

**GCSE Economics
(Summer Series) 2006**

Chief Examiner's Report

GCSE ECONOMICS SUMMER 2006**Chief Examiner's Report****Grade Boundaries: 2006 (GCSE)**

	Grade	A*	A	B	C	D	E	F	G	U
F	Mark Range				200-107	106-93	92-79	78-65	64-51	50-0
H	Mark Range	200-173	172-154	153-128	127-102	101-86	85-78			77-0

The overall standard of candidates' performances continues to be high and was comparable to last year. The majority of candidates demonstrated high levels of achievement in relation to each of the assessment objectives across the two assessment components. There were several outstanding performances with some candidates demonstrating knowledge and understanding of economics beyond that required for this specification. However, there are still some areas of the specification that are less well understood by some candidates. These include exchange rates and economies of scale.

On Paper 1 the majority of candidates engaged very well with the topic of mobile phones covered by the case study material. Answers were generally well structured and aligned to the marks available for individual questions. On the Higher Tier option a few candidates wrote more extensive answers to Qs. 1 and 2 than were required. In some cases these answers lacked the focus required to merit the award of full marks. Furthermore, this action often appeared to have an adverse effect on performance in the later higher mark questions. In relation to Q.8 on both the Foundation and Higher Tier papers, some candidates may have improved their performance had they shown a better understanding of social costs and benefits.

On Paper 2 the majority of candidates performed to a high standard. Most candidates effectively interpreted the information provided in the first compulsory question (Q.1 on the Higher Tier option and Q.5 on the Foundation Tier option) and wrote good quality answers. There were some excellent answers in the Foundation Tier option that detailed specific policies that could be used to reduce unemployment in Northern Ireland. On the Higher Tier option, several candidates wrote lengthy answers about the effects of monetary and fiscal policies at a UK level rather than making specific reference to policies that would be most effective in a Northern Ireland context. The second compulsory question (Q.2 on the Higher Tier option and Q.6 on the Foundation Tier option) challenged many candidates who appeared to have only a limited understanding of mergers and economies of scale. This resulted in lower performance in general in the compulsory questions than in previous years.

There was a marked improvement in performance in questions relating to the Money and Finance section of the specification on both Foundation and Higher Tier options.

Paper 1***Foundation Tier***

- Q.1 All candidates were able to describe the general trends from the case study data for pay-as-you-go and post-pay mobile phone customers. However, only those answers that used examples from the data to illustrate their points were awarded full marks.
- Q.2 This question was very well answered. All candidates achieved full marks in part (a) and the majority of candidates were able to identify and explain a reason for the difference between the percentage of customers in the UK and NI who use pay-as-you-go and post-pay mobile phone services.
- Q.3 Part (a) was quite well answered with most candidates demonstrating the ability to select and interpret the appropriate information from the case study (AO3). However, part (b) was less well answered with few candidates able to explain why the demand for mobile phones was not expected to rise if calls become cheaper.
- Q.4 This question, particularly part (b), was generally very well answered. Candidates were able to apply their knowledge to describe three ways in which mobile phone companies compete for business.
- Q.5 Most candidates found this question challenging and only a few were able to complete each of the demand and supply diagrams correctly and support their answers with a relevant explanation. Few candidates were able to answer part (b) that required an explanation of the effect of new mobile phone suppliers entering the UK market.
- Q.6 This appeared to be one of the most challenging questions on the paper. The majority of candidates were able to identify at least one relevant factor to indicate why it has been necessary to set rules about the price increases that mobile phone companies may charge, but supporting explanations were generally not developed.
- Q.7 This question was well answered with candidates generally able to demonstrate their understanding of why Vodafone needs to make a profit and to explain the possible risks and benefits of the company being one of the first to introduce the new 3G technology.
- Q.8 Most candidates answered this question reasonably well and were able to identify and explain possible costs and benefits of the increased ownership of mobile phones for consumers, mobile phone companies and the economy as a whole.

Higher Tier

- Q.1 The majority of candidates were able to use the data provided in Source 1 of the case study to describe the trend in the number of mobile phone customers in the UK since 1998 and to explain possible reasons why the pay-as-you go mobile phone service is now more popular than the post-pay service. Some candidates wrote extensive answers beyond what was required for this initial question and in some instances they did not fully address the question set. Candidates should be reminded of basic

examination technique of aligning their effort with the mark allocation for the question.

