growth rates (a fall of 52.6% or 4 percentage points)
- the lowest rate of unemployment (5.1%) occurred in 2013 and 2014, when growth rates were 5% and 4.1% respectively; this is below the highest growth rate of 7.6% in 2010
- the highest rate of unemployment (6.2%) was reached in 2019, when the growth rate was at its joint lowest of 3.6%.

HICs:

- the unemployment rate has fallen fairly steadily from a high of 8.3% in 2010 to a low of 4.8% in 2019, despite a smaller fall in the growth rate from 2.9% to 1.6%, and general movement around a 2% growth rate
- as growth rates have fallen but remained positive, unemployment has fallen
- the unemployment rate was highest in 2010 at 8.3% when the growth rate was highest at 2.9%.

General evaluative comments:

- conclusion that positive rates of economic growth can have some effect on reducing unemployment, as indicated by the data for UMICs but that, over the period 2010 to 2019, this is not supported by the data for HICs

- the data for both economic growth and unemployment are just averages for UMICs and HICs – there may be a stronger relationship at a single-economy or regional level
- there may be time lags between a change in the growth rate and its impact on the unemployment rate
- recognition that the relationship between economic growth and unemployment may be different for different economies and at different points in time
- the rate of growth in the size of the working population may vary between UMICs and HICs and consequently the rate of economic growth needed to reduce unemployment in HICs may be lower than in UMICs
- there may be differences in how the data is collected in UMICs and HICs, with the former perhaps less able to collect detailed information and statistics.

Note: Whilst good answers are likely to draw on the data for both UMICs and HICs, it is possible to achieve full marks by considering data for only one of the two categories.

Credit valid alternative content.

MAXIMUM FOR QUESTION 18: 12 MARKS

Question	Part	Marking guidance	Total marks
19		**Extract B** (lines 13–14) states: 'A rapid increase in productivity usually causes higher economic growth.' With the help of a diagram, explain why an increase in productivity can lead to economic growth.	**9** **AO1 = 2** **AO2 = 4** **AO3 = 3**

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
3	7–9	• 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. • Includes a relevant diagram, that will, at the top of this level, be accurate and used appropriately to support their explanation.
2	4–6	• 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 reasonable analyses but it might not be adequately developed and may be confused in places. • May include a relevant diagram to support their explanation.
1	1–3	• 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 inappropriate or inaccurate in some respects, or not used.
	0	No creditworthy material

Indicative content:

The expected diagram shows an increase in LRAS (**Figure 3** below) and/or an increase in SRAS (**Figure 4** below).

Figure 3

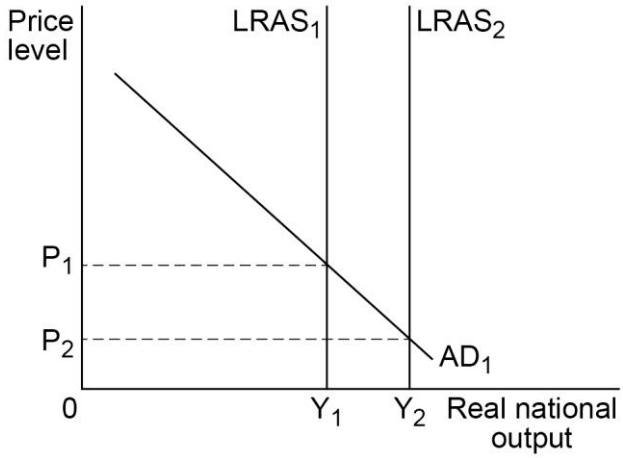
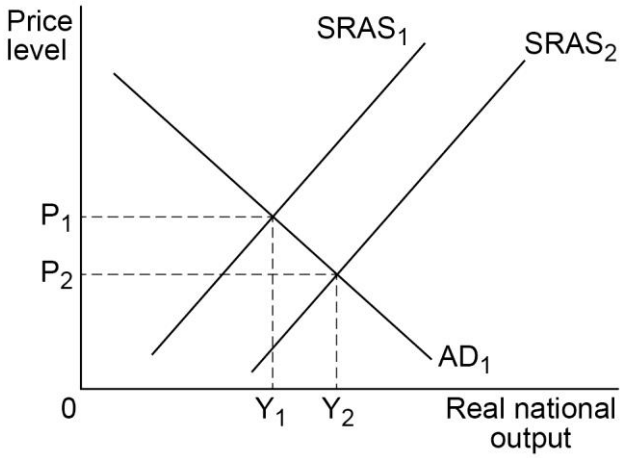


Figure 4



Also allow the shift of a PPB to the right, or a movement towards an existing boundary, given acceptable axes labels such as 'Goods' and 'Services'.

