



Cambridge Pre-U

ECONOMICS

9772/02

Paper 2 Essays

May/June 2023

MARK SCHEME

Maximum Mark: 75

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2023 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

**Social Science-Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require n reasons (e.g. State two reasons ...).
- d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

ANNOTATIONS

The following annotations are used in marking this paper and should be used by examiners wherever appropriate.

Annotation	Use or meaning
L1, L2, L3, L4	Level seen or awarded
N0, N1, N2, N3	Evaluation band seen or awarded
✓	Correct and relevant point made in answering the question This paper is marked by Levels of Response but the tick may still be helpful to you as you read through an answer even though it does not indicate a mark
×	Incorrect point or error made
highlighter	Used to indicate something of significance, or referred to by another annotation or comment
[T] (text box)	A catch-all, when you need to give more detail or explanation. You may also use the text box to indicate the breakdown of marks
BOD	Benefit of the doubt given. The point has not been made quite correctly, completely or precisely, but is nearly there and the intention is clear
^	Omission mark. A term, a label, a line on a graph, an example, etc, required to make the point correctly has been missed out of the response
TV	Too vague. This part of the response is not precise enough to be worth any credit
REP	Repetition of a point already made/credited
NAQ	Not answering the question. This answer (or part of answer) is tangential or irrelevant
OFR	Own figure rule
?	The point being made is unclear or confused
SEEN	Noted but no credit given. Can also be used for blank pages

The purpose of the essay paper is to enable candidates to select appropriate economic models, theories and concepts which they then apply to the circumstances of the question and produce good, logical arguments and draw conclusions. Better essays are likely to have a conclusion that may recognise that various answers are possible, or that it is not possible to draw firm conclusions in all cases. Full justification should be given for the conclusions drawn. The questions are set deliberately to require candidates to plan and structure an answer.

Candidates should try to illustrate their arguments with recent and contemporary examples. Examiners should reward these appropriately. Certainly, a well-illustrated essay should score more highly than one which, while being sound in terms of theory used, does not draw on relevant actual events.

For each question there follows a preamble of what is expected from candidates – always remembering that an ‘unexpected but valid approach’ must be rewarded. A general list of areas that might be included is then given, followed by an example of the sort of answer that would fall into each level of assessment, both in terms of Theory and Analysis and in terms of Evaluation.

Marking criteria for Paper 2

For this paper, marks should be awarded in two categories. The first covers the knowledge and understanding of relevant economics, how this is applied and how the information/issues are analysed (Theory and Analysis) and the second covers the candidate's evaluation of the issues involved (Evaluation). Examiners should look to mark the essay holistically and decide into which relevant Levels the answer lies. The Levels achieved will not necessarily be the same for the two categories.

Theory and Analysis

Level 4 (13–17 marks) Mid mark 15	An excellent answer that shows accurate and comprehensive application of relevant theory. There will be in-depth and coherent analysis. At the top end there will be signs of real insight and/or originality, not normally expected to be seen at this level.
Level 3 (9–12 marks) Mid mark 11	An answer that logically addresses the issues involved and generally shows a correct application of the relevant theory. An attempt is made to analyse and there is some depth or coherence but not necessarily both.
Level 2 (5–8 marks) Mid mark 7	Some correct application of relevant theory will be shown but there may well be inaccuracies contained within the answer. An appreciation of the need to analyse may be demonstrated, but not much more than this. The answer is likely to lack any real coherence.
Level 1 (1–4 marks) Mid mark 3	The answer contains something of relevance to the set question. However, theory may be misunderstood, or incorrectly applied. At this level, any analysis shown will be extremely superficial.
Level 0 (0 marks)	Nothing of any relevance to the set question is shown within the answer.

Evaluation

Level 3 (6–8 marks) Mid mark 7	There is in-depth, coherent, comprehensive and well-balanced evaluation. At the top end there will be signs of real insight and/or originality, not normally expected to be seen at this level.
Level 2 (3–5 marks) Mid mark 4	There is a definite attempt to consider various points of view or outcomes for different economic agents or distinction between short-run and long-run consequences etc. but the coverage of these is less than comprehensive.
Level 1 (1–2 marks) Mid mark 2	There is some attempt at evaluation but issues are more likely to be stated than examined.
Level 0 (0 marks)	There is no evidence of any evaluation whatsoever.

