

CCEA GCSE Economics
(Summer Series) 2011

Chief Examiner's Report

econom
omics

Foreword

This booklet contains the Chief Examiner's Report for CCEA's General Certificate of Secondary Education (GCSE) in Economics from the Summer Series 2011.

CCEA's examining teams produce these detailed reports outlining the performance of candidates in all aspects of the qualification in this series. These reports allow the examining team an opportunity to promote best practice and offer helpful hints whilst also presenting a forum to highlight any areas for improvement.

CCEA hopes that the Chief Examiner Reports will be viewed as a helpful and constructive medium to further support teachers and the learning process.

This report forms part of the suite of support materials for the specification. Further materials are available from the specification's microsite on our website at www.ccea.org.uk

Contents

Paper 1	4
Paper 2	5
Contact details	7

Subject Code 4410
QAN 500/4535/0

A CCEA Publication © 2011

GCSE ECONOMICS

Chief Examiner's Report

General Comments

In this first examination of the new specification, the examining team was keen to see how candidates would respond to the new style single tier papers. They were also mindful of the need to maintain the standard from previous years.

The award of grades reflects the continued high standard of candidates' performances across the two examination papers. The examinations produced many excellent performances and the majority of candidates demonstrated a very sound grasp of the economic knowledge, understanding and skills assessed in the revised specification.

Candidates engaged well with the new report writing task in Paper 1. The source material on *Car Use and Climate Change* provided a stimulating context for the majority of candidates to demonstrate ability in relation to the three assessment objectives. Performances at the top end of the mark range included detailed and selective use of the stimulus material and appropriate application of economic concepts and terminology to analyse and evaluate. The strongest candidates effectively applied the concepts of negative externalities, merit and demerit goods and social costs and benefits. They also demonstrated sound statistical interpretation in relation to Figs 1, 2 and 3. For sections 5 and 6 of the task, better responses demonstrated skills of analysis and evaluation (AO3) rather than simply repeating content from the source material. Assessment of AO3 was based for the most part on these sections of the report and the overall marks available were more heavily weighted to this assessment objective. Hence, the marks awarded were strongly influenced by performance on these sections.

Time management appeared to have been a problem for some candidates as sections 1, 2 and 3 of the report were often more developed than sections 4, 5 and 6. Some candidates attempted to apply marginal social costs and benefits diagrams with limited success. This level of economic analysis is not required at GCSE level and centres are advised that, in examination conditions, there is little evidence of candidates being able to apply such analysis accurately and effectively.

It was notable that, the new style of papers with more emphasis in Paper 2 on structured questions resulted in few weak performances. Responses to the short questions in Section A were generally very good although there were noticeable gaps in some candidates' knowledge as they were unable to give clear definitions in parts of Q2 and Q3. Section B was also generally well answered with candidates demonstrating a sound grasp of the Financial Capability and Managing the Economy sections of the specification content. With reference to the latter, it was pleasing to see that so many candidates had such a good grasp of the current challenges facing the macro-economy. The vast majority of candidates correctly followed the rubric in Section C and answered only one essay. The standard of answers was generally very good and again, there were several excellent performances that merited the award of marks in the upper mark band. Questions that focus on international trade are generally unpopular with candidates but Q9 was chosen by a significant proportion of candidates and was generally well answered.

One significant weakness for some candidates is the quality of their written communication. This was assessed in questions and tasks that required extended writing, hence the whole of the report writing task in Paper 1 and the essay in Section C of Paper 2. Candidates should be advised to write their answers in continuous prose and, if they use abbreviations and symbols, they should provide the full version on the first occasion of use. They should also be encouraged to use correct spelling. In some instances, key terms used in the examination papers were incorrectly spelt, for example, emissions, deficit, budget and benefit. There continues to be evidence of grammatical errors such as the incorrect use of 'there' and 'loose'. Some candidates had difficulty spelling plural words such as 'luxuries' and 'lorries'.

Candidates should be reminded of the JCQ regulations that do not permit the use of highlighters or gel pens in examination responses.

Paper 1

One of the significant changes in the new specification is the introduction of a report writing task. The majority of candidates responded well to this task and its different sections. Examiners reviewed each candidate's work as a whole and assessed it against the three assessment objectives. Comments below provide some more detailed feedback on candidates' performance on each section of the report.

