GCE AS Examiners' Report

Subject Economics
Level AS
Summer 2024

Introduction

Our Principal Examiners' report provides valuable feedback on the recent assessment series. It has been written by our Principal Examiners and Principal Moderators after the completion of marking and moderation, and details how candidates have performed in each component.

This report opens with a summary of candidates' performance, including the assessment objectives/skills/topics/themes being tested, and highlights the characteristics of successful performance and where performance could be improved. It then looks in detail at each unit, pinpointing aspects that proved challenging to some candidates and suggesting some reasons as to why that might be.[1]

The information found in this report provides valuable insight for practitioners to support their teaching and learning activity. We would also encourage practitioners to share this document – in its entirety or in part – with their learners to help with exam preparation, to understand how to avoid pitfalls and to add to their revision toolbox.

Further support

Document	Description	Link
Professional Learning / CPD	Eduqas offers an extensive programme of online and face-to-face Professional Learning events. Access interactive feedback, review example candidate responses, gain practical ideas for the classroom and put questions to our dedicated team by registering for one of our events here.	https://www.eduqas.co.uk/home/professional-learning/
Past papers	Access the bank of past papers for this qualification, including the most recent assessments. Please note that we do not make past papers available on the public website until 12 months after the examination.	Portal by WJEC or on the Eduqas subject page
Grade boundary information	Grade boundaries are the minimum number of marks needed to achieve each grade. For linear specifications, a single grade is awarded for the subject, rather than for each component that contributes towards the overall grade. Grade boundaries are published on results day.	For unitised specifications click here: Results and Grade Boundaries and PRS (eduqas.co.uk)

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[1] *Please note that where overall performance on a question/question part was considered good, with no particular areas to highlight, these questions have not been included in the report.*

Exam Results Analysis	Eduqas provides information to examination centres via the WJEC Portal. This is restricted to centre staff only. Access is granted to centre staff by the Examinations Officer at the centre.	Portal by WJEC
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Executive Summary

Component one in similar vein to previous years appeared to be of greater challenge that Component two. Though in Component two there was mixed use of the case provided, which candidates should look to focus on.

Across the two components the majority of the AS specification was assessed, and it is important that candidates have a broad understanding of concepts across the whole course.

Component one often requires analysis, discussion and judgment in different short contexts which candidates are required to apply their understanding to in order to access the marks for the question. Whilst Component two allows for a deeper insight into 2 differing contexts.

Picking up on the demands of the question is a key skill that allows access to the highest marking levels, and this was lacking at times in candidates' responses this year.

Areas for improvement	Classroom resources	Brief description of resource
Understanding of all concepts across the specification	SCHEME OF LEARNING AND CONTENT LIST	Knowledge organiser
Willingness to apply concepts in unusual circumstances	EXTENT X WILL HELP ACHIEVE Y IN Z SITUATION	Real news stories
Picking up on the demand of the question including AO4	USE OF PAST PAPER QUESTIONS & IDENTIFY THE REQUIREMENTS ACTITIVIES	Past paper questions and mark schemes

ECONOMICS

GCE Advanced Subsidiary

Summer 2024

B520U10-1

Overview of the Component

Component one appeared to perform in line with previous series, though the narrowness of the 1st half of the paper in terms of elasticities and exchange rates meant that candidates without strong understanding of these concepts found questions 1 to 4 a challenge. There was a similar mix of calculation questions as per previous assessments. There was also similar style of evaluation questions to that of previous assessments.

In previous years candidates found component one time tight and this appeared to be the case again this year, hence a proportion of candidates did not complete question 7. Going forward efforts will be made to decrease the quantity of information provided to allow completion rates to increase. There was also a greater narrow focus of concepts on this years paper, due to two questions on elasticities and two questions on exchange rates. Both of these concepts are technical in nature and although component one is a technical paper, the narrow range of concepts assessed during the assessment would not be forgiving to candidates without core understanding of these concepts. Overall though question 1 and 2 appeared to allow reasonable access to the paper and marks. question 3 was a difficult question, whilst question 4 was accessible if a candidate understood how a change in exchange rate could affect exports and imports. Both question 5 and 6 appeared accessible. Whilst question 7 was accessible but affected by exam timing.

