



# Cambridge Pre-U

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**ECONOMICS**

**9772/02**

Paper 2 Essays

**May/June 2022**

**MARK SCHEME**

Maximum Mark: 75

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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.

Cambridge International is publishing the mark schemes for the May/June 2022 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

**Generic Marking Principles**

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

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

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

**GENERIC MARKING PRINCIPLE 2:**

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

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

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

**GENERIC MARKING PRINCIPLE 4:**

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

**GENERIC MARKING PRINCIPLE 5:**

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

**GENERIC MARKING PRINCIPLE 6:**

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

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

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

From this it follows that we:

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

**2 Presentation of mark scheme:**

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

**3 Calculation questions:**

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

**4 Annotation:**

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

Question	Answer	Marks
1	<p><b>Supply and demand changes in the world market for crude oil were so dramatic early in 2020 that prices fell to an unprecedented degree; in fact, at one stage the price charged by one supplier was actually negative.</b></p> <p><b>Discuss the extent to which the price mechanism can perform its traditional functions under such extreme circumstances.</b></p> <p>Candidates should show a clear understanding of the traditional functions performed by the price mechanism, in terms of the allocation of resources, usually characterized as being those of signalling, incentivising, rationing, allocating. Explanation that price falls can result from falls in demand and/or increases in supply, and of the consequences for the performing of the functions that are likely in each case.</p> <p>Answers may include:</p> <p><b>Knowledge and understanding</b> should be shown of the fundamental economic problem, and of the way in which it is tackled through the price mechanism, focusing on its ‘functions’.</p> <p><b>Application</b> to real world examples will strengthen an answer; they should relate to circumstances when price falls to very low levels, though not necessarily to become negative; and they need not be confined to the market for crude oil – though this market did indeed demonstrate both low demand and high supply in early 2020.</p> <p><b>Analysis</b> of the way in which the different functions are affected, if at all, when price is very low.</p> <p><b>Evaluation</b> of the issues involved might include consideration of the following:</p> <ul style="list-style-type: none"> <li>• the crucial distinction between temporary and longer-lasting price falls</li> <li>• the difference between effects of demand falls and supply rises</li> <li>• the crucial role of expectations of buyers and sellers</li> </ul> <p>In a well-structured answer it is likely that there will be a conclusion drawn at the end to explain the candidate’s overall response to the issue of the extent to which the functions are effectively performed.</p>	25

Question	Answer	Marks								
1	<p><b>Theory and analysis</b></p> <table><tr><td>L4 (13–17 marks) Mid mark 15</td><td>There is clear demonstration of an understanding of both the fundamental economic problem and of the price mechanism as a method of solving it. The analysis of the functions performed by prices will be both accurate and comprehensive. There will also be relatively full consideration of the effects of very low/falling prices resulting from both lower demand and from higher supply. At the top of the level, there will be a clear attempt to use relevant examples.</td></tr><tr><td>L3 (9–12 marks) Mid mark 11</td><td>The candidate is likely to consider/explain the economic problem, the price mechanism and its functions, though will probably cover at least one element rather superficially or with some errors in the analysis. There will be some consideration of at least two possible impact on how functions are affected by very low/falling prices, but they are unlikely to be well-developed.</td></tr><tr><td>L2 (5–8 marks) Mid mark 7</td><td>The candidate is likely to focus on just one aspect, probably the functions of the price mechanism. There is an appreciation of what the question is asking but the answer will fail to go into any meaningful analysis and will probably be more a collection of statements rather than any true explanation.</td></tr><tr><td>L1 (1–4 marks) Mid mark 3</td><td>Explanations are either missing or inaccurate. The answer is likely to fail to address the set question but instead be a weak or limited description of the price mechanism.</td></tr></table>	L4 (13–17 marks) Mid mark 15	There is clear demonstration of an understanding of both the fundamental economic problem and of the price mechanism as a method of solving it. The analysis of the functions performed by prices will be both accurate and comprehensive. There will also be relatively full consideration of the effects of very low/falling prices resulting from both lower demand and from higher supply. At the top of the level, there will be a clear attempt to use relevant examples.	L3 (9–12 marks) Mid mark 11	The candidate is likely to consider/explain the economic problem, the price mechanism and its functions, though will probably cover at least one element rather superficially or with some errors in the analysis. There will be some consideration of at least two possible impact on how functions are affected by very low/falling prices, but they are unlikely to be well-developed.	L2 (5–8 marks) Mid mark 7	The candidate is likely to focus on just one aspect, probably the functions of the price mechanism. There is an appreciation of what the question is asking but the answer will fail to go into any meaningful analysis and will probably be more a collection of statements rather than any true explanation.	L1 (1–4 marks) Mid mark 3	Explanations are either missing or inaccurate. The answer is likely to fail to address the set question but instead be a weak or limited description of the price mechanism.	
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Question	Answer	Marks
1	<b>Evaluation</b>	
	<div><div>N3 (6–8 marks) Mid mark 7</div><div><p>A good answer is likely to discuss issues such as:</p><ul style="list-style-type: none"><li>• Does the reason for the very low prices influence whether or not the functioning of the price mechanism is affected?</li><li>• May how well functions are performed depend on expectations of buyers and/or sellers about future prices?</li><li>• May the affects be different according to whether the price falls are temporary or longer lasting?</li><li>• Is it prices being low or their falling that matters most?</li><li>• May some functions be affected but not others?</li></ul><p>In a well-structured answer it is likely that there will be a clear conclusion drawn that relates to the ‘extent to which’.</p></div></div>	
	<div><div>N2 (3–5 marks) Mid mark 4</div><div><p>One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.</p></div></div>	
	<div><div>N1 (1–2 marks) Mid mark 2</div><div><p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p><p>For example: ‘Some functions are likely to be affected if prices fall too low’.</p></div></div>	

