

# Cambridge Pre-U

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**ECONOMICS**

**9772/03**

Paper 3 Investigation

**October/November 2020**

MARK SCHEME

Maximum Mark: 40

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**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.

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This syllabus is regulated for use in England, Wales and Northern Ireland as a Cambridge International Level 3 Pre-U Certificate.

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This document consists of **26** printed pages.

**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.

**ANNOTATIONS**

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

Annotation	Use or meaning
L0, L1, L2, L3, L4	Level seen or awarded
N0, N1, N2, N3	Evaluation <u>n</u> 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. Please note that teachers who request a script can read your comments 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

Question	Answer	Marks
<b>Transport and the Environment</b>		
1	<p data-bbox="300 297 1201 427"><b><i>‘Transport for the North is working to make it easier for people and goods to travel across the region, improving access to jobs, supporting businesses and improving the movement of freight and goods across the North and to ports and airports.’</i></b></p> <p data-bbox="922 427 1254 461" style="text-align: right;"><b>(Transport for the North)</b></p> <p data-bbox="300 495 1214 555"><b>To what extent do the UK’s regional transport priorities conflict with national transport priorities?</b></p> <p data-bbox="300 589 1251 1193">Candidates should demonstrate a knowledge of the regional and national context with UK transport policy and understand how the two may complement and compete with each other. Weaker students may either speak in very general terms, for instance suggesting that a national priority is to support economic growth or will substitute an understanding of regional policy for a particular project, such as Heathrow’s third runway as regional policy for the South East. The best responses will be able to show how regional policies are developing across the UK and judge whether central government national transport policy is supporting or undermining regional agendas. While candidates are not expected to have researched a broad range of regional policies, they are expected to have an awareness of why a ‘one-size-fits—all’ national policy may not be suitable to drive the development of the regions. Stronger responses will set regional and national transport priorities in the wider context of regional and national economic priorities, judging the extent to which transport policies will help to achieve these goals. The best responses will appreciate that any national transport strategy will to a greater or lesser extent also be a strategy for the regions and they may begin to evaluate the extent to which a national strategy is necessary for regional development.</p> <p data-bbox="300 1227 1257 1514">They should use appropriate analytical tools and data to support their arguments, with particular credit being given for an articulation of particular regional priorities. The best responses will understand the latest national transport strategy and how it attempts to address the needs of the regions of the UK. Candidates should reach a clear and well-supported conclusion on the extent to which the current national priorities for transport will also address regional priorities and vice versa. Good responses should recognise that regional and national priorities are not necessarily distinct but often intertwined.</p> <p data-bbox="300 1547 1233 1709">Stronger responses may look at the question from a range of perspectives, e.g. economic, environmental and social priorities or priorities for different economic actors such as firms, consumers, workers and the government. Weaker responses may simply suggest that regional and national priorities are driven by government interests.</p> <p data-bbox="300 1742 919 1776">Analysis may be assisted by the use of diagrams.</p>	40

Question	Answer	Marks
1	<p><b>Answers may include:</b></p> <p><b>Knowledge</b> and <b>understanding</b> of the UK's transport priorities. Examples:</p> <ul style="list-style-type: none"> <li>• National policy to support UK competitiveness, develop high speed rail and an international airport hub</li> <li>• Regional policy including northern interconnectedness, improving London's air quality, connecting the energy coasts in the North East and North West, socially necessary bus services in Scotland, reducing pressure on the Underground in London</li> <li>• Government intervention to achieve these priorities, such as road taxes, environmental subsidies, pollution permits, privatisation, etc.</li> </ul> <p><b>Application</b> of transport priorities to government policy and regional and national economic development Examples:</p> <ul style="list-style-type: none"> <li>• Economic 'rebalancing' away from the South East of England</li> <li>• Northern economic growth – Northern Powerhouse</li> <li>• Environmental externalities from transport – particularly in terms of urban centre air quality and externalities from airport expansion</li> <li>• Geographical mobility of labour, particularly between core and periphery areas and within cities</li> <li>• Regional integration</li> <li>• International competitiveness/connectedness</li> <li>• Immediate productivity and growth concerns vs longer term sustainability concerns</li> <li>• Global context for national priorities – Paris Agreement</li> </ul> <p><b>Analysis</b> of how regional and national transport development can be complementary and conflicting and how such policies can contribute to wider economic objectives.</p> <p>Candidates will be expected to move quickly beyond the standard externalities analysis of the general importance of transport in relation to the environment at the national or regional level to specifically address how meeting the transport needs of different regions of the UK is supported by, or undermined by, national policy priorities. Economic analysis will consistently link the meeting of transport priorities with economic imperatives. For example, better connectivity in northern England may support the wider economic priority of structural change in the economy and the development of high tech industry. Equally, national transport priorities, such as the move away from diesel fuel use or the development of an international aviation hub may support an increased emphasis on sustainable growth or address support for UK international competitiveness in a post Brexit world.</p>	

Question	Answer	Marks
1	<p>Examples including:</p> <ul style="list-style-type: none"> <li>• Regional transport priorities <ul style="list-style-type: none"> <li>- Regional integration</li> <li>- Improving attractiveness to FDI</li> <li>- Reversing brain drain effects</li> <li>- Supporting firm growth and business competitiveness</li> <li>- Connections to London</li> <li>- Transport solutions to address particular regional social issues</li> <li>- Competition between regions for headline projects (high speed rail, airports, etc.)</li> </ul> </li> <li>• National transport priorities</li> <li>• The extent to which regional policy is incompatible with national policy</li> <li>• The degree to which regional and national policy can combine to be mutually beneficial</li> <li>• Transport as a derived demand and therefore priorities for transport coming from prior economic, environmental or social priorities.</li> <li>• The national economic objectives that drive transport strategy</li> <li>• The degree to which regional transport policies address the UK's economic needs</li> <li>• The wider international context and whether UK transport policy can work within the global context</li> <li>• Government intervention in transport at the regional and national level and potential government failure in coordination and in specific policy interventions.</li> <li>• The importance of transport priorities to address environmental concerns</li> </ul> <p><b>Evaluation</b> of whether transport policy at the national level is also able to support regional transport policy and vice versa. Evaluation of the degree to which the national and regional transport policies can address the economic and environmental priorities.</p> <p>Level 1 Evaluation will focus on evaluating specific regional or national policies in isolation, without attempting to address how they support or undermine one another. There may be links made that evaluate the success of transport policy to address regional or national economic priorities but again there will be very little attempt made to address the relationship between regional and national policy.</p> <p>Stronger evaluation will attempt to judge the extent to which the pursuit of regional policies can allow the UK to address national priorities or the extent to which the national policy priorities support regional priorities. Good responses will show an understanding of some of the priorities for transport around the UK regions and will make a supported value judgement at how national policy is or is not supporting this. Good responses will also be able to judge the extent to which national policy takes into consideration regional development and whether or not current UK transport policy is supportive of the transport and economic needs of the regions. Stronger evaluation will have specific research to back this point up.</p>	

