



*Rewarding Learning*

**ADVANCED SUBSIDIARY (AS)  
General Certificate of Education  
2017**

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## **Economics**

**Assessment Unit AS 1**

*assessing*

**Markets and Prices**

**[AE111]**

**MONDAY 15 MAY, MORNING**

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**MARK  
SCHEME**

## General Marking Instructions

This mark scheme is intended to ensure that the AS examinations are marked consistently and fairly. The mark scheme provides examiners with an indication of the nature and range of candidate responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses. The mark scheme should be read in conjunction with these general marking instructions which apply to all papers.

### Quality of candidates' responses

In marking the examination papers, examiners will be looking for a quality of response reflecting the level of maturity which may reasonably be expected of 17-year-olds, which is the age at which the majority of candidates sit their AS examinations.

### Flexibility in marking

The mark scheme is not intended to be totally prescriptive. For many questions, there may be a number of equally legitimate responses and different methods by which the candidates may achieve good marks. No mark scheme can cover all the answers which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner for the paper concerned.

### Positive marking

Examiners are encouraged to be positive in their marking, giving appropriate credit for valid responses rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected for 17-year-old candidates. Conversely, marks should only be awarded for valid responses and not given for an attempt which is completely incorrect or inappropriate.

### Types of mark schemes

Mark schemes for questions which require candidates to respond in extended written form are marked on the basis of levels of response which take account of the quality of written communication. These questions are indicated on the cover of the examination paper. Other questions which require only short answers are marked on a point for point basis with marks awarded for each valid piece of information provided. Some material may be included in the mark scheme for the benefit of teachers and pupils preparing for future examinations. Candidates are not expected to have provided this information. Such material is printed in the mark scheme in italics.

### Levels of response

Questions requiring candidates to respond in extended writing are marked in terms of levels of response. In deciding which level of response to award, examiners should look for the "best fit" bearing in mind that weakness in one area may be compensated for by strength in another. In deciding which mark within a particular level to award to any response, examiners are expected to use their professional judgement. The following guidance is provided to assist examiners.

**Threshold performance:** Response which just merits inclusion in the level and should be awarded a mark at or near the bottom of the range.

**Intermediate performance:** Response which clearly merits inclusion in the level and should be awarded a mark at or near the middle of the range.

**High performance:** Response which fully satisfies the level description and should be awarded a mark at or near the top of the range.

## Marking calculations

In marking answers involving calculations, examiners should apply the “own figure rule” so that candidates are not penalised more than once for a computational error.

### Quality of written communication

Quality of written communication is taken into account in assessing candidates’ responses to all questions that require them to respond in extended written form. These questions are marked on the basis of levels of response. The description for each level of response includes reference to the quality of written communication. Where the quality of candidates’ economics is not matched by the quality of written communication, marks awarded will not exceed the maximum for Level 2 in questions which have three levels of response or the maximum for Level 3 in those which have four levels of response.

For conciseness, quality of written communication is distinguished within levels of response as follows:

Level 1: Quality of written communication is limited.

Level 2: Quality of written communication is satisfactory.

Level 3: Quality of written communication is of a high standard.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below:

**Level 1 (Limited):** The candidate makes only a limited attempt to select and use an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

**Level 2 (Satisfactory):** The candidate makes a reasonable attempt to select and use an appropriate form and style of writing, supported with appropriate use of diagrams as required. Relevant material is organised with some clarity and coherence. There is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make meaning evident.

**Level 3 (High Standard):** The candidate successfully selects and uses an appropriate form and style of writing, supported with the effective use of diagrams where appropriate. Relevant material is organised with a high degree of clarity and coherence. There is widespread use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make meaning clear.

- 1 (a) In absolute terms Ireland has the highest tax burden of the three at \$8.03 with France having the lowest at \$5.45. Based on these figures the tax burden in France is approximately 30% lower than in the UK with the tax burden in Ireland being approximately 4% higher than in the UK. However when we express the tax burden as a percentage of the retail price the order is reversed. France has the highest tax burden at approximately 80% with Ireland having the lowest at approximately 76%. The UK remains in second place with 79%.