Question	Answer	Marks
2	<p><b>During the early stages of the coronavirus (Covid-19) crisis, the UK government chose to remove some of the restrictions that prevented supermarkets from colluding with each other.</b></p> <p><b>Discuss the view that such restrictions should in fact be removed altogether, in good times or in bad, since the harm that they do is generally greater than any possible benefit that they generate.</b></p> <p>Candidates should consider the market in which UK supermarkets operate, probably as demonstrating oligopolistic characteristics—economies of scale, small number of firms, barriers to entry, interdependence, price stability, non-price-competition, price leadership, price wars, etc. There needs to be consideration of the possible objectives of a government when it imposes restrictions on collusion among supermarkets [e.g., to prevent prices being too high], and of possible downsides of such restrictions [e.g., in terms of allocation of resources].</p> <p><b>Answers may include:</b></p> <p><b>Knowledge</b> and <b>understanding</b> of relevant concepts and theory, such as characteristics of oligopoly, collusion in oligopoly.</p> <p><b>Application</b> to real world possible examples—e.g. proposed mergers between supermarkets, possible benefits/downsides of collusion during coronavirus crisis</p> <p><b>Analysis:</b> Candidates need to explain benefits to supermarkets of colluding, reasons why governments might choose to restrict such collusive behaviour, and possible downsides of such government action.</p> <p><b>Evaluation</b> of the issues involved. Examples:</p> <ul style="list-style-type: none"> <li>• Is collusion between supermarkets always against the interests of consumers?</li> <li>• May government restrictions prevent efficiency gains?</li> <li>• May government involvement have different consequences in the short—and long-run?</li> </ul> <p>In a well-structured answer, a candidate will conclude with a response to the question as to whether restrictions should be removed.</p>	25



Question	Answer	Marks
2	<b>Theory and analysis</b>	
	L4 (13–17 marks) Mid mark 15	
	There is a clear explanation of oligopoly in the supermarket context, and of a range of possible behaviours in this context, with clear explanations of corresponding possible benefits and downsides to consumers. There will also be consideration of possible government restrictions on supermarket behaviour, including of possible downsides of it. At the top of this level there is likely to be some consideration too of the ‘good times or bad’ aspect.	
	L3 (9–12 marks) Mid mark 11	
	The candidate will demonstrate some understanding of both the supermarket sector and of oligopoly, though perhaps with omissions and/or errors in analysis. There may be some consideration of possible government restrictions and reasons for them, but it is unlikely to be well integrated within the answer, or to look at possible downsides. Alternatively, most aspects may be covered but at too superficial a level to enable the candidate to demonstrate a good understanding of the issues involved.	
	L2 (5–8 marks) Mid mark 7	
	There is likely to be some understanding shown but the answer will be superficial and the candidate will not have fully appreciated the point of the question—the answer may merely rehash some learned definitions without a clear focus on the question asked.	
	L1 (1–4 marks) Mid mark 3	
	A very weak answer that will merely state a few of the issues involved but with no real analysis, and the answer is likely to include a lot of confusion / inaccuracies	
	<b>Evaluation</b>	
	N3 (6–8 marks) Mid mark 7	
	<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"> <li>• Does collusion between oligopolists always result in poor outcomes for consumers?</li> <li>• May government action to restrict oligopolists cause more problems than it solves?</li> <li>• Might there be different consequences in the short- and the long-run?</li> <li>• May restrictions be more appropriate for some goods than others?</li> </ul> <p>There is likely to be a conclusion drawn at the end to explain the candidate’s overall view—even if this is that there is no clear-cut answer.</p>	