Question	Answer	Marks		
1	<p>The strongest responses are likely to evaluate the causal ambiguity in the question: does regional policy support national policy or is national policy the driver for regional development? Moreover, strong responses will attack the term 'transport priorities' in an economic context: what is a transport priority and how do transport priorities link to wider economic priorities?</p> <p>Candidates may disaggregate different aspects of transport priorities e.g. priorities for firms, workers, social groups, environmentalists and also have an ability to disaggregate the different needs of different regions. It is not the expectation that candidates can talk in detail about a wide variety of regional priorities. For Level 3, however, there should be depth of research about the regions that are chosen as examples.</p> <p>Evaluation of the level of distinction between national and regional priorities could be discussed, with candidates judging to what extent the two are different – will any national policy necessarily also be a regional policy?</p> <p>Candidates may also discuss the extent to which different regions of the UK are prioritised by national government. Does national policy put some regions above others? For example, are the Northern Powerhouse and Crossrail 1 and 2 examples of the North West and London being prioritised over other regions?</p> <p>Good responses may evaluate the whole concept of governments setting and pursuing transport priorities. There is clear opportunity for evaluation of the extent to which governments will fail to set the right priorities and the extent to which it should be governments who own and deliver transport policy.</p> <p>One would expect candidates to understand that any transport priorities are derived from economic, environmental or political priorities and this would then affect how we judge the usefulness and appropriateness of transport priorities.</p> <table border="1" data-bbox="300 1323 1251 1899"> <tr> <td data-bbox="300 1323 528 1899"> <p>Level L4 (18–22 marks) Mid mark 20</p> </td> <td data-bbox="528 1323 1251 1899"> <p>In this level, the answer shows a thorough understanding of how regional and national transport priorities interrelate. Candidates can clearly link transport priorities to economic priorities at the regional and national level and use these to assess the effectiveness of different priorities for transport. There will be in-depth analysis which will show good independent research to support their points. While there is not the expectation that there are examples from a wide range of regions, candidates should show detailed research relating to regional transport policy. Candidates may look at transport priorities for different actors. At the top end of this Level, responses will demonstrate how current national and regional policies either support or undermine each other and then link this to the achievement of wider economic objectives at the regional and national level.</p> </td> </tr> </table>	<p>Level L4 (18–22 marks) Mid mark 20</p>	<p>In this level, the answer shows a thorough understanding of how regional and national transport priorities interrelate. Candidates can clearly link transport priorities to economic priorities at the regional and national level and use these to assess the effectiveness of different priorities for transport. There will be in-depth analysis which will show good independent research to support their points. While there is not the expectation that there are examples from a wide range of regions, candidates should show detailed research relating to regional transport policy. Candidates may look at transport priorities for different actors. At the top end of this Level, responses will demonstrate how current national and regional policies either support or undermine each other and then link this to the achievement of wider economic objectives at the regional and national level.</p>	
<p>Level L4 (18–22 marks) Mid mark 20</p>	<p>In this level, the answer shows a thorough understanding of how regional and national transport priorities interrelate. Candidates can clearly link transport priorities to economic priorities at the regional and national level and use these to assess the effectiveness of different priorities for transport. There will be in-depth analysis which will show good independent research to support their points. While there is not the expectation that there are examples from a wide range of regions, candidates should show detailed research relating to regional transport policy. Candidates may look at transport priorities for different actors. At the top end of this Level, responses will demonstrate how current national and regional policies either support or undermine each other and then link this to the achievement of wider economic objectives at the regional and national level.</p>			

Question	Answer		Marks
1	<p>Level L3 (12–17 marks) Mid mark 15</p>	<p>In this level, a clear attempt is made to answer the specific question set on whether regional and transport priorities are compatible. Links between the question being asked and the perspective being put forward are clear. There is a solid understanding of the key transport priorities for the UK at a national level. At the top end of this level candidates will either be able to identify a range of regional policies but with little depth of research or there will be a deeper focus on potentially only one or two regional examples but this is done in impressive detail. Use of economic theory, terminology and application is correct and regular, though may contain some errors at times. There is some attempt to use independent research to support their points but at the lower end this may be more superficial and unsubstantiated. There is a genuine attempt made to show how regional and national policy priorities can affect each other however at the mid to lower level this may appear unconvincing. At the top end of the level, candidates begin to show how transport priorities are driven by wider economic priorities and at the lower end candidates fail to show what drives transport priorities at a regional and national level. A range of perspectives is discussed but may lack critical awareness at times for example about the regional versus national implications of a transport policy. At the lower end of this level, the candidate may lack breadth by adopting generalisations about transport, discussing a narrow range of modes, actors or regions. The debate may lack sophistication for example thinking that national policies have no regional implications. Independent research to support their points will be superficial at the lower end.</p>	
	<p>Level L2 (6–11 marks) Mid mark 9</p>	<p>At the top end of this level, a generalised attempt to answer the question has been made but candidates fall short on critical awareness or current context. They may make only a superficial attempt to answer the specific question set: in this case, they simply analyse regional and national transport priorities and policies without showing how the two could be linked. There is a clear lack of appreciation of regional context, with little evidence of research into the transport needs across the UK. At the mid-bottom of this level, the answer will either lack contextual awareness and supporting evidence and/or read like a Paper 2 theoretical response.</p>	
	<p>Level L1 (1–5 marks) Mid mark 3</p>	<p>There is a lack of understanding of what could be regarded as transport priorities, instead the answer reads like a pre-rehearsed response on the problems associated with transport.</p>	