It was noticeable that on the questions that required discussion/qualification and end judgment, that this was often missing/not attempted. It was also noticeable that questions that required use of economic theory in an unusual setting in contrast to restating pre-learnt chains of analysis using economic theory posed a greater challenge to candidates. It is important that candidates try to understand the concepts and feel comfortable applying them in differing circumstances than that used in class.

Comments on individual questions/sections

Q1   assessed candidates understanding of price elasticity of demand changing a demand curve from elastic to inelastic with the use of relevant calculations to support this understanding. A good proportion of candidates found this question accessible and met the demands of the question. Some candidates appeared to not fully follow the instructions of the question and calculated the PED of the curve as a whole and did not show how it changes along the curve. Whilst a minority of candidates showed evidence of understanding of PED but were unable to complete a relevant calculation, often as they could not complete percentage change calculations correctly by confusing the new and original elements of any data selected.

Q2   (a)   assessed candidates understanding of income elasticity of demand through an identification of types of products using column 3 of the data. This question appeared quite well done with candidates successfully identifying the one

normal good and two inferior goods. There was greater difficulty with the elasticates with some confusion in regards elastic (product 1) versus inelastic (product 2 and 3). This may be due to candidates being taught elastic goods with a + 2.1 figure as being luxury goods and not used to encountering inferior goods with differing elasticities.

(b) posed a greater challenge due to the macro-economic data then applied to the shop with those 3 different products and the outcome of total revenue due to demand changes. The majority of candidates linked rising GDP with expected rising incomes, then often the candidates that understood that the shop mainly sold inferior goods effectively analysed the impact on total revenue or sales of the shop. Often the consideration / evaluation was missing, though some answers used the drop in GDP from July 2021 for a short period or considered that the shop could change the type of products sold.

Q3 assessed a relatively technical part of the course, that of exchange rate manipulation below the free-market equilibrium and showing this on an exchange rate diagram. (a) posed a challenge for candidates unaware of methods that can be used to keep an exchange rate below equilibrium, however some leniency was shown in regards to the diagram with candidates using something similar to maximum price given limited L1 for the diagram.

(b) was the counter argument to 3 (a) which appeared to be the most challenging question on the paper. Candidates were asked to explain why the dollar appreciating above free market / Yuan depreciating below free market equilibrium was not due to management of the exchange rate. There was one AO3 mark for explaining how this could be due to the US tariffs on trade, decreasing the demand for Yuan (or decreasing supply of US dollars) due to decreased demand of Chinese exports into the US. The AO2 on this question was applying their answer to the relative quantity of exports affected $375bn from China into the US and $145bn from the US into China causing a greater decreased the demand for Yuan (or decreased supply of US dollars) than that of supply of Yuan/demand for dollar for US goods into China affected by tariffs.

Q4 was a stand-alone question on exchange rates and its impact on macro-economic objectives. There was a good understanding of exchange rates evident with the linkage to the macro-economic objectives then providing a challenge to candidates. In quite a few cases there was an understanding on how a change in exchange rates could affect net exports (often through the export element) and then GDP due to this. However, understanding of the impact of a change of exchange rates on inflation through the price of imports was less common. In similar vein to the previous evaluation question, the discussion was often less evident leading to the AO4 marks being missed out upon. Candidates at times tried to use too many specific points of the graphs, whereas identifying the periods of general times where the linkages that align with standard economic theory to support the question with analysis of why and how, before then citing periods that do not seem to show what is normally expected should allow candidates to meet all the demands of the question.