Question	Answer		Marks
2	N2 (3–5 marks) Mid mark 4	One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.	
	N1 (1–2 marks) Mid mark 2	<p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p> <p>For example: ‘Restricting collusion between oligopolists might bring disadvantages from the consumer’s point of view’.</p>	

Question	Answer	Marks
3	<p><b>The ratio between the median pay of chief executives of large companies in the UK and that of full-time workers as a whole rose from 128 times to a startling 138 times between 2016 and 2017, even though it then fell away to 119 times by 2019.</b></p> <p><b>Discuss the contention that such pay differentials are inevitable, merely a reflection of differences, and changes over time, in supply and demand conditions for different groups of workers.</b></p> <p>Candidates should show a good understanding of wage determination in terms of supply and demand analysis in different labour markets, with consideration being given to both levels and changes over time.</p> <p><b>Answers may include:</b></p> <p><b>Knowledge and understanding</b> of the factors behind demand for labour in different occupations—physical productivity, demand for product, market structure, etc.—and behind supply of labour to different occupations—net advantages, natural and acquired skills, TU and other interventions, etc.</p> <p><b>Application:</b> Consideration of the ‘chief executives/full-time workers’ distinction, and of the data given in the stem of the question.</p> <p><b>Analysis:</b> Explanation of the wage determination process, with both short–and long-term pay differentials, and factors influencing their likely levels and changes over time, considered.</p> <p><b>Evaluation</b> of the issues involved Examples:</p> <ul style="list-style-type: none"> <li>• How valid is any explanation of pay differentials in terms of supply and demand differences/changes over time?</li> <li>• Does the given comparison between median pay accurately demonstrate ‘pay differentials’?</li> <li>• Are there other factors that affect pay differentials?</li> <li>• How ‘inevitable’ are wide pay differentials?</li> </ul> <p>In a well-structured answer, there will be a conclusion reached that relates to the ‘inevitability’ aspect of the question.</p>	25

Question	Answer		Marks
3	<b>Theory and analysis</b>		
	L4 (13–17 marks) Mid mark 15	There will be clear and accurate explanations of both supply factors and of demand factors that influence the operation of the labour market, and of the process of wage determination, linked to pay differentials. The answer will also consider both the size, and persistence or otherwise over time, of wide differentials, with at the top level relevant application to the UK chief executives/full-time workers case.	
	L3 (9–12 marks) Mid mark 11	The candidate is likely to have a decent knowledge of both supply and demand factors influencing wage determination, though one may be relatively superficial, and the answer may not consider both the size of differentials and their persistence or otherwise over time. There will be little consideration given to the specific application referred to in the question.	
	L2 (5–8 marks) Mid mark 7	Any ‘analysis’ is likely to be superficial and will most likely consist of a few statements without any explanation, or the explanations are likely to contain errors, with little focus on pay differentials. Alternatively, it may be fairly descriptive, probably relating to the data in the stem.	
	L1 (1–4 marks) Mid mark 3	A very limited or incorrect grasp of wage determination may be the extent of the answer, with no link to underlying supply or demand factors.	
	<b>Evaluation</b>		
N3 (6–8 marks) Mid mark 7	<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"><li>• Why might or might not wage differentials persist over time?</li><li>• Are there any other factors that influence wage determination in practice?</li><li>• May governments influence pay differentials?</li></ul> <p>There is likely to be a conclusion drawn at the end to explain the candidate’s overall view, with a link made to the issue of ‘inevitability’.</p>		

Question	Answer		Marks
3	N2 (3–5 marks) Mid mark 4	One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.	
	N1 (1–2 marks) Mid mark 2	<p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p> <p>For example: 'There are some circumstances when large wage differentials do not get smaller over time'.</p>	