Question	Answer	Marks						
1	<p><b>Evaluation</b></p> <p>Here follows a re-cap of some of the areas that might be included and a breakdown of what will be expected at the various Levels. Issues include:</p> <ul style="list-style-type: none"> <li>• Are regional and national priorities necessarily mutually exclusive?</li> <li>• Does regional policy drive national policy or vice versa?</li> <li>• Will transport priorities address underlying economic priorities?</li> <li>• Is the government able to identify transport priorities? Is the government then able to address these priorities?</li> <li>• Which actors are most important when setting priorities?</li> <li>• Are some regions more important than others? Does national policy favour a particular region(s)?</li> <li>• Policy conflicts and trade-offs</li> <li>• Critical awareness over the need to prioritise transport problems and actor needs</li> <li>• Different stakeholders conflicting perspectives</li> </ul> <table border="1" data-bbox="300 869 1254 1630"> <tbody> <tr> <td data-bbox="300 869 528 1182">           Level N3 (13–18 marks) Mid mark 16         </td> <td data-bbox="528 869 1254 1182">           Given the length of this paper, to achieve this level of evaluation there must be significant and comprehensive coverage of several relevant areas. At the top end of this Level, there will signs of real in-depth research and/or originality. In all cases there will be a clear conclusion – that is substantiated – at the end that relates specifically to the set question, even if the conclusion is that the national and regional cannot be separated easily.         </td> </tr> <tr> <td data-bbox="300 1182 528 1373">           Level N2 (7–12 marks) Mid mark 10         </td> <td data-bbox="528 1182 1254 1373">           At least two relevant issues will be considered in reasonable depth but the overall scope of evaluation leaves areas unexplored and conclusions may lack any rigorous justification. Conclusions may do little more than sit on the fence.         </td> </tr> <tr> <td data-bbox="300 1373 528 1630">           Level N1 (1–6 marks) Mid mark 4         </td> <td data-bbox="528 1373 1254 1630">           Some of the issues that could be open to evaluation may be introduced into the discussion but there is no attempt to go further than to show an appreciation of the issue – for example, ‘National transport policies support economic growth and therefore also benefit regional development’. There is no attempt to draw together the relevant issues in a conclusion.         </td> </tr> </tbody> </table>	Level N3 (13–18 marks) Mid mark 16	Given the length of this paper, to achieve this level of evaluation there must be significant and comprehensive coverage of several relevant areas. At the top end of this Level, there will signs of real in-depth research and/or originality. In all cases there will be a clear conclusion – that is substantiated – at the end that relates specifically to the set question, even if the conclusion is that the national and regional cannot be separated easily.	Level N2 (7–12 marks) Mid mark 10	At least two relevant issues will be considered in reasonable depth but the overall scope of evaluation leaves areas unexplored and conclusions may lack any rigorous justification. Conclusions may do little more than sit on the fence.	Level N1 (1–6 marks) Mid mark 4	Some of the issues that could be open to evaluation may be introduced into the discussion but there is no attempt to go further than to show an appreciation of the issue – for example, ‘National transport policies support economic growth and therefore also benefit regional development’. There is no attempt to draw together the relevant issues in a conclusion.	
Level N3 (13–18 marks) Mid mark 16	Given the length of this paper, to achieve this level of evaluation there must be significant and comprehensive coverage of several relevant areas. At the top end of this Level, there will signs of real in-depth research and/or originality. In all cases there will be a clear conclusion – that is substantiated – at the end that relates specifically to the set question, even if the conclusion is that the national and regional cannot be separated easily.							
Level N2 (7–12 marks) Mid mark 10	At least two relevant issues will be considered in reasonable depth but the overall scope of evaluation leaves areas unexplored and conclusions may lack any rigorous justification. Conclusions may do little more than sit on the fence.							
Level N1 (1–6 marks) Mid mark 4	Some of the issues that could be open to evaluation may be introduced into the discussion but there is no attempt to go further than to show an appreciation of the issue – for example, ‘National transport policies support economic growth and therefore also benefit regional development’. There is no attempt to draw together the relevant issues in a conclusion.							

Question	Answer	Marks
<b>China and the Global Economy</b>		
2	<p data-bbox="300 297 1209 365"><b><i>‘The rapid rate of growth of global trade from the late 1980s to early 2000s has slowed sharply in recent years.’</i></b></p> <p data-bbox="416 394 1254 427" style="text-align: center;"><b>(IMF working paper, <i>Making trade an engine for growth for all.</i>)</b></p> <p data-bbox="300 456 1145 524"><b>To what extent will international trade continue to be the key to securing increases in living standards in China?</b></p> <p data-bbox="300 553 1251 1576">Candidates should demonstrate the role that trade plays in economic growth and development for the Chinese economy. There are two parts to the question and while most candidates will be expected to address Chinese future relationship with trade, the best answers will also challenge the assumption that trade has been the key to Chinese living standards in the past. The best answers will unpick the term living standards. It is likely that many will take growth and living standards (liv st) as interchangeable however better responses will question whether trade leads to other objectives that could be deemed as contributing to liv st including development indicators such as inequality and environmental sustainability. Strong answers will attempt to unlock a number of different issues within the question: was trade the main driver of Chinese growth in the past? What other factors have contributed to Chinese liv st? Is global trade under threat and will this affect China? What is China’s future plan for its economy and does it want to focus on trade versus rebalancing towards domestic consumption? How will the Chinese economy need to change in order to continue to exploit the benefits of trade? The global economy and the current international trading conditions should be part of the analysis, with candidates understanding that the answer to the question not only depends on Chinese policy but also actions of trading partners, particularly in the context of rising protectionism in some parts of the system. Candidates may also consider the threat or opportunity posed by the growth of other countries and the role they will play in China’s future relationship with international trade. There is the expectation that candidates will consider a wide range of factors that could influence China’s future liv st. This could be a combination of the new primary objectives and policy foci of the Chinese leadership but also factors that could constrain liv st. Such constraints could be endogenous (e.g. environmental degradation and inequality) and exogenous (e.g. the rise of lower cost producers and access to foreign markets). While there is clear room to go beyond the importance of trade in China’s future liv st, candidates must deal in depth with the role trade can play for China before moving on to other factors.</p>	40

