



# Cambridge Pre-U

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## ECONOMICS

9772/03

Paper 3 Investigation

May/June 2022

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.

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

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

From this it follows that we:

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

**2 Presentation of mark scheme:**

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

**3 Calculation questions:**

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

**4 Annotation:**

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

**ANNOTATIONS**

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

Annotation	Use or meaning
L1, L2, L3, L4	Level seen or awarded
N0, N1, N2, N3	Evaluation <sup>n</sup> 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
EVAL	The point where an evaluative judgement is made

Question	Answer	Marks
1.	<p><b>Transport and the Environment</b></p> <p><b>Carbon offsetting aimed at achieving environmental targets is a distraction from other policies that can actually reduce pollution within all parts of the transport sector.'</b></p> <p><b>To what extent do you agree with this view?</b></p> <p>Candidates are expected to give a clear explanation and discussion of three of the following four areas. These include: carbon-offsetting; relevance to different parts of the transport sector; alternative policy approaches; and the underlying reasons for government intervention (externalities and information failures).</p> <p>Candidates should be able to explain what is meant by carbon offsetting together with a comprehensive range of other policies that are more specifically aimed at reducing pollution. The wide-reaching nature of the transport sector should be recognised. Candidates should therefore consider different modes of transport by which passengers and freight achieve mobility. It should also be recognised that transport can be achieved via land (road, rail and pipelines), water (sea and inland waterways) and air.</p> <p>The question is clearly comparative and stronger candidates are expected to make a judgement about whether carbon-offsetting policy is a good approach AND whether it is appropriate for all parts of the transport sector. Judgements are therefore expected around three areas: first, is carbon offsetting a sustainable way to achieve the mitigation of pollution caused by the transport sector and hence help in achieving environmental targets. Second, is the mitigation of pollution distracting from policies that aim to reduce carbon emissions / pollution in the transport sector. Third, do the different transport sectors require a different policy approach or will a one-size fits-all set of policies work for each sector.</p> <p>Candidates are invited to discuss other approaches to the reduction of pollution within the transport sector and this discussion is expected to be both hypothetically and based on current evidence. Weaker candidates will ignore the imperative to discuss carbon offsetting linked to achieving environmental targets and instead go straight into discussing alternative policies aimed at pollution reduction. The best candidates are expected to explain the different ways in which carbon off-sets might work (i.e. that more recent applications of carbon offsetting go beyond simply planting trees and, for example, might in be directed at research and development projects into cleaner modes of transport). There is expected to be a judgement about whether these environmental targets can ever be achieved and, if so, whether carbon off-setting has a role to play together with other policies. This discussion should not be focused on only one of the three modes of transport. Weak candidates are in contrast expected to present a more limited discussion in both breadth and depth: for example, to passenger transport or to reducing pollution caused by cars or air travel.</p>	40

Question	Answer	Marks
1	<p>Candidates should use appropriate analytical tools and data to support their arguments. They should reach a clear and well-supported conclusion. Conclusions may focus on whether carbon offsetting does actually help achieve environmental targets or whether it is a distraction from more appropriate policies. Good candidates will make a judgement on both areas. Stronger candidates will recognise that there are many different elements to transport, often requiring different approaches. Stronger candidates may look at the question from a range of perspectives e.g. policies for different modes of transport or geographical areas whilst narrower scripts may only look at transport policy as a single general approach to transport by the government.</p> <p>Analysis may be assisted by use of diagrams.</p> <p>Answers may include:</p> <p>Knowledge and understanding of the types of policy and its impacts on different modes of transport and different types of economic agent</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Ways in which transport policy aims to ensure environmental protection e.g. carbon-offsetting, road pricing and other price-related policies (fuel taxes), low emissions zones, diesel scrappage schemes, electric road vehicles, promotion of public transport, rail electrification etc.</li> <li>• Ways in which different economic agents/stakeholders (consumers and producers) might be targeted e.g. should an airline or a passenger be responsible for carbon-offsetting, voluntary or compulsory, does the government or private producers fund R&amp;D,</li> <li>• Specific environmental transport policy in the UK and abroad</li> </ul> <p>Analysis of the way in which transport policy promotes environmental protection and how this may harm or help alternative government or transport company objectives.</p> <p>Analysis points could include:</p> <ul style="list-style-type: none"> <li>• Standard externality and imperfect information effects of transport that demand greater environmental protection</li> <li>• Ways in which transport policy contributes to environmental protection</li> <li>• The negative impacts environmental protection could have on other objectives – drag on growth, higher costs of production, loss of investment and FDI, reduced competitiveness, inefficiencies from compliance and enforcement, reduced consumer surplus / choice</li> <li>• The ways in which greater environmental protection as a result of transport policy may contribute to the achievement of other objectives – improved productivity, long term health benefits reducing pressures on the NHS and the budget deficit, attraction of inward investment, lower long-term costs of production and efficiency savings, higher employment in industries that develop to improve environmental protection</li> </ul>	