**Section B**

Question	Answer	Marks
4	<p><b>Productivity growth in the UK during the 2010s was at its lowest level for 250 years, so it was no surprise that living standards stagnated during that period relative to those in other comparable countries.</b></p> <p><b>Discuss the extent to which increased productivity growth in the UK is both a necessary and a sufficient condition for sustainable economic growth that benefits all.</b></p> <p>Candidates should show an understanding of economic growth, both as increased real output over time and as increased capacity over time. They should also look at growth being both sustainable and inclusive—and the link to living standards should also be made. There needs to be a clear understanding of the meaning and implications of ‘productivity growth’, as increased output per unit of input, with this in turn being linked to the achievement of economic growth. The implications of both necessary and sufficient also need to be considered.</p> <p><b>Answers may include:</b></p> <p><b>Knowledge</b> and <b>understanding</b> of the meaning of economic growth, and of sustainability and inclusiveness, and of the meaning of productivity.</p> <p><b>Application</b> in terms of growth outcomes in different circumstances, short- and long-run.</p> <p><b>Analysis</b> of productivity growth as being ‘necessary’ for economic growth to be achieved, and of it being ‘sufficient’, with consideration in each case of sustainability and inclusiveness aspects of growth.</p> <p><b>Evaluation</b> of the issues involved. Examples:</p> <ul style="list-style-type: none"> <li>• What factors other than productivity growth, if any, influence the rate and nature of economic growth?</li> <li>• May productivity growth be necessary but not sufficient, or vice versa?</li> <li>• May productivity growth generate non-sustainable or non-inclusive economic growth?</li> </ul>	25

Question	Answer		Marks
4	Theory and analysis		
	L4 (13–17 marks) Mid mark 15	There will be a clear explanation of economic growth, with both sustainability and inclusiveness being given consideration for more than 14. Growth in productivity will be accurately understood and linked in detail to economic growth. The answer will at least consider both the ‘necessary’ and the sufficient aspects at the top end.	
	L3 (9–12 marks) Mid mark 11	There will be some consideration of the meaning of econ. growth, though there may be some superficiality in some element[s] of the explanations, or either or both of the sustainability and inclusiveness aspects will be ignored. Productivity will be correctly understood, though there will be gaps or errors in the consideration of ‘necessary’ or ‘sufficient’, in terms of the link between productivity growth and economic growth.	
	L2 (5–8 marks) Mid mark 7	There may be some appreciation of the main issues behind the question, but the answer is likely to contain serious misunderstandings or omissions in the treatment of economic growth, or of productivity growth.	
	L1 (1–4 marks) Mid mark 3	There is very little evidence shown that the candidate genuinely understands what the question is about and may concentrate just on the meaning of economic growth, for example.	

Question	Answer		Marks
4	Evaluation		
	N3 (6–8 marks) Mid mark 7	<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"><li>• Can productivity growth be unambiguously measured, or indeed defined?</li><li>• May productivity growth be a necessary but not a sufficient, or vice versa, condition for economic growth to be achieved?</li><li>• Could the situation be different in the short- and the long-run?</li><li>• May the outcome be economic growth that is either non-sustainable or non-inclusive?</li><li>• May the impact differ between different groups of workers?</li></ul> <p>There is likely to be a conclusion drawn at the end to explain the candidate's overall response, with 'extent to which' directly addressed.</p>	
	N2 (3–5 marks) Mid mark 4	<p>One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.</p>	
	N1 (1–2 marks) Mid mark 2	<p>Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed.</p> <p>For example: 'There can be no economic growth without productivity also growing'.</p>	



Question	Answer	Marks
5	<p><b>A report published in May 2020 suggested that recovery spending on ‘green’ projects, such as energy-efficiency, tree-planting and road redesign, would actually create more jobs than the traditional types of stimulus packages used after the world’s post-2008 financial crisis.</b></p> <p><b>Discuss the view that the effectiveness of economic recovery policy after a large recession depends not so much on the individual constituents of government macro-economic policies but on the overall amount of the increase in government spending.</b></p> <p>Candidates should show a good understanding of macro-economic policies aimed at recovery after a large recession, fiscal and monetary in particular, with their impacts on both AD and AS explained. [The contexts of both post-2008 and post-2020-pandemic recessions is relevant too].</p> <p><b>Answers may include:</b></p> <p><b>Knowledge and understanding</b> of the meaning of ‘large recession’ and of the constituents of both fiscal and monetary policies.</p> <p><b>Application</b> to different real-world situations will enhance the quality of an answer—in particular post-2008 and post-2020.</p> <p><b>Analysis</b> of the impact that different constituents of fiscal and monetary policies have on both AD and AS, and so on the overall macro-economy, with particular reference to employment/unemployment, real GDP/living standards and income distribution.</p> <p><b>Evaluation</b> of the issues involved. Examples:</p> <ul style="list-style-type: none"> <li>• What are the primary objectives of economic recovery policy after a large recession?</li> <li>• What determines the impact of particular fiscal and monetary policies in different situations?</li> <li>• May different policy constituents have different effects?</li> <li>• How important is the timeframe over which policies are being judged?</li> </ul> <p>A well-structured answer will come to a reasoned conclusion about the view being expressed.</p>	25