Question	Answer	Marks
2	<p>The main of areas of the syllabus expected to be drawn on for economic analysis include:</p> <ul style="list-style-type: none"> <li>• Macroeconomic objectives</li> <li>• Growth and sustainable growth</li> <li>• Development and standards of living</li> <li>• The law of comparative advantage and dynamic trade theory</li> <li>• International trade and its role in determining growth</li> <li>• The conditions needed to gain from trade</li> <li>• Protectionism and its impacts</li> <li>• Economic transition</li> </ul> <p><b>Answers may include:</b></p> <p><b>Knowledge and understanding</b> of the role of trade in Chinese liv st and future Chinese trading relationship with the global economy:</p> <ul style="list-style-type: none"> <li>• China’s past growth through export-led growth. China’s role as the world’s lowest cost or most efficient producer and its move up through the global value chain.</li> <li>• The impact that export-led growth had on Chinese standards of living.</li> <li>• Other factors that contributed to past liv st.</li> <li>• The ways in which China has prioritised growth through international trade</li> <li>• The current macroeconomic objectives and policy priorities of the Chinese government</li> <li>• The current status of global trade – new players, rising protectionism, regional agreements, etc.</li> </ul> <p><b>Application</b> of the way trade has influenced China’s economy in the past and its anticipated future role. Application of changing pattern of international trade globally.</p> <ul style="list-style-type: none"> <li>• Industries that benefited from the growth in trade in the past and policies that promoted international trade</li> <li>• The new economic model for China and international trade’s role within that model</li> <li>• The current tensions within the international trading system</li> <li>• Examples of countries that are competing with China, countries that are improving their trading relationship with China and countries that are increasing protectionism against China</li> <li>• Examples of other policy priorities for the Chinese economy</li> <li>• Examples of how trade has influenced wider economic development and standards of living in China</li> <li>• Impact of US-China trading problems</li> <li>• Impact of coronavirus pandemic issues</li> </ul>	

Question	Answer	Marks
2	<p><b>Analysis</b> of the role of trade in the past and the future Chinese relationship with international trade</p> <ul style="list-style-type: none"> <li>• The theory of comparative advantage and the gains from trade</li> <li>• Export-led growth as a model for development</li> <li>• The determinants of the pattern of trade and policies to promote trade</li> <li>• The link between trade and growth and standards of living</li> <li>• The impact of protectionism on trade</li> <li>• The impact of dynamic changes to comparative advantage on trade</li> <li>• Policies to promote changes to comparative advantage and a move up the value chain</li> <li>• Alternative determinants of past and future growth: domestic consumption, private and government-led investment, supply-side growth policies, etc.</li> </ul> <p><b>Evaluation</b> of the centrality of trade to China's past economic success and its importance for future living standards:</p> <ul style="list-style-type: none"> <li>• What is meant by living standards? Is China aiming for growth or wider development objectives?</li> <li>• How central was trade to China's past economic growth?</li> <li>• To what extent is the Chinese government changing the pattern of trade and the type of export industries China specialises in?</li> <li>• Can any economy continue to grow by focusing on international trade?</li> <li>• Will changes in attitudes towards free trade by other economies impact China? Do these changes represent threats or opportunities?</li> <li>• The extent to which China has and can control and determine its trading relationship with the rest of the world?</li> <li>• Is China in control of its ability to gain from trade?</li> <li>• What other factors are more important in determining the future success of the Chinese economy?</li> </ul> <p>Strong responses will question the role of trade in the past and the future for China. The best responses will discuss the extent to which China can determine the gains it experiences from international trade and the extent to which global changes in the trading system will impact the answer to the question.</p>	

Question	Answer		Marks
2	<b>Theory and Analysis</b>		
	Level L4 (18–22 marks)	In this level, the answer shows a thorough understanding of the impacts of trade on China over time. There is an understanding of the changing nature of the pattern of trade for China and how this is likely to develop in the future. Candidates present with clarity their interpretation of the new model of growth for China and analyse the role trade plays within this model. To get into this level, candidates must not only consider the domestic policy focus on trade but also changes to global trading system. This could be in terms of changing attitudes to protectionism, the rise of new competitors to China’s comparative advantage or the development of new trading relationships between China and other economies. Candidates will be able to make the link between trade and liv st with the best candidates moving beyond a narrow interpretation of liv st as economic growth. Candidates are likely to explore alternative future ‘keys’ to prosperity for China but this should not come at the expense of a deep consideration of the future role of trade. The best answers will not only support their arguments with research around China’s changing relationship with trade, they will also have original research on the global economy’s trading relationship with China.	
	Level L3 (12–17 marks)	In this level candidates are able to confidently explain the role trade has played in China’s past prosperity and they will also be able to explain how trade will be important for China in the future. The answer may be narrow and not go beyond trade considerations or alternatively deal with trade relatively lightly and move on to other determinants of Chinese LIV ST without deeply examining the importance of trade. Trade and its role in the future Chinese model, however, must be part of the answer to reach Level 3. To reach Level 3 candidates must also be forward-looking, it will be insufficient to judge the impact of trade on China’s past growth. At the mid to top end of this Level, candidates will analyse the changes in the global trading system and their relationship to China’s ability to gain from trade.	

Question	Answer		Marks
2	Level L2 (6–11 marks)	At the top of end of level 2 candidates' answers will be general both in terms of the impact of trade and its importance to China's future prosperity. There will be a lack of consideration of how trade has changed over time. At the lower end, trade will begin to be ignored or given only cursory coverage before essays focus on other factors that will be important for China. Wholly backwards-looking answers will be low Level 2 at best. The role the global trading system and other economies will play in China's relationship with trade will be largely ignored or dealt with generally and with sweeping assumptions, for example 'now there is more protectionism China will not be able to benefit from trade'. China's future will be analysed in theoretical terms with little application to the Chinese context and without supporting research.	
	Level L1 (1–5 marks)	There is a lack of understanding of China's experience of trade and no real sense of how trade will affect China in the future. The link between trade and ST is not conveyed and there is no understanding of changing patterns of trade and changes to the global trading system. Instead the answer reads like a list of general successes and failures of China, predominantly being backward-looking.	
	<b>Evaluation</b>		
Level N3 (13–18 marks)	Given the length of this paper, to achieve this level of evaluation there must be significant and comprehensive coverage of several relevant areas. At the top end of this level, there will be real signs of in-depth research and originality. Level 3 evaluation will be awarded to candidates who make sustained and justified judgements and attempt to directly answer the specific question, unpicking its various aspects and subtleties. Evaluation will consider both the impact of trade in the past and also its importance in the future. Candidates are likely to acknowledge that the role of trade is not only dependent on Chinese actors and policy makers but also on the changes to the global system. Candidates will also avoid making sweeping generalisations about these global changes and instead see both opportunities and threats for China. The assumptions underlying the question will be identified and challenged. In particular, candidates are likely to unpack the term 'living standards'.		