**Level 1 ([1]–[2])**

Candidate provides little significant comparison of the tax on a packet of cigarettes in the UK with that of France and Ireland. Quality of written communication is limited.

**Level 2 ([3]–[4])**

Candidate provides a basic comparison of the tax on a packet of cigarettes in the UK with that of France and Ireland. The comparison will focus on absolute figures with no attempt will be made to manipulate data to make comparisons based on the burden as a percentage of the retail price. Quality of written communication is satisfactory.

**Level 3 ([5]–[6])**

Candidate provides a comprehensive comparison of the tax on a packet of cigarettes in the UK with that of France and Ireland. Data will be manipulated to make comparisons based on the burden as a percentage of the retail price. Quality of written communication is of a high standard. [6]

- (b) PED = % change in QD/% change in P  

$$= \frac{-33.33\%}{100\%}$$

$$= -0.33$$

- 1 for appropriate formula
- 2 for selection of appropriate data
- 1 for correct answer (omission of minus sign will not incur any penalty)
- For correct answers without showing workings award full marks. [4]

- (c) The figure calculated above is based on the change in quantity demanded of the whole population. However if a figure was calculated for the poorest 10% of the population demand is likely to be much more price elastic. This is because a packet of cigarettes represents a much higher proportion of a poor person's income.

- 2 for explanation that demand is more price elastic
- 2 for explanation that it is due to cigarettes representing a much higher proportion of a poor person's income. [4]

- (d) A specific tax is a tax which is defined as a fixed amount for each unit of the good or service sold. Whereas an ad-valorem tax is a tax which is defined as a percentage of the price of the item upon which it is levied. Cigarettes in the UK have both specific and ad-valorem taxes imposed upon them. *Currently (March 2015) the specific element is £3.68 per packet of 20 with an ad-valorem excise duty of 16.5% of the retail price. VAT is also levied on cigarettes at a rate of 20% of the retail price.*

AVAILABLE  
MARKS

Appropriate development

- Definition of specific tax
- Definition of ad-valorem tax
- Appropriate examples
- Appropriate diagrams.

**Level 1 ([1]–[2])**

Candidate shows little understanding of the difference between a specific tax and an ad-valorem tax. There is no significant development and quality of written communication is limited.

**Level 2 ([3]–[4])**

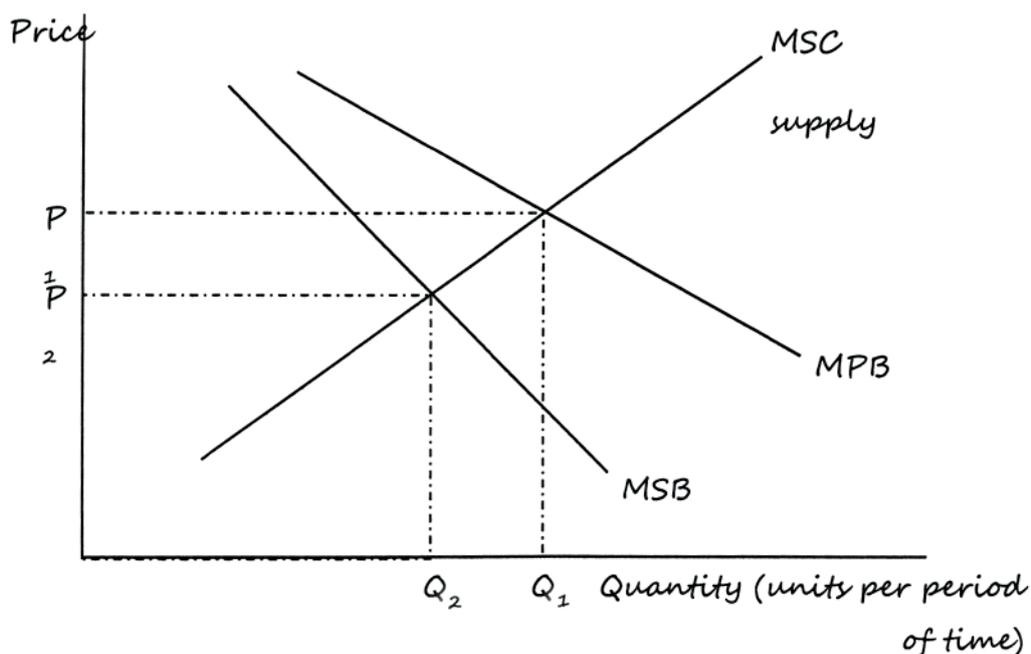
Candidate shows some understanding of the difference between a specific tax and an ad-valorem tax. There is a degree of development and quality of written communication is satisfactory.