Question	Answer		Marks
5	<b>Theory and analysis</b>		
	L4 (13–17 marks) Mid mark 15	There will be a clear explanation of the main constituents of fiscal and monetary policy aimed at recovery after a large recession, and of their different effects. Macro-economic objectives will be clearly delineated. At the top level, there will also be an explicit attempt to compare the methods identified, in terms of their effectiveness in tackling different policy objectives.	
	L3 (9–12 marks) Mid mark 11	There will be reasonable understanding shown of different fiscal and monetary policies, and of their effects on AD and AS. There will also be some link to objectives. However, there may be gaps—limited explanation of the effects, or exploration only of fiscal policy, for example—or, although the coverage may be sound, the analysis may be superficial in places.	
	L2 (5–8 marks) Mid mark 7	The answer is likely to be superficial and there will be very limited explanation of the different methods. Objectives are likely to be largely ignored. Far too much will be left simply stated rather than explained.	
	L1 (1–4 marks) Mid mark 3	There will be little if any relevance. The answer may well talk about policies but without explaining how they work or how they tie in to macro-economic objectives.	
	<b>Evaluation</b>		
N3 (6–8 marks) Mid mark 7	<p>A good answer is likely to discuss issues such as:</p> <ul style="list-style-type: none"><li>• What are the priorities among different government objectives?</li><li>• How should different policy options be assessed against each other?</li><li>• Does effectiveness depend on the starting point?</li><li>• How relevant is the time scale over which the policies are assessed?</li></ul> <p>There is likely to be a conclusion drawn at the end to explain the candidate’s overall answer to the question posed.</p>		

Question	Answer		Marks
5	N2 (3–5 marks) Mid mark 4	One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.	
	N1 (1–2 marks) Mid mark 2	Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed. For example: 'The effect of increased G depends on the size of the multiplier.'	

Question	Answer	Marks
6	<p><b>Labour mobility has been an important element of globalisation. In 2019, the remittances received by low-income countries from their citizens working in developed countries were three times the total of overseas aid received by these countries.</b></p> <p><b>Discuss the suggestion that heavy reliance on such remittances is not in the long-term interests of economic development in low-income countries.</b></p> <p>Candidates should identify the meaning of 'remittances' in this context, with relevant examples. The benefits to the developed country should be explained, but more importantly there should be explanation of both advantages and possible downsides, in terms of long-term development, to the low-income country involved.</p> <p><b>Answers may include:</b></p> <p><b>Knowledge and understanding</b> of the nature of remittances and of overseas aid in this context, and of the meaning of economic development.</p> <p><b>Application:</b> The use of examples of relevant forms of remittances will enhance the overall quality of the answer.</p> <p><b>Analysis</b> of flows of both remittances and overseas aid, in terms of possible advantages and downsides, to low-income countries.</p> <p><b>Evaluation</b> of the issues involved. Examples:</p> <ul style="list-style-type: none"> <li>• Are some remittances better than none?</li> <li>• Why should there be any long-term downsides of remittances?</li> <li>• What might constitute 'heavy reliance'? Might remittances be advantageous in some circumstances but not in others?</li> </ul>	25

Question	Answer	Marks		
6	<b>Theory and analysis</b>			
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<b>Evaluation</b>				
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6	N2 (3–5 marks) Mid mark 4	One of the above will be discussed in detail or a couple of points touched on, but only in a relatively superficial way.	
	N1 (1–2 marks) Mid mark 2	Whilst there might be some appreciation that evaluation could be carried out and indeed there might be the odd comment that suggests an area for potential evaluation, it stops there at the comment, and the point is not developed. For example: 'reliance on large remittances might stop a low-income country from taking action that would yield benefits for its long-term development'	