- Q.2 Most candidates were able to describe three important features of the mobile phone market in Northern Ireland and the UK. However, some candidates developed more extensive analytical answers than were required by the question.
- Q.3 The majority of candidates answered this question very well. Some candidates argued in part (a) that a government ban would have very little effect as very few children under the age of eleven owned a mobile phone. Credit was given for this argument where it was supported with a correct diagram.
- Q.4 Most candidates demonstrated an excellent grasp of the concept of price elasticity of demand (PED) and applied it effectively to the mobile phone market. The best answers used either a diagram to explain PED, or included the formulae and a supporting example in their explanation.
- Q.5 Most candidates demonstrated in-depth consumer knowledge and understanding of competition in the mobile phone market. There were many excellent answers that made reference to price and non-price competition.
- Q.6 This question appeared to challenge many candidates. Some answers focused on describing the role of OFCOM, sometimes confusing it with the Competition Commission and did not always fully address the question set. Better answers constructed a broader explanation that made reference to the lack of competition in the mobile phone market, the effect of this on consumers and outlined reasons for government intervention in situations where it is judged that the market mechanism has failed.
- Q.7 This question was generally very well answered. Candidates demonstrated good understanding of the need for Vodafone to make a profit as required to answer part (a), and in part (b) they were able to develop good quality explanations of possible risks of being the first company to introduce 3G technology.
- Q.8 This question was well answered. The best answers were clearly structured and demonstrated knowledge and understanding of social costs and benefits.

Paper 2

Foundation Tier

- Q.1 Candidates generally answered this question well demonstrating good knowledge and understanding of the minimum wage. There some very detailed answers to part (c) on the advantages and disadvantages of the minimum wage.
- Q.2 There were some good answers to most parts of this question although in part (b) some answers outlined some unlikely effects of the ageing population on the economy. In part (c), few candidates understood the risks associated with investing in stocks and shares.

- Q.3 This question was not well answered, particularly parts (c) and (d). Few candidates understood why European Union (EU) textile workers might want to see a reduction in cheap imports. In part (d), few candidates were able to identify any relevant features of the EU.
- Q.4 Some candidates lacked the knowledge and understanding of economic growth needed to answer this question. Part (c), which required an understanding of the advantages and disadvantages to an economy of having a high rate of economic growth, was poorly answered.
- Q.5 Some parts of this question were answered very well. In part (c) many candidates demonstrated excellent understanding of specific policies that could be used to reduce unemployment in Northern Ireland. However, in part (d) some answers did not make full use of the data provided in Figs. 6, 7 and 8 hence their answers were not well enough developed to merit the award of marks at Level 3.
- Q.6 Most candidates did not answer this question well. Many answers displayed limited understanding of types of mergers and economies of scale.

Higher Tier

- Q.1 This question was completed very well by the majority of candidates. In part (c) there was a tendency for many candidates to write lengthy answers about the general effects of monetary and fiscal policies with little or no reference to unemployment in the Northern Ireland economy. While it is pleasing to see that candidates are able to analyse such policies in relation to the macro-economy, many of these answers appeared to be rote learnt sections of theory that did not effectively address the question set.
- Q.2 There were many excellent answers to this question. However, there were also several very weak answers in particular to parts (b) and (c) where candidates did not appear to have sufficient understanding of mergers or economies of scale. In spite of this weakness, part (d) was generally answered quite well.
- Q.3 This was a very popular question that was generally answered well. In part (b) there was some confusion between bank accounts that pay interest and pensions options. In part (c) there were some excellent answers about the effects of the ageing population on the economy. However, a few candidates made some starkly ageist comments.
- Q.4 Fewer candidates chose to answer this question. For those who understood the topic of exchange rates, answers were excellent. However, some answers were confused and less well developed, particularly in part (b) where there was limited understanding of the concept of a 'weak exchange rate'.
- Q.5 Most candidates answered this question very well. In part (a) there were some errors made by candidates about the current rates and age brackets for the national minimum wage. There were some excellent answers to part (b) but some candidates were confused about whether to use a demand and supply or a break-even diagram. In a few instances, candidates drew both types of diagram.

- Q.6 Parts (a) and (c) were generally very well completed but there were fewer excellent answers to part (b). Some candidates made reference to the effects of EU membership and inward investment but did not develop these points to show how they could have contributed to the Republic of Ireland's high rate of economic growth.