**Level 3 ([5]–[6])**

Candidate shows clear understanding of the difference between a specific tax and an ad-valorem tax. There is significant development and quality of written communication is of a high standard. [6]

- (e) A demerit good is a good for which demand exceeds need or a good which, in a paternalistic sense, the government believes we should not consume. Demerit goods confer negative externalities on society and as such would be over consumed in a free market economy. The source suggests that cigarettes cost the UK economy £12.9bn each year in additional health care costs, lost production and increased worker sick-days.

Cigarettes are over consumed because the benefit received by the consumer exceeds the social benefit. For example in the case of smoking the demand curve based solely on the marginal private benefit (MPB) is higher than that which encompasses the disutility suffered by others as a consequence of someone smoking (MSB). Hence cigarettes are overvalued and over-consumed in a free market.



AVAILABLE  
MARKS

The free market price is P1 and consumption is Q1. When allowance is made for the disutility suffered by others then the socially optimum level of consumption is Q2.

Alternatively demerit goods such as cigarettes may be over consumed due to a lack of information on the part of the person consuming the good. Some people may not be fully aware of the dangers involved in smoking or may simply discount the dangers since they are likely to occur in the future while the benefits occur immediately.

**Level 1 ([1]–[2])**

Candidate shows little understanding of why cigarettes could be considered to be a demerit good. No attempt is made to represent this in a diagram or if an attempt is made it will contain significant errors. Quality of written communication is limited.

**Level 2 ([3]–[5])**

Candidate shows some understanding of why cigarettes could be considered to be a demerit good. The diagram will support the analysis but may contain some minor errors. Quality of written communication is satisfactory.

**Level 3 ([6]–[8])**

Candidate shows comprehensive understanding of why cigarettes could be considered to be a demerit good. This analysis is supported by a clear and accurate diagram. Quality of written communication is of a high standard. [8]

- (f) Government intervention in the market for cigarettes takes many different forms from the imposition of punitive taxes, to age restrictions, to regulations governing where they can be consumed and how they can be marketed. The introduction of plain packaging is designed to break the power of cigarette branding and so reduce consumption and more importantly reduce the number of young people taking up smoking. Supporters of government intervention in the cigarette market point to the decline in the number of people smoking and the decline in the number of cigarettes smoked by the average smoker as evidence that these policies are effective.

However opponents of government intervention argue that it distorts markets and creates large shadow markets where cigarettes are sold in an uncontrolled environment. They also argue that regulation is costly to police and can have a negative impact on personal freedom, efficiency and employment.

**Issues for analysis and discussion include:**

- Impact of regulation on reducing smoking – *smoking declined by 12.8% in Australia in the 2 years after the introduction of plain packaging*
- Impact of regulation on the perception of smoking- smoking has been “denormalised”- smoking in the UK has fallen from 50% in 1965 to 20% today
- Taxation of cigarettes raises government revenue which can be ring-fenced to help reduce smoking – *cigarette taxes raise approximately £12bn for the Treasury each year*
- Impact of regulation on personal freedom
- Impact of government intervention on efficiency
- Impact of anti-smoking regulations on employment and economic growth – a large number of local pubs have closed since 2007 with many claiming that the smoking ban was the straw that broke the camel’s back

AVAILABLE  
MARKS

- Impact on health service
- Reference to creation of shadow markets – *estimates suggest that approximately 10% of cigarettes smoked in the UK have been smuggled or produced illegally*
- References to research which claims that smoking has actually increased as a result of the regulations as it has encouraged shadow markets.

