

CCEA GCSE Economics  
(Summer Series) 2013

## Chief Examiner's Report

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## Foreword

This booklet contains the Chief Examiner's Report for CCEA's General Certificate of Secondary Education (GCSE) in Economics from the Summer Series 2013.

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 report will be viewed as a helpful and constructive medium to further support teachers and the learning process.

This booklet 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](http://www.ccea.org.uk)



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# GCSE ECONOMICS

## Chief Examiner's Report

### General Comments

In this the third year of single tier examination papers, the general high standard of candidates' performance was broadly similar to previous years. The majority of candidates demonstrated a very sound grasp of the economic knowledge, understanding and skills across the two examination papers and this is reflected in the final award of grades.

*Global Trade and Developing Countries* provided both a stimulating and challenging context for the report writing task in Paper 1. The majority of candidates engaged well with the source material to demonstrate their ability in relation to the three assessment objectives (AOs) to address the set task. Performances at the top end of the mark range included effective use of the stimulus material, appropriate application of economic concepts and terminology, and a high standard of analysis and evaluation. The strongest answers applied the concepts of globalisation, trade deficits and surpluses, distribution of income, economic growth, sustainable development and economic development with particular reference to developing countries. Candidates in general demonstrated sound graphical and statistical interpretation skills in relation to the Sources 1, 3 and 5.

Paper 1 appears to be the more challenging examination paper. Candidates who were awarded the highest marks managed their time and effort well to complete all sections of the task and write clear, concise and relevant responses. The most heavily weighted assessment objective is AO3, *analyse and evaluate evidence, make reasoned judgements and present appropriate conclusions* and this year, and this was mainly assessed in Sections 4, 5 and 6. Therefore, it is important that candidates sustain their effort to effectively complete all sections of the task. In Section 6, the best answers weighed up international trade as a strategy for developing countries and addressed the issue of sustainable development. Sources 4, 6 and 7 were particularly relevant to this Section. The examining team praised the ability of many candidates to include reference to recent events. For example, when answering Section 5 about the problems faced by developing countries when they try to compete in international markets, many candidates gave the example of the recent disastrous fire in the textile factory in Bangladesh to illustrate concerns about industrial working conditions.

Candidates who scored less well on this paper often made a strong start but were unable to sustain their effort. In some instances, in spite of demonstrating good knowledge and understanding of the context, some responses were not entirely relevant to the task. Other common features of weaker performances included the source material being used superficially and limited use of the statistical and graphical data. Some candidates did not use Source 7 or refer to sustainable development in their response to Section 6.

The vast majority of candidates performed well in Paper 2. Responses to the short questions in Section A were generally very good and there were fewer knowledge gaps than previous years. Section B was also generally well answered with candidates demonstrating good knowledge and understanding of the specification content that was examined in questions 4 and 5, Producing and Consuming and Managing the Economy. In Section C the standard of answers was generally very good and again, there were some excellent performances that merited the award of marks in the upper mark band.

The focus of Question 7 was the Financial Capability and specifically the Financial Services Industry section of the specification and this was a very unpopular question. It was only attempted by a few candidates who violated the rubric for this section of the paper by completing more than one question. In accordance with the rules governing a breach of rubric, only the marks for the highest scoring question were included in the total marks for these candidates. Hence, there were no candidates who were awarded marks for this question.

The quality of written communication (QWC) was assessed in questions and tasks that required extended writing, namely the whole of the report writing task in Paper 1 and the essay in Section C of Paper 2. Similar to previous years, the standard of QWC continues to vary considerably and this affects many candidates' overall performance. Candidates should be advised to write their answers in continuous prose rather than using abbreviations and symbols. They should also be encouraged to use correct spelling and become familiar with the spelling of key terms. Some candidates had difficulty spelling plural words such as 'companies' and 'policies'. Candidates are encouraged to develop their writing style so that they can express 'positive' economic ideas and to use evidence to support any views or opinions expressed.

For the 2014 examination, teachers should note that there will be a slight reallocation of time between Papers 1 and 2. The time allowed for Paper 1 will increase by fifteen minutes to one hour and fifteen minutes and the time allocated to Paper 2 will reduce to one hour and forty-five minutes. CCEA will send centres official notification of this change. This slight readjustment is intended to assist candidates with the demanding report writing task.

## Paper 1

The report writing task is assessed holistically against all three assessment objectives with a heavier weighting assigned to AO3. The majority of candidates responded well to each of the six sub-tasks and were able to achieve marks consistently in the Level 3 and 4 mark bands. However, some candidates' performance was more limited some sections of the task where they demonstrated a weaker grasp of economic knowledge, understanding and skills. This was reflected in the award of marks in the lower bands. Comments below provide some more detailed feedback on candidates' performance on each section of the report.

**Task 1** All candidates gave a relevant introduction to the task indicating that they understood the challenging context of global trade and developing countries. This year candidates wrote more relevant and concise introductions than in previous years.