Question	Answer		Marks
2	Level N2 (7–12 marks)	At least two relevant issues will be considered in reasonable depth but the overall scope of evaluation leaves areas unexplored and conclusions at times lack rigorous justification. Conclusions may do little more than sit on the fence.	
	Level N1 (1–6 marks)	Some of the issues that could be open to evaluation may be introduced into the discussion but there is no attempt to go further than to show an appreciation of the issue – for example ‘China’s export-led growth shows it has been important in the past but protectionism means it will not be able to benefit from trade in the future’. There is little attempt to draw together the relevant issues in a conclusion.	

Question	Answer	Marks
<b>The Sustainable Development Goals and the Post-2015 Development Agenda</b>		
3	<p data-bbox="300 331 1197 459"><b>‘The 2030 Agenda acknowledges that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.’ (United Nations)</b></p> <p data-bbox="300 495 1173 589"><b>To what extent do you agree that the approach to development promoted by the Sustainable Development Goals (SDGs) will end global poverty?</b></p> <p data-bbox="300 622 1252 1131">Although they do not need to know the full range of SDGs in depth, candidates should exhibit a broad understanding of the policy approach to development that the SDGs represent as well as exhibiting knowledge of examples of specific SDGs. Candidates should be able to identify a range of factors that could be analysed as the causes of poverty and may use approaches by specific development economists or economic growth theories to provide an analytical framework for the assessment of the ability of the SDGs to address these causes. Stronger candidates will show an appreciation of the debate around the range of factors that could be construed as the causes of poverty and thus the variety of solutions that may be necessary from both the SDGs and alternative solutions. The best responses will identify the multifaceted nature of the problem of poverty and be able to understand that context, both in terms of causes and solutions, is important. Weaker responses will deal with the question at an abstracted and purely theoretical level while the stronger responses will be rich with data that illuminates the complexity of solving poverty.</p> <p data-bbox="300 1167 1252 1547">The best candidates will hone in on the concept of poverty. The question opens up ambiguities about whether we are using poverty to represent wider development or whether we should be focusing first on the narrower definition of poverty that is identified by SDG 1 – either interpretation is acceptable in answers, the best answers will actually unpick the ambiguity. Strong answers will avoid the temptation to present a menu of possible causes of poverty and instead attempt some categorisation and prioritisation of causes with the potential to investigate primary or first order causes and secondary causes. While a good answer may be able to simply assess the effectiveness of the SDGs in addressing the causes of poverty, the question clearly invites candidates to go beyond the SDGs to suggest other possible improvements to the SDG solutions.</p> <p data-bbox="300 1583 1252 1740">They should use appropriate analytical tools and data to support their arguments – use of economic nomenclature and economic theory will be key to differentiate candidates, as will data rich answers that clearly show an understanding of specific country contexts when thinking about the challenges of poverty reduction.</p>	40

Question	Answer	Marks
3	<p><b>Answers may include:</b></p> <p><b>Knowledge and understanding</b> of SDGs, the causes of poverty and possible alternative solutions to poverty. For example:</p> <ul style="list-style-type: none"> <li>• The purpose/nature and details of the SDGs;</li> <li>• The specific nature of SDG1 and its commitment and solutions to end poverty</li> <li>• The role of other SDGs in reducing poverty</li> <li>• The definition and multifaceted nature of poverty in terms of its effects</li> <li>• The causes of poverty</li> <li>• The preconditions for economic growth and how this would reduce poverty</li> <li>• The alternative solutions to poverty reduction outside of the SDGs</li> </ul> <p><b>Application</b> of the causes of poverty, the way the SDGs would solve poverty and potential alternative solutions Examples:</p> <ul style="list-style-type: none"> <li>• SDG1 – definition of poverty, key causes and proposed solutions</li> <li>• Goals 2-17 and their contribution to poverty reduction</li> <li>• Programmes and initiatives undertaken in the name of the SDGs (by UNDP and partner organisations supporting the SDGs)</li> <li>• Country-specific causes of poverty</li> <li>• Examples of development economics literature in identifying the causes of poverty, for example Collier’s 4 traps, or Sachs’ diagnosis in ‘The End of Poverty’</li> <li>• Application of models of economic growth to addressing the causes of poverty for example the Harrod-Domar analysis that a lack of savings and capital accumulation will stunt growth and hence cause poverty</li> <li>• Country-specific solutions to poverty that have succeeded or failed</li> <li>• Application of alternative solutions to poverty beyond the SDGs</li> </ul> <p><b>Analysis</b> of the link between the SDGs and how they address the causes of poverty</p> <p>All analysis should be supported with rich examples that demonstrate the huge variety of potential causes and solutions that exist within the development literature.</p>	