Q5 brought up the market failure of the tragedy of the commons, with the UK leaving a set of common regulations. There was a good understanding of market failure evident by candidates in regards welfare loss definitions, whilst

the best answers explained this in terms of overuse of a common good and overconsumption and depletion of a resource. There was some confusion between a common good and a public good in answers that brought down the quality of responses in a few answers. This question required a qualification or discussion as it was a "to what extent" question, which candidates found difficult. For questions based on government intervention there are various variables an outcome can depend on. Candidates should look to identify one and build a counter argument around it, before writing a short judgement.

Q6   was an example of taking a micro concept and linking it to macro-outcomes. On the whole this question contained a number of strong responses. Candidates most commonly were able to link the policies to causing higher unemployment and lower economic growth due to decreased demand. They were also able to qualify or discuss the extent this would be true. Linkage to higher prices involved more lateral thought using either the change in 'buy one get one free' deals or responses of suppliers to a decrease in demand.

Q7   (a)   involved candidates using arithmetic to calculate why a maximum wage of £2.5m might be too low for football team of 28 players with a wage of £4700 per week. A few candidates did this by working out the total wage per day for the team and then multiplied it by 365 days in a year. A larger amount completed it by working out total wage per week for the team and then multiplied it by 52 weeks in a year. Both were accepted for full marks. However, there were instances where candidates had calculated total wage per week for the team and then multiplied it by 4 weeks in a month and then 12 months in a year, in which case 1 mark was deducted.

Q7   (b)   related the second part of the data on the page and linking it to the demand for labour and how once a price ceiling is removed that prices (wage in this case) could move back to equilibrium and then further increase due to a factor affecting the willingness or ability to pay higher wages. Time pressure did lead to some answers being rushed or not attempted. In a large number of cases the qualification / counter argument and judgment did not occur although relatively easy to do by using one of the two factors in the context – either the removal of the max price or the extra revenue for teams. The most able candidates also included the inelastic PES issue.

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B520U20-1

Overview of the Component

Component two appeared to have a greater proportion of higher quality responses than previous series and a higher all questions completion rate which may have led to an increased mean score across the whole paper. It was noticeable than in comparison to previous series there was an improvement in diagram drawing to support arguments, though it is important for candidates to remember to integrate their answer into their text. As per previous series the standard of responses felt higher on question 1 compared to question 2. It is important for candidates to try to perform equally on each. The questions in the paper cover a broad range of both micro and macro-economic concepts.

It was noticeable than the strongest responses focused on the key demands of the question as outlined in the question and then used the data well to support their responses. However, there was a tendency to not always pick up on all the requirements of the question in combination questions, for example X vs Y questions where both would need to be analysed and then discussed/qualified.

It was also noticeable that candidates are not always identifying a micro economic question compared to a macro-economic question in a macro-economic context, for example the road pricing vs infrastructure market failure question.

Finally, the strongest responses contained detailed developed analysis supported by strong economic theory. Whilst it was noted that they also effectively evaluated when required.

There was a greater mix of writing ability evident this year, with some responses relatively short and underdeveloped.

Comments on individual questions/sections

Q1   (a)   was well answered and provided a nice start into paper two. Some candidates outlined the impact on the wages of construction workers in London which was accepted as valid.

         (b)   had a greater mix of response quality. The most common and harmful mistake was a lack of precise understanding of cross elasticity of demand in terms of believing it was the responsiveness of demand of good X to a change in demand of good Y instead of price of good Y. The intention of the question was that candidates would analyse, discuss and judge the strength of relationship between the price of parking at crossrail car parks and the demand for tickets on the train. Instead, some candidates analysed, discussed and judged the strength of relationship between the price of cross rail train tickets and the demand for car park tickets. When this was clear it was credited. There was a high tendency to not provide a qualification/discussion point before any end judgment. Discuss questions do require a contrasting viewpoint or qualification.