**Level 1 ([1]–[4])**

Candidate displays little understanding of the case for and against the view that government intervention in the market for cigarettes creates more problems than it solves. There is no significant evaluation of the issues and quality of written communication is limited.

**Level 2 ([5]–[8])**

Candidate provides some understanding of the case for and against the view that government intervention in the market for cigarettes creates more problems than it solves. There is a degree of evaluation and quality of written communication is satisfactory.

**Level 3 ([9]–[12])**

Candidate provides a clear and comprehensive understanding of the view that government intervention in the market for cigarettes creates more problems than it solves. There is significant evaluation and judgement and quality of written communication is of a high standard. [12]

AVAILABLE  
MARKS

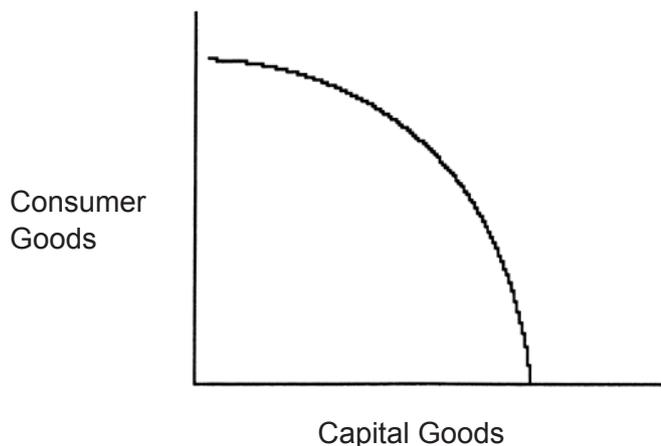
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## 2 Scarcity is not a problem in developed economies

- (a) The production possibility frontier (PPF) shows the alternative maximum combinations of two items, for example consumer goods and capital goods, which can be produced from a fixed quantity of resources.

It reflects scarcity in that it is only possible to obtain more consumer goods by having fewer capital goods. However the nature of this trade-off is not fixed. If it were then the production possibility curve (PPF) would be a straight line.

Any point on the PPF represents an efficient allocation of resources whereas points inside the PPF represent an inefficient allocation of resources since it would be possible to produce more of one good without sacrificing any of the other.



### Level 1 ([1]–[3])

Candidate shows little knowledge or understanding of production possibility curves. There is at best seriously flawed definition and little development through relevant examples, diagrams or technical language. Quality of written communication is limited.

### Level 2 ([4]–[7])

Candidate shows some knowledge and understanding of production possibility curves. There is a credible definition though this may contain minor errors and some development through relevant examples, diagrams or technical language. Quality of written communication is satisfactory.

### Level 3 ([8]–[10])

Candidate shows extensive knowledge and understanding of production possibility curves. There is an accurate definition and extensive development through relevant examples, diagrams or technical language. Quality of written communication is of a high standard. [10]

AVAILABLE  
MARKS

- (b) Although economic resources are fixed in the short term, in the long run it becomes possible to obtain more resources or to make better use of those which we have. Therefore the PPF will shift to the right if a country can increase the quantity or quality of resources available to it. There are a number of ways in which this can be achieved.

**Issues, analysis and areas for discussion include the following:**

- Investment in human capital through education and training
- Investment in physical capital
- Immigration of labour
- Development of new technology
- Government investment in the economy's infrastructure
- Development of social capital
- Discovery of natural resources such as oil
- Appropriate diagrams
- Historical and international examples.

**Level 1 ([1]–[5])**

Candidate provides little analysis of the factors which might cause an outward shift in an economy's production possibility curve. There are few if any relevant examples and diagrams will be non-existent or seriously flawed. Quality of written communication is limited.

**Level 2 ([6]–[10])**

Candidate provides some analysis of the factors which might cause an outward shift in an economy's production possibility curve. There are some relevant examples, perhaps supported by a relevant, if slightly flawed diagram. Quality of written communication is satisfactory.