Section A

Question	Answer	Marks
1	<p>The decline of town centre shopping and the rise of internet shopping in the UK are trends that have existed for some time, and both have accelerated in recent years.</p> <p>Discuss the view that the resulting long-term re-allocation of society's resources should not be left to the operation of market forces alone.</p> <p>Candidates should show a clear understanding of the traditional explanation of how market forces lead to a reallocation of resources when there are changes in relevant demand/supply circumstances and should apply this understanding to the particular case of less demand for town centre shopping and greater demand for internet shopping. They should then consider possible downsides of such resource re-allocation, and so the case for and against some government intervention.</p> <p>Answers may include:</p> <p>Knowledge and understanding should be shown of how market forces lead to re-allocation of resources when conditions change, and of relevant possible forms of government intervention.</p> <p>Application to context of falling demand for shopping on the high street and increased demand for internet shopping.</p> <p>Analysis of the way in which changes in supply and demand forces in response to price changes result in changed allocation of resources, and of relevant possible market failures.</p> <p>Evaluation of the issues involved might include consideration of the following:</p> <ul style="list-style-type: none"> • the distinction between possible temporary and longer-lasting changes • the extent to which market forces might generate market failure in terms of inefficient re-allocation of resources • the possibility of government intervention not generating improvement <p>In a well-structured answer it is likely that there will be a conclusion drawn at the end to explain the candidate's overall response to the question of whether government intervention in the context would be beneficial on balance.</p>	25

Question	Answer	Marks								
1	<p>Theory and analysis</p> <table border="1"> <tr> <td data-bbox="320 315 587 712">L4 (13–17 marks) Mid mark 15</td> <td data-bbox="587 315 1310 712">There is clear demonstration of an understanding of ways in which market forces operate in reallocating resources, applied to the context of high street/internet shopping. The analysis will be both accurate and comprehensive, and the application appropriate. There will also be relatively full consideration of possible downsides, with explanation of how government intervention may work to limit or reverse the trends. At the top of the level, there will be a clear attempt to consider possible government failure too.</td> </tr> <tr> <td data-bbox="320 712 587 981">L3 (9–12 marks) Mid mark 11</td> <td data-bbox="587 712 1310 981">The candidate is likely to consider/explain the operation of relevant market forces, though will probably cover at least one aspect rather superficially or with some errors in the analysis. There will be some consideration of possible downsides and/or of possible government intervention, but this is unlikely to be well-developed.</td> </tr> <tr> <td data-bbox="320 981 587 1216">L2 (5–8 marks) Mid mark 7</td> <td data-bbox="587 981 1310 1216">The candidate is likely to focus on just one limited aspect. There is an appreciation of what the question is asking but the answer will fail to go into any meaningful analysis and will probably be more a collection of statements rather than any true explanation.</td> </tr> <tr> <td data-bbox="320 1216 587 1379">L1 (1–4 marks) Mid mark 3</td> <td data-bbox="587 1216 1310 1379">Explanations are either missing or inaccurate. The answer is likely to fail to address the set question but instead be a weak or limited description of high street and internet shopping patterns.</td> </tr> </table>	L4 (13–17 marks) Mid mark 15	There is clear demonstration of an understanding of ways in which market forces operate in reallocating resources, applied to the context of high street/internet shopping. The analysis will be both accurate and comprehensive, and the application appropriate. There will also be relatively full consideration of possible downsides, with explanation of how government intervention may work to limit or reverse the trends. At the top of the level, there will be a clear attempt to consider possible government failure too.	L3 (9–12 marks) Mid mark 11	The candidate is likely to consider/explain the operation of relevant market forces, though will probably cover at least one aspect rather superficially or with some errors in the analysis. There will be some consideration of possible downsides and/or of possible government intervention, but this is unlikely to be well-developed.	L2 (5–8 marks) Mid mark 7	The candidate is likely to focus on just one limited aspect. There is an appreciation of what the question is asking but the answer will fail to go into any meaningful analysis and will probably be more a collection of statements rather than any true explanation.	L1 (1–4 marks) Mid mark 3	Explanations are either missing or inaccurate. The answer is likely to fail to address the set question but instead be a weak or limited description of high street and internet shopping patterns.	
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L1 (1–4 marks) Mid mark 3	Explanations are either missing or inaccurate. The answer is likely to fail to address the set question but instead be a weak or limited description of high street and internet shopping patterns.									