**Task 2** The majority of candidates used Source 1 to outline how the volume of world trade had changed since 1990 and identified the overall upward trend. The best responses demonstrated a sound understanding of the index number data and used this to correctly calculate the percentage change in world trade between 1990 and 2011. Some candidates appeared unfamiliar with the concept of index numbers and simply referred to the change in the numbers shown on the vertical axis.

**Task 3** To complete Section 3 candidates needed to interpret Source 3 to explain how world trade was shared between countries in 2010. The majority of candidates identified the most important exporting and importing countries from those for which data was provided, China, USA, UK and India. The best answers went beyond restating the statistical data provided in the source material about the value and volume of exported and imported goods and services. There were many excellent answers that identified which countries were running trade deficits or surpluses and that also included some discussion of the possible causes of these situations. Many candidates also included



reference to South Africa's small share of world trade although some did not seem to understand that Africa was a continent and not a country.

- Task 4** The majority of candidates used Sources 5 and 6 to examine the main characteristics of developing countries. Again, there were many excellent answers that demonstrated application of AO2, the application of skills, knowledge and understanding to this context.
- Task 5** This section was generally well answered and the majority of candidates made effective use of Sources 4 and 5 to discuss the problems faced by developing countries when they try to compete internationally.
- Task 6** Most candidates demonstrated good knowledge and understanding of how international trade affects development. The best answers demonstrated better application of AO3 to the context and fully addressed the set task of evaluating whether international trade is the best strategy for developing countries to achieve economic growth and sustainable development. There were also some excellent answers that included reference to more sophisticated economic models and terminology that are not part of the specification. Weaker answers made limited use of Source 7 and in some instances, there was no reference at all to the issue of sustainable development.

## Paper 2

### Section A

- Q1** This question was generally answered very well with most candidates able to give two relevant examples of taxes. In part (b), a few weaker answers were unable to use the data provided to explain the opportunity cost. Part (c) was well answered.
- Q2** The majority of candidates answered all parts of this question well. They were able to give a clear definition of a merger, to explain the type of merger illustrated in the question and to explain a further type of merger with many using relevant and recent examples. In part (c), a small number of candidates were unable to correctly explain their selected example of a lateral merger.
- Q3** Part (a) was well answered by the majority of candidates. In part (b), some candidates confused the division of labour with specialisation. In part (c), the majority of candidates were able give valid examples to illustrate an advantage and a disadvantage of the division of labour.

### Section B

- Q4** In part (a) the majority of candidates used the data effectively to plot an accurate demand and supply diagram. However, the most common errors were a failure to recognise that the supply curve was vertical at 500 caravans per night and to fully label the diagram as requested by the question. There was confusion among some candidates in part (c) about the difference between a change in the conditions of demand and a change in price. Other parts of the question were well answered with candidates demonstrating good knowledge and understanding in part (d) of the most relevant types of business finance and in part (e) evaluating which of their options would be the better choice.

- Q5** In (a) part (ii) a significant number of candidates were unable to define the base rate of interest with many believing it to be the lowest legally permitted rate. The majority of candidates used the graphical data provided to answer part (b) very well. In answers where there was either limited or no use of data, fewer marks were awarded. Most candidates gave a comprehensive explanation in part (c) of the link between a rise in the base rate and the rate of inflation. In part (d) only a few candidates made reference to the change in the real value of money when there is both low inflation and low interest rates although most were able to give some relevant comment about the potential impact on savers and borrowers. However, few answers were awarded with the full [6] marks available for this question.

## Section C

- Q6** This was by far the most popular essay question. In part (a) many candidates' answers gave only a limited definition of unemployment. The most common error was omitting to state that not only are people out of work but they must be willing and able to work. Part (b) was answered very well with many candidates being awarded full marks. In part (c), candidates demonstrated good knowledge and understanding of government policies to boost aggregate demand in the economy and link this with employment. However, the best answers included discussion of a range of other policies that could address specific types of unemployment such as improving information on job availability to improve frictional unemployment and retraining to tackle structural unemployment.
- Q7** This was the most unpopular question on the paper and was only answered by a few candidates who violated the rubric for this section of the paper. In these instances, answers were extremely poor.
- Q8** This was one of the second most popular questions and it generally answered very well with candidates demonstrating sound economic knowledge and understanding of business completion and monopoly. In part (c), a number of candidates did not discuss any advantages of monopoly relative to competition and this limited the scope of their answers.
- Q9** This was answered by a small number of candidates and generally answers were of lower quality than those who attempted either questions 6 or 8. In part (a) candidates generally understood that a rise in the average age resulted in an ageing population but few made reference to the change in the distribution of the population where a higher proportion would be in older age groups. In part (b) answers tended to stress only negative economic effects of an ageing population with little knowledge demonstrated of the 'silver pound' and the possible change in demand for consumer goods other than false teeth and zimmer frames! In part (c) many candidates included discussion of the effects of an aging population on the demand for health services and accommodation but few discussed the many implications of the government's decision to increase the age at which the population is entitled to receive the state pension or the general impact of an ageing population on public finance.

## Contact details

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