(c) Candidates often used Table 1 effectively and identified the value of the initial investment correctly, though were sometimes unclear with the understanding of the multiplier in term of the final increase in Real GDP being greater than the initial investment and why. For any explain how or analyse question candidates should be able to explain the process and economic interactions leading to the outcome.

(d) was the first of the extended evaluation responses and in the main was relatively accessible. The strongest responses effectively showed how infrastructure and road pricing could reduce the market failure of overconsumption of the roads and associated externalities before weighing up which would be best. The strongest responses often used qualifiers of each of their arguments. In responses of less quality there was a lack of detail in their knowledge and explanation of either infrastructure or road pricing and what each one is and how it can help alleviate the problem. Most often this was road pricing that led to vague statements of why and how it could decrease congestion and the associated negative externalities. Some candidates missed out on the highest mark due to a lack of overall justified decision. Some candidates analysed the macro-economic consequences and so did not answer the question.

(e) In similar fashion to previous questions on Government failure the strongest answers showed a clear understanding of Government failure in terms of net welfare loss and as such the situation being worse than before the government intervention.

(f) was the second of the extended evaluation questions with the key being that candidates answered the full demands of the question in terms of analysing and discussing the extent to which crossrail would be positive in the short and long run, as some candidates did not differentiate between the two timescales or only considered aggregate demand when infrastructure such as crossrail increases aggregate supply for increased long term economic growth. The strongest answers analysed each time frame with an appropriate counter argument or qualification for each one before coming to an end judgement. Often candidates supported their arguments with a valid diagram which though not needed added detail and quality to their arguments.

Q2 (a) (i) did identify gaps in understanding of how a decrease in actual economic growth due to a recession is shown on a PPF in comparison to a decrease in the maximum potential output.

(a) (ii) often allowed candidates to show their understanding of monetary policy. Though some candidates used quantitative easing, only interest rates were required. The important consideration for any monetary policy or interest rate question is to ensure there is more breadth than just the cost of borrowing/reward for saving angle. Candidates should look to consider at least one other channel – that of confidence, asset values or exchange rates.

(b) (i) and (ii) required candidates to describe how both the national investment bank and transformation funds could (i) decrease negative externalities and (ii) increase positive externalities Part (i) was easier to complete than part (ii) due to the fact that both could be linked to decreasing the negative externalities

caused by climate change. However, in Part (i) some candidates did not use both the bank and the funds in their answer. Also, in Part (i) candidates often did not show the decrease in negative externalities in terms of a decrease in negative spill over effects of climate change. Part (ii) was the harder out of the two to answer but there were some strong answers on the upgrades to schools or hospitals. Generally, candidates in Part (ii) found linking to the national investment bank difficult.

(c)   was the most technical question on the paper and was intended to assess the incidences of taxation alongside advalorem indirect taxation. However, the context for this was a decrease in price not an increase and so unfortunately for those candidates that attempted to use the incidences of subsidies, they often either got the producer and consumer incidence the wrong way round (as inline with incidence of or identified them at the original quantity level in contrast to the new quantity level). As the question did not specifically ask for incidences, the use of consumer and producer surplus was a valid alternative method to answer the question and was credited when used correctly.

(d)   appeared to be a question that candidates found favourable and there were a large number of answers of a high standard. The strong answers were broad with good use of two or more of the proposed tax increases in Table 2. The weaker responses were narrow and theoretical often focused on income tax and using the Laffer curve with generic arguments linked to the Laffer curve. Use of the Laffer curve is useful for answering the question, but it is important that candidates pick up on the instructions in the question such as using Table 2. Often the question instructs candidates on the requirements and with a high tariff question a good range of information from the Table would be beneficial to use.

(e)   There were a few candidates that did not finish the paper and so did not attempt this question. Though on the whole there appeared to high completion rate, although at times might have been a little rushed. The key for this question was to link the analysis and discussion to improving income equality/decrease income inequality. As with other comparison questions, both policies in the question could solve the problem as such the strongest answers analysed each one, qualified or discussed each one and then came to an overall judgment.

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