Question	Answer	Marks
1	<p>Evaluation of whether carbon offsetting has been promoted to the detriment of other policies.</p> <p>Lower-level evaluation will evaluate individual environmental policies and their impact on the environment rather than taking a synoptic approach.</p> <p>Candidates may disaggregate different aspects of transport policy and different methods of environmental protection.</p> <p>Evaluation points may include:</p> <ul style="list-style-type: none"><li>• Does it depend on different governments and different economic conditions in different countries?</li><li>• The time frame under consideration</li><li>• The practical difficulties of implementing environmental protection and the likelihood of government failure</li><li>• Policy conflicts and trade-offs</li><li>• The impact on different stakeholders</li><li>• Environmental protection policies may be conflicting for example efforts to reduce carbon emissions led to moves towards diesel and away from petrol which in turn increased particulate matter</li></ul>	



Question	Answer	Marks
1	<b>Theory and Analysis</b>	
	<div> <div>Level 4 (18–22 marks) Mid mark 20</div> <div>In this level candidates are clearly able to demonstrate a clear understanding of carbon off-setting and how that might be to the detriment of other policies aimed at achieving environmental targets. The best answers will look at all policies (carbon offsetting and alternatives) in a variety of ways, for instance considering policy by mode, country, region or stakeholder. There will be in-depth analysis which will show good independent research to support their points, particularly with reference to examples of how transport policy could be considered to be aiming at environmental protection. The best candidates may attempt to disaggregate the concept of environmental protection to look at different priorities within this broad concept.</div> </div>	
	<div> <div>Level 3 (12–17 marks) Mid mark 15</div> <div>In this level, a clear attempt is made to answer the specific question set in terms of how carbon-offsetting may be useful in achieving environmental targets and whether other approaches are more useful. Links between the question being asked and the perspective being put forward are clear. Relevant supporting data and diagrammatical analysis are clearly evident. 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. A range of perspectives is discussed but may lack critical awareness at times for example candidates at the lower end. At the lower end of this level, candidates must still address the policy objective of environmental protection, although the analysis to support the discussion may be limited. The candidate may lack breadth by adopting generalisations about transport, discussing a narrow range of modes or policies. The debate may lack sophistication for example assuming that carbon-offsetting is either a good or a bad policy approach.</div> </div>	
	<div> <div>Level 2 (6–11 marks) Mid mark 9</div> <div>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 fail to focus on carbon offsetting and the link between transport policy and environmental targets – instead, they focus solely on proposing and evaluating policies with the impact on objectives only made superficially. They may explain the varying objectives of pollution-reduction policies without clearly analysing how these are applied to different modes of transport. 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.</div> </div>	

Question	Answer		Marks
1	Level 1 (1–5 marks) Mid mark 3	There is a lack of understanding of carbon-offsetting or other transport policies linked to environmental protection. The policies are likely to be listed rather than explained and there will no appreciation of the impact on different transport modes or stakeholders.	
	Evaluation		
	Level 3 (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 it is difficult to know whether carbon offsetting is a distraction.	
	Level 2 (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 1 (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, ‘Carbon offsetting does not reduce pollution and thus the environment targets are not met’. There is no attempt to draw together the relevant issues in a conclusion.	