**Level 3 ([11]–[15])**

Candidate provides extensive analysis of the factors which might cause an outward shift in an economy's production possibility curve. There is significant development through examples and/or flawless diagrams. Quality of written communication is of a high standard. [15]

- (c) The concept of scarcity lies at the heart of economic theory and portrays the human condition as a constant struggle between limited resources and unlimited wants. The founding fathers of modern economics such as Smith and Ricardo wrote mainly in the 18th and 19th centuries when absolute poverty and deprivation were the norm for most of the population of the British Isles. Life expectancy was much shorter, malnutrition common and general living standards bore no resemblance to those which we currently enjoy.

The same is true of less developed countries today. The UN classifies an LDC as one which has a GDI per capita of less than US\$992. (Approx. £645). By this definition there are 49 LDC. So in one way the statement is correct. The extremes of scarcity and poverty which once existed are no longer a problem in developed economies.

However this does not mean that scarcity has totally disappeared in the developed world. It may take a different form but it still exists. If it did not we would live in a world of super abundance where we could enjoy as much of everything as we wanted.

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Sadly this is not the case. There is scarcity of health care. We want better cars, bigger houses, more holidays and more advanced consumer durables. In addition those who live in developed countries may be impacted at least emotionally by the extreme poverty which exists in many of the world's poorest countries.

In short our aspirations still outstrip the economy's capacity to produce. So scarcity is alive and well and likely to remain so.

**Areas for analysis and evaluation include:**

- Explanation of scarcity
- Difference between needs and wants
- Difference between poverty and scarcity
- Contextual nature of scarcity and poverty
- Historical examples
- International examples
- Timeless and universal nature of scarcity
- Unfulfilled emotional needs in developed economies
- Time as a scarce resource.

**Level 1 ([1]–[5])**

Candidate displays little understanding of the view that scarcity is no longer a problem in developed economies. There is little or no significant evaluation of the issues and quality of written communication is limited.

**Level 2 ([6]–[10])**

Candidate provides some understanding of the view that scarcity is no longer a problem in developed economies. There is a degree of evaluation and quality of written communication is satisfactory.

**Level 3 ([11]–[15])**

Candidate provides a clear and comprehensive understanding of the view that scarcity is no longer a problem in developed economies. There is significant evaluation and judgement and quality of written communication is of a high standard. [15]

AVAILABLE  
MARKS

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### 3 Relative poverty on the rise in the UK

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MARKS

- (a) When economists talk about income inequality they are normally referring to how a nation's total income is distributed unequally amongst its population. However it can also be used to describe the differences in income levels between countries. Economists have devised a number of different methods of measuring income inequality including the Lorenz Curve, the Gini Coefficient, the Palma Index and the Hoover Index. Many economists consider extreme inequality in the distribution of income to be a source of market failure.

#### Appropriate development

- Explanation of how income is measured
- Distinction between income and wealth
- Reference to different measures of income distribution – Gini Coefficient, Lorenz Curve, Palma Index, Hoover Index
- Reference to different definitions of poverty – absolute and relative
- Reference to market failure
- Reference to economic rent and transfer earnings
- Explanation of different types of income
- Appropriate diagrams
- Appropriate examples.

#### Level 1 ([1]–[3])

Candidate shows little understanding of what is meant by income inequality. There is at best a seriously flawed definition and little development through relevant examples, diagrams or technical language. Quality of written communication is limited.

#### Level 2 ([4]–[7])

Candidate shows some understanding of what is meant by income inequality. There is a credible definition, though this may contain minor errors, and some development through relevant examples, diagrams or technical language. Quality of written communication is satisfactory.