Question	Answer	Marks	
1	Evaluation		
	N3 (6–8 marks) Mid mark 7		<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"> • Might changes in resource allocation be only temporary? • Might market forces themselves resolve any issues that might arise? • Are downsides inevitable? • Might government intervention be ineffective, or indeed make things worse? <p>In a well-structured answer it is likely that there will be a clear conclusion drawn that relates to ‘left to – alone’.</p>
	N2 (3–5 marks) Mid mark 4		<p>One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.</p>
N1 (1–2 marks) Mid mark 2	<p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p> <p>For example: ‘Government might be able to prevent the worst aspects of the decline of high street shopping’.</p>		

Question	Answer	Marks
2	<p>Public health services, such as the monitoring of infectious diseases, are very different from the health services accessed by individuals when they have an accident or are ill.</p> <p>Discuss whether the state should provide both, and whether they should be financed out of taxation.</p> <p>Candidates should consider the markets for both aspects of health services and discuss their nature as public and merit goods. In the first case, government provision, financed out of general taxation, needs to be explained and justified. For the merit good type, however, the answer should put forward the case for government intervention, but also indicate that direct provision is not necessarily required, nor the same method of financing – e.g. private provision, with subsidies, is a valid option.</p> <p>Answers may include:</p> <p>Knowledge and understanding of relevant concepts and theory, in particular public and merit goods, and how they may be provided.</p> <p>Application to relevant real world possible health service examples.</p> <p>Analysis: Candidates need to explain the characteristics of the two types of goods, and how they can each be provided.</p> <p>Evaluation of the issues involved. Examples:</p> <ul style="list-style-type: none"> • Do all elements of health services have the same characteristics? • Is it possible for public goods to be provided through the free operation of market forces in practice? • Are governments capable of identifying the optimum level of the provision of merit goods, and then of ensuring this level is actually provided? • May the possibility of an alternative form of financing, for example through state borrowing, be relevant in the decision as to how to provide? <p>In a well-structured answer, a candidate will conclude with a clear response to the two aspects asked in the question.</p>	25