Question	Answer	Marks
2	<p><b>China and the Global Economy</b></p> <p><b>‘After decades of annual double-digit growth, China’s economy and, in particular, its once booming consumption sector are on course to stall even as the economy recovers from its recent coronavirus (Covid-19)-induced collapse. This means that the world can no longer count on China to lift the global economy out of recession.’</b></p> <p><b>To what extent do you agree with this view?</b></p> <p>Candidates are expected to give a clear explanation and discussion of three of the following four areas . These include: the role of the consumption sector in China’s ‘annual double-digit growth’; the role of other ‘demand-side’ sectors, such as exports, government expenditure on infrastructure and the role of investment by industries; the role of ‘supply-side’ factors such as labour market changes, the switch from made in China to designed in China (dynamic comparative advantage); and the role of the privatisation; and whether the global economy is in recession.</p> <p>The question is primarily forward-looking, and this will be evident in good answers. Any students who purely look at China’s retrospective impact on countries since 1979 will score poorly. Equally, the question is focusing on impacts on the global economy. As a result, candidates who discuss China’s transformation, its features and its future form with only cursory consideration of the role of the consumption sector in particular and the potential impact of the coronavirus will fail to reach higher the levels of the mark scheme. There is clear scope within the question for students to provide their own insights and interpretation of which sectors of the Chinese economy will be most likely affected by the coronavirus. It is expected that the better responses will go beyond the consumption sector and consider investment and the production sector.</p> <p>Equally, the question invites candidates to demonstrate their independent research into China’s impact on the global economy and vice versa – the pandemic affected all of China’s trading partners and the export sector will also therefore be significantly affected. Finally, the question invites candidates to assess whether a stall in China’s economy was inevitable. The better responses are therefore expected to go beyond the impact of the coronavirus and consider whether a collapse would have occurred without the pandemic.</p> <p>Good candidates will see the term ‘inevitable’ as an opportunity to challenge the question and unpick the ways in which a reduction in annual economic growth rates to below double-digit growth was bound to occur. Given the length of this paper, candidates will be expected to analyse a variety of different contributing factors to China’s economic growth in order to score higher marks. Students who narrowly focus on consumption will struggle to achieve the higher levels. Equally, a narrow consideration of possible threats to the maintenance of double-digit growth, for instance construct their response solely in terms of the coronavirus outbreak will again score in the lower bands.</p>	40

Question	Answer	Marks
2	<p>Better candidates are likely to consider a regional dimension to economic growth. The engine of growth will inevitably be unbalanced across the different regions of China. A slowdown might have been inevitable be due to regional problems of industrialising the more agrarian regions. In addition, China may be the first country to move out of the pandemic and thus kick-start other economies as consumer demand picks up.</p> <p>They should use appropriate analytical tools and data to support their arguments. They should be able to come to a clear and supported conclusion on the extent to which a stall in China's economy is inevitable and the view that the global economy can no longer rely on China to lift it out of recession. Huge debts in Europe, the USA and Japan will impact on demand for China's exports and while domestic rises in wages have been threatening the competitive basis for the low-cost labour driven export products on which export-led growth has been predicated.</p> <p><b>Answers</b> may include:</p> <p><b>Knowledge</b> and <b>understanding</b> of the underlying causes of China's double-digit economic growth, the possible impact of the coronavirus and the impact of China's growth on global economies.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• The elements of Chinese economic growth – promotion of domestic demand, attempts to move up the value chain including the move from made in China to designed in China, labour market and social reforms, state own industries entering new markets, regional trade agreements, education reform, elements of privatisation, infrastructure development, FDI policies abroad, economic sustainability and the role of the export sector.</li> <li>• The nature of the growth model e.g. yuan manipulation, surplus labour, state owned enterprises, free trade zones, 'Go Out' policy.</li> <li>• Changing economic model – the sustainability of the 14th 5-yr plan (2021–25)</li> <li>• The inter-relationships between China's growth and global recession.</li> </ul> <p><b>Application</b> of different aspects of 'economic growth' and threats to the growth process. There is significant scope for candidates to provide a variety of examples from their research into China's impact on the global economy (and vice versa). Candidates will be rewarded by using the application to different sectors and a recognition that different sectors and regions of the economy will be affected and recover differently from the pandemic. A recognition that the initial drivers of China's growth, large infrastructure projects and low-cost exports are under threat.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Different elements of double-digit economic growth in the Chinese economy</li> <li>• Threats to economic growth from the pandemic both domestically and globally. The impact of coronavirus on the different sectors and regions of the Chinese economy i.e. (C,I,G and (X-M))</li> <li>• Other reasons that might have led to a slow-down in China's growth.</li> </ul>	