Question	Answer	Marks
3	<p>Examples:</p> <ul style="list-style-type: none"> <li>• Causes of poverty – poverty traps, conflict traps, poor governance, geographical factors, misuse of resources, dependency theories, lack of access to finance and credit, the problems of external aid programmes, health factors, a lack of human capital, barriers to access to markets, environmental degradation, exploitation in the labour market etc</li> <li>• Theories of economic growth which may explain a lack of growth and hence poverty: Harrod-Domar, Lewis, Rostow, Solow model, endogenous growth, Lomborg and the importance of trade, Reinert and the importance of industrialisation supported by protectionism, use of market based solutions and international financial markets (Moyo/Easterly)</li> <li>• Theoretical analysis of how the SDGs would address poverty: <ul style="list-style-type: none"> <li>- Highlighting the issue</li> <li>- Drawing in funding</li> <li>- The role of aid to address poverty</li> <li>- The role of each of the 17 SDGs in addressing some of the causes of poverty</li> <li>- Sustainable development, democratic governance building and climate and disaster resilience</li> </ul> </li> <li>• Alternative development solutions to poverty: <ul style="list-style-type: none"> <li>- The possible negative impacts of the SDG, aid-driven approach</li> <li>- The role of market-based solutions</li> <li>- Direct cash transfer programmes</li> <li>- The role of new technology to provide new solutions</li> </ul> </li> </ul> <p><b>Evaluation</b> of the extent to which the SDGs identify the correct causes of global poverty and provide effective solutions to the causes.</p> <p>At the lowest ends, the weakest responses will not be able to offer any judgement on prioritisation and the importance of different causes and solutions. Instead essays will read like a list of causes with links made to SDG solutions.</p> <p>Stronger responses will understand the difficulties involved in diagnosing the causes of poverty, understanding that they are likely to be multifaceted and vary by country context. As a result, solutions are also highly likely to need to be varied and applied to meet the context in question.</p> <p>Strong responses will not only address specific SDGs that may be better at addressing causes of poverty than others but they may also question the relevance of the whole SDG and post-development agenda.</p> <p>LEDCs differ in their characteristics, and strong responses will reflect this – by offering an awareness that the solutions will vary depending on their need (with supporting evidence).</p> <p>Some may explore the definition of poverty as a goal and whether a narrow interpretation of addressing hunger or low incomes will actually mean that poverty is eradicated.</p>	

Question	Answer	Marks				
3	<p><b>Theory and Analysis</b></p> <table border="1" data-bbox="300 300 1251 1608"> <tr> <td data-bbox="300 300 528 1032"> <p>Level L4 (18–22 marks) Mid mark 20</p> </td> <td data-bbox="528 300 1251 1032"> <p>In this level, the response is much more than a set of causes applied to the SDGs. Causes will be varied and there will a strong theoretical link that flows from the SDGs to the possible causes of poverty. This analysis will then allow the best responses to move beyond the SDGs to compare their solutions with other solutions posited in the wider development literature. Analysis will be richly informed by data and examples to either show that there can be a consistent approach to some of the key causes of poverty or that a bespoke country-by-country or cause-by-cause approach is required. There may be some attempt to prioritise the causes of poverty and identify which causes are more likely to be addressed by the SDGs. Specific knowledge of certain SDGs is shown as a way of making the theoretical link between the goals and the causes of poverty. At the top end of this level, development of points is thorough and detailed, with supporting evidence and data, incorporated within an answer with strong economic foundations. The use of theory and analysis is comprehensive, with almost flawless integration of the two into a clearly flowing essay.</p> </td> </tr> <tr> <td data-bbox="300 1032 528 1608"> <p>Level L3 (12–17 marks) Mid mark 15</p> </td> <td data-bbox="528 1032 1251 1608"> <p>In this level, a clear attempt is made to answer the specific question set on the causes of poverty and the way in which the SDGs address them. Links between the question being asked and the perspective being put forward are clear. There is a solid understanding of a range of possible causes of poverty and the SDGs, with relevant supporting data. Use of economic theory, terminology and application is correct and regular, though may contain some errors at times. A range of perspectives is discussed but may lack critical awareness at times e.g. causes and solutions may be generalised across countries. At the lower end of the level, there is likely to be little attempt to move beyond the SDGs to other solutions or causes of poverty. Evidence of independent research is clearly present though unsophisticated or undeveloped towards the lower end.</p> </td> </tr> </table>	<p>Level L4 (18–22 marks) Mid mark 20</p>	<p>In this level, the response is much more than a set of causes applied to the SDGs. Causes will be varied and there will a strong theoretical link that flows from the SDGs to the possible causes of poverty. This analysis will then allow the best responses to move beyond the SDGs to compare their solutions with other solutions posited in the wider development literature. Analysis will be richly informed by data and examples to either show that there can be a consistent approach to some of the key causes of poverty or that a bespoke country-by-country or cause-by-cause approach is required. There may be some attempt to prioritise the causes of poverty and identify which causes are more likely to be addressed by the SDGs. Specific knowledge of certain SDGs is shown as a way of making the theoretical link between the goals and the causes of poverty. At the top end of this level, development of points is thorough and detailed, with supporting evidence and data, incorporated within an answer with strong economic foundations. The use of theory and analysis is comprehensive, with almost flawless integration of the two into a clearly flowing essay.</p>	<p>Level L3 (12–17 marks) Mid mark 15</p>	<p>In this level, a clear attempt is made to answer the specific question set on the causes of poverty and the way in which the SDGs address them. Links between the question being asked and the perspective being put forward are clear. There is a solid understanding of a range of possible causes of poverty and the SDGs, with relevant supporting data. Use of economic theory, terminology and application is correct and regular, though may contain some errors at times. A range of perspectives is discussed but may lack critical awareness at times e.g. causes and solutions may be generalised across countries. At the lower end of the level, there is likely to be little attempt to move beyond the SDGs to other solutions or causes of poverty. Evidence of independent research is clearly present though unsophisticated or undeveloped towards the lower end.</p>	
<p>Level L4 (18–22 marks) Mid mark 20</p>	<p>In this level, the response is much more than a set of causes applied to the SDGs. Causes will be varied and there will a strong theoretical link that flows from the SDGs to the possible causes of poverty. This analysis will then allow the best responses to move beyond the SDGs to compare their solutions with other solutions posited in the wider development literature. Analysis will be richly informed by data and examples to either show that there can be a consistent approach to some of the key causes of poverty or that a bespoke country-by-country or cause-by-cause approach is required. There may be some attempt to prioritise the causes of poverty and identify which causes are more likely to be addressed by the SDGs. Specific knowledge of certain SDGs is shown as a way of making the theoretical link between the goals and the causes of poverty. At the top end of this level, development of points is thorough and detailed, with supporting evidence and data, incorporated within an answer with strong economic foundations. The use of theory and analysis is comprehensive, with almost flawless integration of the two into a clearly flowing essay.</p>					
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Question	Answer		Marks
3	Level L2 (6–11 marks) Mid mark 9	At the top end of this level, a generalised attempt to answer the question has been made but candidates fall short on critical awareness or current context. They may make only a superficial attempt to answer the specific question set – in this case, they may fail to make specific reference to certain SDGs and particular causes of poverty. Instead it feels like a pre-rehearsed general answer on how to provide economic development. Points made may be generalised to all LEDCs whilst simultaneously being narrow in their analysis, for example by generalising developing countries' problems. Independent research may be significantly lacking.	
	Level L1 (1–5 marks) Mid mark 3	There is no understanding of how the SDGs may address the causes of global poverty.	
	<p><b>Evaluation</b></p> <p>Here follows a re-cap of some of the areas that might be included and a breakdown of what will be expected at the various Levels.</p> <p>Issues include:</p> <ul style="list-style-type: none"> <li>• Are some causes more important than others?</li> <li>• Do causes vary by country?</li> <li>• Do the SDGs attempt to address the causes or are they trying to achieve something else?</li> <li>• Do some SDGs do a better job of addressing causes than others and are some SDGs prior to others in solving poverty?</li> <li>• What does it mean to 'address the causes of poverty'? When will we know poverty is being solved and how are we defining poverty?</li> <li>• Who is responsible for the SDGs and therefore who will address the causes?</li> <li>• Do the SDGs get the causes wrong and if so, what are the alternative solutions beyond the SDGs?</li> </ul>		
Level N3 (13–18 marks) Mid mark 16	Given the length of this paper, to achieve this level of evaluation there must be significant and comprehensive coverage of several relevant areas. At the top end of this Level, there will signs of real in-depth research and/or originality. In all cases there will be a clear conclusion drawn at the end that relates specifically to the set question – even if the conclusion is that there is no clear cause or solution that we can generalise across all LEDCs.		