Question	Answer	Marks								
2	<p data-bbox="316 248 603 282">Theory and analysis</p> <table border="1" data-bbox="320 315 1310 1516"> <tr> <td data-bbox="320 315 587 645">L4 (13–17 marks) Mid mark 15</td> <td data-bbox="587 315 1310 645">There is a clear explanation of the characteristics of BOTH public and merit goods, and of the way in which these are demonstrated by different elements of health service provision, with accurate exemplification. There will also be detailed consideration of methods of providing and financing BOTH. At the top of this level there is likely to be some consideration too of whether optimum levels of provision can actually be achieved in practice.</td> </tr> <tr> <td data-bbox="320 645 587 1048">L3 (9–12 marks) Mid mark 11</td> <td data-bbox="587 645 1310 1048">The candidate will demonstrate quite a good understanding of at least one of public and merit goods, and of how they might be provided and financed, though perhaps with omissions and/or errors in analysis. There will also be some consideration of relevant examples, though it may not be well linked to the relevant analysis, Alternatively, most aspects may be covered but at too superficial a level to enable the candidate to demonstrate a thorough understanding of the issues involved.</td> </tr> <tr> <td data-bbox="320 1048 587 1350">L2 (5–8 marks) Mid mark 7</td> <td data-bbox="587 1048 1310 1350">There is likely to be some understanding shown but the answer will be superficial, and the candidate will not have fully appreciated the point of the question – the answer may merely rehash some learned definitions without a clear focus on the question asked. It may focus entirely on just one of the types of goods. In addition, there may be little or no consideration of relevant examples.</td> </tr> <tr> <td data-bbox="320 1350 587 1516">L1 (1–4 marks) Mid mark 3</td> <td data-bbox="587 1350 1310 1516">A very weak answer that will merely state a few of the issues involved but with no real analysis, and the answer is likely to include a lot of confusion / inaccuracies.</td> </tr> </table>	L4 (13–17 marks) Mid mark 15	There is a clear explanation of the characteristics of BOTH public and merit goods, and of the way in which these are demonstrated by different elements of health service provision, with accurate exemplification. There will also be detailed consideration of methods of providing and financing BOTH. At the top of this level there is likely to be some consideration too of whether optimum levels of provision can actually be achieved in practice.	L3 (9–12 marks) Mid mark 11	The candidate will demonstrate quite a good understanding of at least one of public and merit goods, and of how they might be provided and financed, though perhaps with omissions and/or errors in analysis. There will also be some consideration of relevant examples, though it may not be well linked to the relevant analysis, Alternatively, most aspects may be covered but at too superficial a level to enable the candidate to demonstrate a thorough understanding of the issues involved.	L2 (5–8 marks) Mid mark 7	There is likely to be some understanding shown but the answer will be superficial, and the candidate will not have fully appreciated the point of the question – the answer may merely rehash some learned definitions without a clear focus on the question asked. It may focus entirely on just one of the types of goods. In addition, there may be little or no consideration of relevant examples.	L1 (1–4 marks) Mid mark 3	A very weak answer that will merely state a few of the issues involved but with no real analysis, and the answer is likely to include a lot of confusion / inaccuracies.	
L4 (13–17 marks) Mid mark 15	There is a clear explanation of the characteristics of BOTH public and merit goods, and of the way in which these are demonstrated by different elements of health service provision, with accurate exemplification. There will also be detailed consideration of methods of providing and financing BOTH. At the top of this level there is likely to be some consideration too of whether optimum levels of provision can actually be achieved in practice.									
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L1 (1–4 marks) Mid mark 3	A very weak answer that will merely state a few of the issues involved but with no real analysis, and the answer is likely to include a lot of confusion / inaccuracies.									

Question	Answer	Marks	
2	Evaluation		
	N3 (6–8 marks) Mid mark 7		A good answer is likely to discuss issues such as: <ul style="list-style-type: none"> • May all health services be regarded as having the same characteristics? • Is the government able to identify the optimum levels of different health services, and, even if so, can they be accurately provided? • May government action to provide some health services directly cause more problems than it solves? • Could an alternative method of government financing be relevant? There is likely to be a conclusion drawn at the end to explain the candidate's overall view – even if this is that there is no clear-cut answer.
	N2 (3–5 marks) Mid mark 4		One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.
N1 (1–2 marks) Mid mark 2	Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed. <p>For example: 'The provision of all health services is too great a task for governments to achieve it efficiently'.</p>		

Question	Answer	Marks
3	<p>In recent years, the UK has seen supermarket workers and delivery drivers join nurses and paramedics on the list of those commonly regarded as ‘essential workers’. However, they also joined the list of workers whose wage shows a large shortfall compared to how highly they are ‘valued’ when the general population has expressed a view.</p> <p>Discuss the extent to which such shortfalls are likely to persist over time.</p> <p>Candidates should show a good understanding of wage determination in terms of supply and demand analysis in different labour markets, with consideration being given to both levels and changes over time.</p> <p>Answers may include:</p> <p>Knowledge and understanding of the factors behind demand for labour in different occupations – physical productivity, demand for product, market structure, etc.- and behind supply of labour to different occupations – net advantages, natural and acquired skills, TU and other interventions, etc.</p> <p>Application to the case of ‘essential workers’, and to the difference between market forces and perceived worth in the context.</p> <p>Analysis: Explanation of the wage determination process, with both short- and long-term pay differentials, and factors influencing their likely levels and changes over time, considered.</p> <p>Evaluation of the issues involved. Examples:</p> <ul style="list-style-type: none"> • How valid is any explanation of pay differentials in terms of supply and demand differences/changes over time? • Might the position with regard to ‘essential workers’ be different in the short- and the long-run? • Are there other factors in practice that affect pay differentials? <p>In a well-structured answer, there will be a conclusion reached that relates to the ‘to what extent’ aspect of the question.</p>	25