Question	Answer	Marks
2	<p><b>Analysis</b> both of the causes of China's double-digit growth and on the global economy's ability to recover from recession.</p> <p>Candidates should be rewarded for supporting their analysis with diagrams. Good candidates will be able to illustrate their points with specific contexts and supporting data. To reach higher levels of analysis candidates must analyse the impact on different sectors of the economy and on a range of economies across the world.</p> <p>Examples of analytical points:</p> <ul style="list-style-type: none"> <li>• Rising unit labour costs pose an opportunity for other economies to compete with Chinese exports</li> <li>• Shifting comparative advantage and moves up the value chain posing both opportunities and threats to China's economic growth</li> <li>• The role of Chinese FDI and infrastructure investment in driving economic growth and employment</li> <li>• The government's large scale infrastructure projects have been recognised as a potential wasteful use of resources.</li> <li>• The slow-down of the consumption sector.</li> <li>• The threat to China's growth from low-cost emerging markets</li> <li>• The need to engage in policies to achieve dynamic comparative advantage</li> </ul> <p><b>Evaluation</b> should be primarily around the extent to which a slowdown in economic growth was inevitable due to the pandemic. Evaluation may also consider the extent to which a slow-down in growth was already taking place and thus would have happened anyway.</p> <p>At the lower end, candidates are likely to be predominantly myopic in their outlook and restrict their evaluation to the impact of coronavirus without an analytical basis. Weaker candidates will fail to consider potential impact on the different sectors of the Chinese economy and the links to recession in the Global economy. At higher levels candidates will recognise that China's economic growth was due to a wide range of factors and that a slowdown may have been inevitable without the pandemic.</p> <p>Good evaluation will involve candidates looking at different causes of economic growth making a judgement about the extent of the threat to double-digit growth provided by both the coronavirus and other factors. Strong candidates will be able to refer to multiple examples when making a judgement on the impact on China and its trading partners.</p> <p>Strong evaluation will come to a summative conclusion about whether the slowdown was inevitable. It should also be forward looking.</p> <p>Possible evaluation points:</p> <ul style="list-style-type: none"> <li>• Is the slowdown inevitable?</li> <li>• Judgements about which sectors of the Chinese economy are likely to be affected.</li> <li>• Judgements about the extent to which the impact of coronavirus on China's trading partners will worsen the slowdown.</li> <li>• To what extent will China once again be able to take global economies out of recession.</li> </ul>	