Question	Answer		Marks
3	Level N2 (7–12 marks) Mid mark 10	At least two relevant issues will be considered in reasonable depth but the overall scope of evaluation leaves areas unexplored and conclusions may lack any rigorous justification. Conclusions may do little more than sit on the fence.	
	Level N1 (1–6 marks) Mid mark 4	Some of the issues that could be open to evaluation may be introduced into the discussion but there is no attempt to go further than to show an appreciation of the issue – for example, ‘There are many causes of poverty and therefore there should be many solutions’. There is no attempt to draw together the relevant issues in a conclusion.	

Question	Answer	Marks
<b>Behavioural Economics and Government Policy</b>		
4	<p data-bbox="300 297 1254 360"><b><i>'We can't do evidence-based policy without evidence.'</i></b> <i>(Richard Thaler)</i></p> <p data-bbox="300 396 1193 488"><b>To what extent do you agree that information failure poses both an opportunity and a threat for governments implementing the recommendations of behavioural economists?</b></p> <p data-bbox="300 524 1254 1417">The question focuses on the issues that information failures present: both as a justification for the use of behavioural economics in policy making and also as a problem for the effective use of a behavioural approach to policy making. Candidates who regurgitate the behavioural biases without focusing on information failure or fail to directly address the information failures in designing behavioural economic policy will score poorly. Weaker responses are likely to only lightly touch on the existence of information failures and instead move quickly onto behavioural policy interventions without making the explicit links as to how such policies address information failure. Equally, candidates will only achieve lower level scores if they fail to explain how information failure exists in the design and execution of policy making informed by behavioural economics recommendations. Stronger responses will address the theme of information failures throughout the essay. The better responses will recognise the wide range of possible information failures and apply these to the question in terms of how behavioural economics may solve information problems but also the information challenges that exist when designing and implementing behavioural policy. Strong responses will understand that the justifications for behavioural economics often lie in the empirical tests conducted to identify behavioural biases and the data from such tests may be unreliable or misinterpreted, again leading to information failure. The best essays will attempt to address the many issues that the question raises from the existence of information failure in market failure, the problems that information failure pose for the model of rational behaviour, the solutions behavioural economics provides to address information failures, the informational problems of the tests used to justify a behavioural approach and finally the information failures that exist when governments try to intervene and design policy.</p> <p data-bbox="300 1453 1171 1516">The main areas of the syllabus expected to be drawn on for economic analysis include:</p> <ul data-bbox="300 1552 1254 1910" style="list-style-type: none"> <li>• Types of information failure that exist to justify government intervention, with particular reference to market failures but also macroeconomic and theory of the firm information problems</li> <li>• Rationality and its criticisms and the extent to which information poses a challenge to the model</li> <li>• The importance of behavioural biases and the role of information failure in these biases</li> <li>• Information failures that exist in traditional approaches to policy making</li> <li>• The empirical testing and formulation of behaviour policy</li> <li>• Behavioural policy solutions that address information failure</li> <li>• Government failure due to information problems</li> </ul>	40

Question	Answer	Marks
4	<p><b>Answers may include:</b></p> <p><b>Knowledge and understanding</b> of information failure as related to behavioural economics:</p> <ul style="list-style-type: none"> <li>• Information failure as a criticism of the theory of rational behaviour</li> <li>• Behavioural biases and the role of information failure in these biases</li> <li>• Behavioural solutions to deal with information failure</li> <li>• How behavioural economic solutions are tested and developed</li> <li>• Government failure using traditional economic policy</li> <li>• Government failure due to information problems when implementing behavioural policy</li> </ul> <p><b>Application</b> of behavioural approaches to information failure:</p> <ul style="list-style-type: none"> <li>• Bounded rationality, anchoring, availability bias, social norms, loss aversion, hyperbolic discounting all as potential explanations of information failure</li> <li>• Labour market information failures for workers and employers that justifies behaviour policy</li> <li>• Information failure in market failure that justifies behavioural policy for example demerit and merit goods</li> <li>• Information failures in macroeconomics due to information failure for example asset price bubbles, reactions to base rate changes, consumption smoothing etc</li> <li>• Uses of behavioural policy to solve information failures such as opt out, default choices, framing etc</li> <li>• The WEIRD criticism of the information and data collected by behavioural experiments upon which policy is based</li> <li>• Government failure due to a lack of information for example the law of unintended consequences or changing elasticities of demand</li> <li>• Government failure when implementing behavioural policy including the bounded rationality of policy makers</li> </ul> <p><b>Analysis</b> of how information failures can be both an opportunity and threat for policy based on behavioural economics:</p> <ul style="list-style-type: none"> <li>• The reasons why information failures would suggest that the traditional model of rational behavioural is inaccurate</li> <li>• The information failures that lie within the models of irrational behavioural and why this therefore presents an opportunity for the behavioural approach</li> <li>• The behavioural policy solutions proposed to deal with information failures and how they would address information failure</li> <li>• How behavioural economic policy solutions are developed and the information failures that could exist in their development</li> <li>• The informational problems of implementing government policy both as a criticism of traditional policy (and therefore opportunity for behavioural policy) and as a criticism of behavioural policies</li> </ul>	