#### Level 3 ([8]–[10])

Candidate shows comprehensive understanding of what is meant by income inequality. There is an accurate definition and extensive development through relevant examples, diagrams or technical language. Quality of written communication is of a high standard. [10]

- (b) There are a range of policies the UK government could use to reduce income inequality. These include:

#### 1. Change the tax and benefit system

- Increase the higher rate of income tax. This will make the tax system more progressive and will reduce the income of the top earners. The money could then be redistributed to the poorest.
- Cut the lower rate of income tax and increase the level of the tax-free allowance. This should reduce the poverty trap and encourage people to look for work.
- Reduce the availability of universal state benefits and switch towards more means tested benefits such as the Educational Maintenance Allowance. This would save the government money and the money will go to those who need it most.
- Link benefits to average earning instead of average prices.

**2. Measures to reduce unemployment and economic inactivity**

- Unemployment is one of the major causes of poverty. Therefore decreasing unemployment will decrease poverty.
- UK governments have used special employment measures such as the new deal and the welfare to work programme to improve the job prospects of the unemployed.
- Regional policy assistance. The government can focus attention on areas of high unemployment and encourage firms to locate there.

**3. Measures to increase average pay of lowest paid**

- Increasing the NMW will help to increase the incomes of the low paid and also improve the incentive for people to find work.
- Implement living wage legislation.
- Legislate against unpaid internships and zero hours contracts.
- Increase the pay of low-paid public sector workers.

**Level 1 ([1]–[5])**

Candidate provides little analysis of the policies the UK government could use to reduce income inequality. There is little analysis and application to the UK. Quality of written communication is limited.

**Level 2 ([6]–[10])**

Candidate provides some analysis of the policies the UK government could use to reduce income inequality. There is a degree of analysis and application to UK economy. Quality of written communication is satisfactory.

**Level 3 ([11]–[15])**

Candidate provides extensive analysis of the policies the UK government could use to reduce income inequality. There is significant analysis and application through relevant examples. Quality of written communication is of a high standard. [15]

- (c) Classical economists are opposed to the government taking action to redistribute household income. They argue that if the government take no action the money will filter down to the poor naturally, through the working of the market economy. They argue that government action to redistribute income actually reduces the incentive to work for both the rich and the poor and is therefore counterproductive. They point to the very high tax rates imposed by the UK government in the 1960's and 70's, which created huge disincentives to work and led to a large number of tax exiles in the UK.
- However, most economists would argue that some form of redistribution is necessary.
  - They argue that if society is too unequal it will lead to great social problems.
  - Evidence suggests that there is a strong correlation between inequality rates and social problems such as obesity, alcohol abuse and crime levels.
  - They also believe that redistribution will increase total utility in an economy since the marginal utility the poor receive from each extra pound is greater than the loss of utility the rich suffer from giving up an extra pound.
  - They also argue that redistribution actually benefits the whole of society and the economy, since the poor will spend all of their additional income, which will benefit the economy and create further jobs.

AVAILABLE  
MARKS

- Obviously some balance is needed between a tax and benefit system, which is both fair and protects the poorest in society, and one which does not punish those who have worked hard to earn a good income, and rewards those who are reluctant to seek employment.

**Issues for analysis and discussion include:**

- Causes of inequality
- Reasons for intervention
- Link between inequality and social problems
- Disincentive effects of government intervention
- Comparison of the efficiency of market redistribution compared to government redistribution
- Reference to the work of charitable organizations and their impact on reducing inequality
- Impact of redistribution on economic welfare
- Impact of redistribution on economic growth
- Laffer curve effects
- International comparisons.

**Level 1 ([1]–[5])**

Candidate shows very limited understanding of the arguments for and against government intervention to reduce income inequality. There is no significant evaluation of the issues and quality of written communication is limited.

**Level 2 ([6]–[10])**

Candidate provides some understanding of the arguments for and against government intervention to reduce income inequality. There is a degree of evaluation and quality of written communication is satisfactory.

**Level 3 ([11]–[15])**

Candidate provides a clear and comprehensive understanding of the arguments for and against government intervention to reduce income inequality. There is significant evaluation and judgement and quality of written communication is of a high standard.

[15]

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MARKS

#### 4 Business leaders criticise government for cutting subsidies for renewable energy

AVAILABLE  
MARKS

- (a) Supply is defined as the quantity of a good or service that producers are willing and able to supply over a range of prices in a given time period. An increase in supply means that producers are willing to produce more of a product at all price levels. It is represented by a rightward shift in the supply curve. An increase in supply can be caused by a range of factors such as a change in the price of factors of production, an increase in productivity and technological developments.