Question	Answer		Marks
3	Theory and analysis		
	L4 (13–17 marks) Mid mark 15	There will be clear and accurate explanations of both supply factors and of demand factors that influence the operation of the labour market, and of the process of wage determination, linked to pay differentials. The answer will also consider the size of differences between actual and ‘perceived worth’ wages of essential workers with, at the top level, significant consideration given to the issue of persistence or otherwise over time.	
	L3 (9–12 marks) Mid mark 11	The candidate is likely to show a decent understanding of both supply and demand factors influencing wage determination, though one may be relatively superficial, and the answer may not consider both the size of differentials and their persistence or otherwise over time. There may be little consideration given to the specific application referred to in the question.	
	L2 (5–8 marks) Mid mark 7	Any ‘analysis’ is likely to be superficial and will most likely consist of a few statements without any explanation, or the explanations are likely to contain errors. Alternatively, it may be fairly descriptive, probably relating to the groups of workers mentioned in the question.	
L1 (1–4 marks) Mid mark 3	A very limited or incorrect grasp of wage determination may be the extent of the answer, with no link to underlying supply or demand factors.		

Question	Answer	Marks	
3	Evaluation		
	N3 (6–8 marks) Mid mark 7		<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"> • Why might or might not wage differentials persist over time? • Are there any other factors that influence wage determination in practice? • How relevant is how the population might ‘value’ different occupations to the determination of their relative pay? <p>There is likely to be a conclusion drawn at the end to explain the candidate’s overall view, with a link made to the issue of ‘to what extent’.</p>
	N2 (3–5 marks) Mid mark 4		<p>One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.</p>
N1 (1–2 marks) Mid mark 2	<p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p> <p>For example: ‘There are some circumstances when current low wage earners tend always to be low wage earners’.</p>		

Section B

Question	Answer	Marks
4	<p>A report in 2021 showed that wealth was even more unequally distributed in the UK than had previously been the case. In addition, UK income inequality is renowned as being greater than that in most other European countries.</p> <p>Discuss the view that tax policies targeted at reducing these inequalities would have such a harmful effect on incentives that they would not achieve their desired outcome.</p> <p>Candidates should show an understanding of the meanings of inequalities of both wealth and income, and of possible government policies targeted at reducing each. There should also be consideration of how such policies might have effects on incentives, with reference to different economic agents – in particular, both entrepreneurs and workers.</p> <p>Answers may include:</p> <p>Knowledge and understanding of the meaning of inequality, of both wealth and income, and of relevant tax policies.</p> <p>Application in terms of the UK tax system.</p> <p>Analysis of the ways in which tax policies could impact income and wealth distribution, and incentives of economic agents.</p> <p>Evaluation of the issues involved. Examples:</p> <ul style="list-style-type: none"> • Are different policies needed to reduce wealth as against income inequality? If so, will they reinforce or conflict with each other? • Will incentives of different groups be affected in different ways? • Can the overall impact on income and/or wealth distribution be accurately assessed? 	25