Question	Answer	Marks		
4	<p><b>Evaluation</b> of the extent to which information failures pose a threat or opportunity for a behavioural approach:</p> <ul style="list-style-type: none"> <li>• Does the theory of rational behavioural still provide the most reliable model?</li> <li>• How severe are the information failures that exist in behavioural biases?</li> <li>• Are there other problems beyond information failure that could still undermine or justify a behavioural approach?</li> <li>• Even if information failure suggests the need for behavioural interventions can we rely on governments to implement these policies effectively?</li> <li>• Have the solutions proposed by behavioural economics been rigorously tested and are they universally applicable?</li> <li>• When is behavioural economics most successful at solving information failure for example is it more suitable when applied to certain markets, individuals, firms or the macro economy?</li> <li>• Can traditional policy deal adequately with information failure?</li> <li>• Will behavioural interventions make information problems worse rather than better?</li> </ul> <p>Good answers will link the information issues with the need for intervention, the formulation of policy and the implementation of policy.</p> <p><b>Theory and Analysis</b></p> <table border="1" data-bbox="300 1084 1254 1630"> <tr> <td data-bbox="300 1084 528 1630"> <p>Level L4 (18–22 marks)</p> </td> <td data-bbox="528 1084 1254 1630"> <p>In this level, the answer clearly shows how information failures can be solved by, but also causes problems for, behavioural economics and its policy prescriptions. The best answers will explain how information failure is at the heart of the criticisms of the theory of rationality and in addition explain how behavioural polices deal with this. At the top end candidates will appreciate the information failures present in the testing of behavioural theories and in the implementation of policy, be this behavioural or traditional policies. At this level, the breadth with which informational failures are applied is impressive and consistently supported by research. Analysis is balanced showing how behavioural economics provides a solution to information failures but may also be undermined by the presence of information failures.</p> </td> </tr> </table>	<p>Level L4 (18–22 marks)</p>	<p>In this level, the answer clearly shows how information failures can be solved by, but also causes problems for, behavioural economics and its policy prescriptions. The best answers will explain how information failure is at the heart of the criticisms of the theory of rationality and in addition explain how behavioural polices deal with this. At the top end candidates will appreciate the information failures present in the testing of behavioural theories and in the implementation of policy, be this behavioural or traditional policies. At this level, the breadth with which informational failures are applied is impressive and consistently supported by research. Analysis is balanced showing how behavioural economics provides a solution to information failures but may also be undermined by the presence of information failures.</p>	
<p>Level L4 (18–22 marks)</p>	<p>In this level, the answer clearly shows how information failures can be solved by, but also causes problems for, behavioural economics and its policy prescriptions. The best answers will explain how information failure is at the heart of the criticisms of the theory of rationality and in addition explain how behavioural polices deal with this. At the top end candidates will appreciate the information failures present in the testing of behavioural theories and in the implementation of policy, be this behavioural or traditional policies. At this level, the breadth with which informational failures are applied is impressive and consistently supported by research. Analysis is balanced showing how behavioural economics provides a solution to information failures but may also be undermined by the presence of information failures.</p>			

Question	Answer		Marks
4	Level L3 (12–17 marks)	In this level, there is a clear attempt to apply information failure to behavioural policy in both a positive and negative way. There are a range of examples of how behavioural policy has been used to solve information failure although at times the specific links to information are unclear and answers lack depth. Towards the top of this level candidates show an appreciation of the weaknesses of behavioural policy due to information failure and can explain why such failures will limit the effectiveness of policy makers who choose to pursue behavioural solutions. It is expected that to reach level three candidates will pay sufficient attention to both opportunities and threats posed by information failure to behavioural policy.	
	Level L2 (6–11 marks)	At the top of end of level 2 candidates' answers will be general, lacking specific connections to information failures. Approaches will score to the bottom of this level that simply explain behavioural policies or behavioural biases without making clear how they solve or are affected by information failure. Candidates lack an appreciation of the problems of testing and producing behavioural policy and lack the ability to compare behavioural and traditional policy solutions to information failure. Answers are likely to be one-sided, dealing predominantly with opportunities or threats.	
	Level L1 (1–5 marks)	There is a lack of understanding of how informational failure links to behavioural policy with the answer reading like a pre-rehearsed anecdotal list of behavioural biases or solutions.	
	<b>Evaluation</b>		
Level N3 (13–18 marks)	Given the length of this paper, to achieve this level of evaluation there must be significant and comprehensive coverage of several relevant areas. At the top end of this level, there will be real signs of in-depth research and originality. Level 3 evaluation will be awarded to candidates who make sustained and justified judgements and attempt to directly answer the specific question, unpicking its various aspects and subtleties. Evaluation will consider the extent to which information failures support a model of irrational behaviour and behavioural solutions and also judges the extent to which information issues cause problems for the behavioural approach.		

Question	Answer		Marks
4	Level N2 (7–12 marks)	At least two relevant issues will be considered in reasonable depth but the overall scope of evaluation leaves areas unexplored and conclusions at times lack rigorous justification. Conclusions may do little more than sit on the fence.	
	Level N1 (1–6 marks)	Some of the issues that could be open to evaluation may be introduced into the discussion but there is no attempt to go further than to show an appreciation of the issue – for example ‘information failures show people are irrational and therefore behavioural solutions are required’. There is little attempt to draw together the relevant issues in a conclusion.	