Task Sections

- 1 Most candidates gave a relevant introduction to the task indicating that they understood the significance of the issue and its implications for the economy. In a few instances, the introduction gave more emphasis to the scientific than the economic aspects of the topic. While it can be beneficial for candidates to transfer knowledge and understanding across subjects, some failed to adequately embrace the economic dimension of car use and climate change, hence limiting the mark band level awarded for AO1.
- 2 The majority of candidates interpreted the data in Source 1 to explain the link between road transport and climate change. Better answers included reference to all forms of road transport for which data was given in Fig. 2 rather than limiting their answers to car transport.
- 3 Candidates interpreted Source 2 to explain how the demand for cars had changed in the past thirty years. Better responses made reference to how the situation had changed in relation to the different categories of car owning households. Good answers also applied demand and supply analysis in their explanations and included reference to how demand for cars had become relatively unresponsive to changes in real income.
- 4 Most candidates included good analysis of the possible impact that reducing CO₂ emissions could have on car manufacturers, and how the development of electric cars may become a growth opportunity for some. Their conclusions were also generally very strong on how the demand for public transport could increase from this development. Many candidates, however, struggled with the analysis of how employers could be affected by the requirement to reduce CO₂ emissions. Some candidates linked this again to car manufacturers as employers but few demonstrated a real appreciation of how other employers might be affected by policy measures aimed at reducing emissions.

- 5** Most candidates drew on the source material, especially Source 5, to describe the various transport choices facing consumers. Better candidates distinguished themselves by the quality of their analysis and evaluation of these choices whereas weaker responses simply reproduced information from the case study.
- 6** There were some excellent responses to this section of the report. However, given that the source material contained a good range of government policies (in particular Sources 3, 4 and 6), some candidates did not fully develop this section. Weaker candidates listed some possible government actions but fell short of evaluating these actions and making recommendations.

Paper 2

Section A

- Q1** This question was generally answered very well. For part (d), the most frequent reason stated as to why the government may want to increase taxes was to decrease the budget deficit.
- Q2** In part (a), several candidates were unable to give a clear and concise definition of market price. Most were able to demonstrate in part (b) that the likely effect of heavy snow on the market for carrots would be a shift to the left of the supply curve. The weakest answers confused the demand and supply diagram with a break-even diagram. Better answers to (c) indicated that supermarkets would either have to raise the price of carrots, find a cheaper supply or offer substitute products.
- Q3** The majority of candidates answered all parts of this question well. However, in part (c) some candidates confused inflation and interest rates.

Section B

- Q4** This question was very well answered by most candidates. However, some were unclear about the distinction between a tracker mortgage and a standard variable rate mortgage. In part (c), some of the suggestions about trading in shares were inappropriate to the context of the young couple trying to fund a deposit of £15000 for a house. Some also misinterpreted the focus of this question as means of payment.
- Q5** There were mixed responses to this question. Parts (a), (b) and (c) were generally well answered. However, in part (d), some candidates confused the term 'budget deficit' with trade deficit, even though no data was given about the latter. In part (e) many candidates discussed policies to reduce the budget deficit as opposed to helping the economy recover from the recession.

Section C

- Q6** This was a popular question and was generally well answered. However, in part (b), some candidates struggled to explain in detail the operation of a market economy. In part (c), there were many highly developed answers that displayed excellent evaluation of different ways in which the government could try to achieve a more equitable distribution of income.

- Q7** In part (a) the majority of candidates were able to describe two types of merger and apply relevant economic terminology. Part (b) was generally very well completed. Some candidates organised their answers around the 4 P's of the marketing mix: product, place, price and promotion, to explain how firms compete. Others focused on the direction between price and non-price competition. There were many excellent answers to part (c) which included a comprehensive examination of the advantages and disadvantages of mergers between companies. The best responses provided a balanced discussion, illustrated with a range of relevant examples.
- Q8** This was a surprisingly unpopular question but those candidates who chose it generally answered it very well and demonstrated sound economic knowledge and analysis of issues affecting the housing market. The best responses made appropriate use of demand and supply diagrams in parts (a) and (b).
- Q9** This was quite a popular question and was generally answered very well. In part (a), weaker answers omitted to emphasise the role of the European Union (EU) as a customs union as well as a free trade area. In part (b), there were some well developed answers presenting coherent analyses of how membership of the EU helps countries to compete in a global market. Again in part (c), many candidates were able to meaningfully address a range of possible costs and benefits of the UK adopting the euro.

Contact details

The following information provides contact details for key staff members:

- Specification Support Officer: Arlene Ashfield
(telephone: (028) 9026 1200, extension 2291, email: aashfield@ccea.org.uk)
- Officer with Subject Responsibility: Nick Heard
(telephone: (028) 9026 1200, extension 2278, email: nheard@ccea.org.uk)