Question	Answer	Marks		
4	Theory and analysis			
			L4 (13–17 marks) Mid mark 15	There will be a clear explanation of both income and wealth inequality, and of how at least one relevant tax policy in each case would work to reduce the extent of inequality. There will also be consideration of how these policies could affect incentives of at least one category of economic agents. At the top end, there will also be an attempt to weigh the different impacts on the inequalities of the distributions.
			L3 (9–12 marks) Mid mark 11	There will be clear understanding of the meaning of both types of inequality, and some explanation of relevant tax policies, though there may be some superficiality in some element[s] of the explanations. The impact on incentives will at least be touched upon, if only to a limited extent.
			L2 (5–8 marks) Mid mark 7	There may be some appreciation of the main issues behind the question, but the answer is likely to contain serious misunderstandings or omissions – for example, wealth may be largely ignored, or the impact of taxes on incentives may be considered to little or no extent.
L1 (1–4 marks) Mid mark 3	There is very little evidence shown that the candidate genuinely understands what the question is about, and may concentrate just on the meaning of inequality, for example.			

Question	Answer	Marks	
4	Evaluation		
	N3 (6–8 marks) Mid mark 7		<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"> • Will tax policies targeted at, say, inequality of income automatically target wealth inequality too? • Will effects on incentives be very different for different groups? • Could the situation be different in the short-run and the long-run? • Is it possible to weigh the different impacts on inequalities? <p>There is likely to be a conclusion drawn at the end to explain the candidate's overall response, with whether the desired outcome would be achieved directly addressed.</p>
	N2 (3–5 marks) Mid mark 4		<p>One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.</p>
N1 (1–2 marks) Mid mark 2	<p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p> <p>For example: 'Progressive taxation will reduce incentives for both workers and entrepreneurs'.</p>		

Question	Answer	Marks
5	<p>Mainly because of recent international events, including the pandemic, there have been significant increases in UK inflation in recent times. In such circumstances, macroeconomic policy should focus exclusively on getting inflation back to acceptable levels, if necessary at the expense of achieving other macroeconomic goals.</p> <p>Discuss the extent to which this view is valid.</p> <p>Candidates should explain how the international events resulted in significant UK inflation and demonstrate a good understanding of relevant macro-economic policies aimed at significant inflation reduction – fiscal, monetary and supply-side policies all need consideration, with their impacts on both AD and AS explained. There also needs to be identification of other macroeconomic goals, and consideration of the likelihoods of the achievement of them being either harmed or enhanced as a result of the recommended policies.</p> <p>Answers may include:</p> <p>Knowledge and understanding of the meaning, types and causes of inflation, of relevant macroeconomic policies and of other macroeconomic goals.</p> <p>Application to the UK context from the recent pandemic onwards.</p> <p>Analysis of the impact that different constituents of fiscal, monetary and S-side policies have on both AD and AS, and so on the overall macro-economy, with particular reference to inflation, plus of links to such other goals as unemployment, economic growth and the balance of overseas trade.</p> <p>Evaluation of the issues involved. Examples:</p> <ul style="list-style-type: none"> • Will inflation-reducing policies after significant inflation such as in the UK necessarily achieve the desired objective? • Why should inflation-reduction be regarded as the macro. goal with the highest priority for a government? What is an ‘acceptable’ level of inflation? • May different policy constituents have different effects? • How important is the timeframe over which policies are being judged? <p>A well-structured answer will come to a reasoned conclusion, with ‘to what extent is the view valid?’ being directly addressed.</p>	25

Question	Answer	Marks		
5	Theory and analysis			
			L4 (13–17 marks) Mid mark 15	There will be a clear explanation of the main constituents of fiscal, monetary and S-side policies aimed at inflation- reduction and of their different effects, with clear application to the case of the UK post-pandemic. Other macro-economic objectives will be clearly delineated, and the way the policies impact them also considered. At the top level, there will also be an explicit attempt to weigh the impacts of the different policies on the different policy objectives.
			L3 (9–12 marks) Mid mark 11	There will be reasonable understanding shown of different macro. policies, and of their effects on AD, AS and inflation. There will also be some link to other objectives. However, there may be gaps – limited explanation of the effects, or exploration only of fiscal policy, for example – or, although the coverage may be sound, the analysis may be superficial in places, and is likely to have limited or weak relevant application. Alternatively, an answer may not focus at all on suitable anti-inflation policies, but rather on explaining links between reduced/low inflation and desirable levels of other macro-goals.
			L2 (5–8 marks) Mid mark 7	The answer is likely to be superficial and there will be very limited explanation of the different methods. Other objectives may be largely ignored. Far too much will be left simply stated rather than explained.
L1 (1–4 marks) Mid mark 3	There will be little if any relevance. The answer may well talk about policies but without explaining how they work or how they tie in to macro-economic objectives.			