##### Appropriate development

- Definition of supply
- Reference to supply curve
- Conditions of supply
- Appropriate diagrams
- Appropriate examples.

##### Level 1 ([1]–[3])

Candidate shows little understanding of what is meant by an increase in supply. There is no significant development and quality of written communication is limited.

##### Level 2 ([4]–[7])

Candidate shows some understanding of what is meant by an increase in supply. There is a degree of development and quality of written communication is satisfactory.

##### Level 3 ([8]–[10])

Candidate shows clear understanding of what is meant by an increase in supply. There is significant development and quality of written communication is of a high standard. [10]

- (b) An increase in supply in one market may have an impact on a range of other markets.

While candidates may choose to use the energy market to illustrate this answer, reference to other markets is entirely acceptable.

The markets most likely to be affected are:

- The market for substitute goods
- The market for complementary goods
- The market for goods which are in joint supply
- The market for other goods for which the product is a factor input
- The market for factor inputs for the product.

##### Issues for analysis include:

- Use of appropriate diagrams
- Appropriate examples
- Reference to elasticity of demand and supply (PED, XED, PES).

##### Level 1 ([1]–[5])

Candidate provides little explanation of how a change in supply in one market may impact upon other markets. There is no significant economic analysis or application and quality of written communication is limited.

**Level 2 ([6]–[10])**

Candidate provides some explanation of how a change in supply in one market may impact upon other markets. There is a degree of economic analysis and application. Quality of written communication is satisfactory.

**Level 3 ([11]–[15])**

Candidate provides a clear and comprehensive analysis of how a change in supply in one market may impact upon other markets. There is significant economic analysis and application. Quality of written communication is of a high standard. [15]

- (c) Those who support the cut in subsidy to green energy argue that subsidising green energy creation has become very expensive at a time when the technology has become cheaper for individual firms. They also argue that it is the large and often foreign firms who benefit most from the subsidies. *They point to the fact that, in 2011, the top 10 wind farm providers received over £800 million between them. Of the 10 top companies 8 are foreign owned.*

They also argue that the benefits of green energy such as wind farms are overstated and point particularly to the noise and visual pollution they create. They also point out that, recent developments in technology mean, that creating energy from fossil fuels is not as environmentally damaging as was once the case.

However those who support the policy of subsidising green energy argue that it will increase the incentive to create green energy and as a result it will lead to a reduction in the pollution caused by traditional forms of energy production. They argue that without the subsidy, the creation of green energy will be below the socially desirable level and therefore make it more difficult for the UK to meet their carbon reduction targets. They also argue that the subsidy helps UK firms develop innovative energy products and creates both employment and economic growth.

**Issues for discussion and evaluation include:**

- Impact of cut in subsidy on supply of green energy
- Impact of subsidy will depend on the relative price elasticity of demand and supply
- Impact of cut in subsidy on environment
- Need for investment in alternative energy infrastructure
- Reference to energy used in the construction of sources of alternative forms of energy
- Opportunity cost of subsidy
- Reference to contemporary issues such as the RHI Scheme
- Administration cost of allocating subsidy
- Impact of subsidy cut on employment and growth
- Appropriate examples
- Appropriate diagrams.

**Level 1 ([1]–[5])**

Candidate displays little understanding of the case for and against the proposal to cut the level of subsidy available for wind farms. There is no significant evaluation of the issues and quality of written communication is limited.

**Level 2 ([6]–[10])**

Candidate provides some understanding of case for and against the proposal to cut the level of subsidy available for wind farms. There is a degree of evaluation and quality of written communication is satisfactory.

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**Level 3 ([11]–[15])**

Candidate provides a clear and comprehensive understanding of the proposal to cut the level of subsidy available for wind farms. There is significant evaluation and judgement and quality of written communication is of a high standard.

[15]

**Total****AVAILABLE  
MARKS**

40

**80**