Relevant issues include:

- meaning of productivity, short-run economic growth and long-run economic growth
- an increase in productivity increases the underlying or long-run rate of economic growth
- why rising productivity can increase an economy's productive capacity/full employment level of output ie long-run economic growth, because factors of production can produce more even if there is no change in the quantity of factors of production;
    - this is a supply-side improvement and causes LRAS to shift to the right ie increase, leading to an increase in Y_1 to Y_2 as in **Figure 3** above
- an increase in the underlying rate of economic growth enables an increase in the short-run rate of economic growth
- an increase in productivity should lead to an increase in real incomes and hence an increase in AD and short-run economic growth
- rising productivity can reduce production costs, because factors of production are in use for less time to produce a unit of output, so, for example, unit labour costs may fall;
    - this causes $SRAS_1$ to shift outwards to $SRAS_2$ as in **Figure 4** above.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
20		**Extract B** (lines 6–7) states: 'The UMICs with the highest growth rates are usually those with increasing productivity.' Analyse ways in which productivity can be increased in an economy.	**12** **AO1 = 3** **AO2 = 4** **AO3 = 5**

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.

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:

- meaning of increasing productivity
- examples of possible ways in which productivity could be increased
- **Extract B** refers to factors including higher levels of education, greater use of the Internet, more international trade, diversification, copying innovations, R&D
- analysis of how higher levels of education lead to labour being able to produce more goods and services, or higher value goods and services, meaning that labour is more productive
- analysis of how better internet connectivity can make it easier to run a business or work more flexibly, making entrepreneurs and capital more productive
- analysis of how being more open to trade can raise productivity because it can allow economies to import more or better quality capital, which in turn can help labour to be more productive

- analysis of how being more open to trade can also increase the level of competition facing businesses which can encourage them to be more efficient and more productive
- analysis of how greater diversification can mean that workers/other factors of production can find work that better suits their particular skills and abilities, raising productivity
- productivity may also be increased through instruments of government policy as well as measures taken independently by firms to improve their competitiveness
- analysis of other possible factors not mentioned in the data, eg better infrastructure, foreign direct investment, good management, level of regulation, etc.

Some students may support their answer with a diagram(s) but this is not needed for full marks.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
21		**Extract C** (line 17) states: 'Governments need to use a range of policies to tackle the problem of unemployment.' Use the extracts and your knowledge of economics to discuss policies that governments could use to reduce unemployment.	**20** **AO1 = 3** **AO2 = 4** **AO3 = 5** **AO4 = 8**

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 than AO1, AO2 and AO3.

Level	Marks	Descriptor
5	17–20	**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	13–16	**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	9–12	**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	5–8	**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	1–4	**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 of unemployment
- understanding of different types of unemployment and different causes, eg **Extract C** refers to uncertainty, low investment, poor education/skills, youth unemployment, population changes, lack of economic diversity, and global economic shocks
- reference to demand-side and supply-side policies
- analysis of the policy measures described in **Extract C**, ie job-based education and training, subsidies to employers to cover wages, provision of 'job centres', encouragement of new businesses, and improved transport infrastructure
- analysis of alternative policy measures
- evaluation of the need to match the policy to the cause of unemployment
- reference to the data in **Extract A** to determine whether unemployment is more likely to be cyclical or structural
- evaluation of the need to use a variety of policies if there are different causes
- evaluation of the circumstances in which some policies will be more suited to different economies and different government priorities; students may choose to distinguish between policies that are more suited to UMICs and those that are more suited to HICs
- an overall conclusion taking into account different situations and priorities of different countries, and knowledge of experience of particular countries
- an overall assessment of the different policies that governments could use to reduce unemployment.

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**
11		1			**1**
12	1				**1**
13		1			**1**
14	1				**1**
15			1		**1**
Section B					
16.1	3				**3**
16.2	3				**3**
17.1	1	2			**3**
17.2	1	2			**3**
18.1	2	2	2		**6**
18.2		1	1	4	**6**
19	2	4	3		**9**
20	3	4	5		**12**
21	3	4	5	8	**20**
Unit total	**24**	**24**	**20**	**12**	**80**