Question	Answer	Marks	
5	Evaluation		
	N3 (6–8 marks) Mid mark 7		<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"> • Why should inflation have top priority among different government macroeconomic objectives? • Are some policies more suitable than others in achieving reduction in inflation? • Do different macroeconomic goals necessarily conflict with each other? • How relevant is the time scale over which the policies are assessed? • How important is the specific application to the UK post-pandemic? <p>There is likely to be a conclusion drawn at the end to explain the candidate's overall answer to the question posed, concerning validity of the view expressed.</p>
	N2 (3–5 marks) Mid mark 4		<p>One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.</p>
N1 (1–2 marks) Mid mark 2	<p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p> <p>For example: 'The effect of reduced G on the level of inflation depends on the size of the multiplier.'</p>		

Question	Answer	Marks
6	<p>The period since the UK formally left the EU has demonstrated the importance of so-called ‘non-tariff barriers to trade’.</p> <p>Discuss the view that living standards are bound to be lower than they otherwise would be unless trade between nations takes place without restrictions of any sort.</p> <p>Candidates should identify the nature of the benefit, in terms of optimising living standards, of two nations engaging in free trade between them. They should also explain the way in which the existence of ‘barriers’ to free trade cause living standards to be lower; the answer should consider tariff protection, plus at least one other ‘non-tariff’ barrier to free trade. There should then be consideration of the possibility that under some circumstances, restrictions to free trade may actually be beneficial.</p> <p>Answers may include:</p> <p>Knowledge and understanding of the theory of comparative advantage as explaining the benefits of free trade, and of methods of, and reasons for, imposing barriers.</p> <p>Application: The use of examples of relevant trade barriers would enhance the answer, probably though not necessarily from the UK/EU context.</p> <p>Analysis of both the benefits in terms of living standards from engaging in free trade, and of the effects of protection.</p> <p>Evaluation of the issues involved. Examples:</p> <ul style="list-style-type: none"> • Will all countries always benefit from free trade? • May there be different pros and cons in the short- and the long-run? • Might barriers to trade be advantageous in some circumstances but not in others? 	25

Question	Answer	Marks		
6	Theory and analysis			
			L4 (13–17 marks) Mid mark 15	There is a clear and accurate identification and explanation of the benefits of free trade, and of types of, and possible reasons for imposing, barriers. At the top level, there will also be an attempt to consider how different types of barriers might have different impacts on living standards.
			L3 (9–12 marks) Mid mark 11	The answer will probably demonstrate an understanding of the case for free trade, and some explanation of both benefits and possible downsides of imposing barriers, though the latter may be fairly superficial or limited, and there may not be any consideration for living standards of different situations when the balance of pros and cons may differ.
			L2 (5–8 marks) Mid mark 7	Any analysis is likely to be rather superficial and there will, at best, be limited knowledge shown of the effects of protection. There may be little or no emphasis on living standards
			L1 (1–4 marks) Mid mark 3	There will be little if any relevance, with the answer going little further than identification of the meaning of trade.

Question	Answer	Marks	
6	Evaluation		
	N3 (6–8 marks) Mid mark 7		A good answer is likely to discuss issues such as: <ul style="list-style-type: none"> • Is free trade always beneficial to the nations involved? • Might protection be beneficial in some circumstances but not in others? • Might some barriers have beneficial effects and others not? Or might their effects be different according to the time period under consideration? There is likely to be a conclusion drawn at the end to explain the candidate's overall assessment of the view expressed in the question.
	N2 (3–5 marks) Mid mark 4		One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.
N1 (1–2 marks) Mid mark 2	Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed. For example: 'Barriers to free trade may sometimes be justified'.		