Question	Answer		Marks
2	Theory and analysis		
	Level 4 (18–22 marks) Mid mark 20	In this level, the answer shows a thorough understanding of the potential causes of China’s economic growth and the potential reasons for its slowdown. There will be in-depth analysis which links a feature of the slowdown in economic growth to the sectors most likely to have been affected by the coronavirus outbreak. There is also expected to be an analysis of the links between China’s growth and to potential recovery in the global economy. At the top end of this Level, answers are able to show how changes can impact both on different sectors in the Chinese economy and on other economies in different ways depending on the conditions present in an economy and their reliance on China for trade. Answers are clearly forward-looking, addressing future changes and potential impacts. There is clear evidence of independent research to support their points.	
	Level 3 (12–17 marks) Mid mark 15	In this level, a clear attempt is made to answer the specific question set on whether the stall in China’s economic growth is inevitable. There is a solid understanding of a range of different causes of the economic growth and hence how this is impacted by the pandemic and other factors. A narrow focus on a single element of the economic growth would only achieve low level 3 if it is covered in significant depth or applied to a comprehensive number of sectors of the Chinese economy. There is relevant supporting data and diagrammatical analysis. Use of economic theory, terminology and application is correct and regular, though may contain some errors at times. There is a reasonable attempt to use independent research to support their points but at the lower end this may be more superficial and unsubstantiated. Broad coverage of the factors contributing to economic growth may be constrained by a lack of critical awareness or narrow range of application to other economies. At the lower end of this level, candidates may lack critical awareness into the nature and characteristics of the growth process and may make broad generalisations about the impact on China and the global economy. There must be an attempt made to examines the impacts on both China and the global economy to enter Level 3. Independent research to support their points will be superficial at the lower end.	

Question	Answer		Marks
2	Level 2 (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. It is either a broadly theoretical essay or lacks contextual awareness. They may make only a superficial attempt to answer the specific question set. In this level candidates may be overwhelming backward-looking in their application of the potential impact of coronavirus or other factors affecting the slowdown in economic growth. There will be a description of the determinants of China's growth but application to across different sectors and regions of the economy will lack critical awareness. Independent research to support their points will be superficial at the lower end.	
	Level 1 (1–5 marks) Mid mark 3	There is a lack of understanding of the causes of China's economic growth or the answer fails to make an attempt to apply the impacts of the global recession.	
	<b>Evaluation</b>		
	Level 3 (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. In this level evaluation must clearly judge the nature and level of the reasons to agree or disagree with the contention that the slowdown in economic growth was inevitable with or without coronavirus.	
	Level 2 (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 1 (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, 'China's economic growth was already slowing down and this was further exacerbated by the pandemic. There is no attempt to draw together the relevant issues in a conclusion.	

Question	Answer	Marks
3	<p><b>The Sustainable Development Goals and the Post 2015 Development Agenda</b></p> <p><b>‘2015 is a milestone year. We are forging a bold vision for sustainable development, including a set of sustainable development goals. And we are aiming for a new, universal climate agreement.’</b></p> <p><b>To what extent has the behaviour of governments made the sustainable development goals unachievable?</b></p> <p>Candidates are expected to give a clear explanation and discussion of three of the following four areas. These include: a range of sustainable development goals; government strategies that lead to the achievement of these SDGs; government strategies that do NOT lead to the achievement of these SDGs; and other reasons (e.g. market-led or consumer-led) why the SDGs may or may not be achieved.</p> <p>While knowledge and coverage of all 17 SDGs is clearly not required for an exam of this length, the question requires students to be able to demonstrate a knowledge of a range of SDGs. Better candidates will use their independent research to show a detailed knowledge of a few SDGs while also being able to give a broader answer to the question of whether the SDGs and their aims, as a whole, can be delivered by governments. Weaker responses will only be able to talk about the SDGs in very general and broad terms without exemplifying how specific SDGs could be delivered with or without governments – such answers will be stuck in level 2 for theory and analysis.</p> <p>Good candidates explore the debate around government-led versus market-based solutions to sustainable development. Have governments intentionally or unintentionally hindered the achievement of these targets because they have different agendas? The best candidates will question the underlying assumptions of the question in a number of ways: to what extent do governments support the achievement of the SDGs (do governments believe they are the most important goals for their economies)? What is meant by ‘achievable’? Is development ever possible when led by governments? Which ‘governments’ are we talking about – will the targets set by emerging economies differ from those set by advanced economies? Leadership from developed governments or leadership from the governments of the economies the SDGs are aiming to support? Are there factors beyond the control of governments such as natural disasters, conflict and pandemics which render the targets unattainable? How has a slowdown in world economies affected the ability of governments to fund initiatives?</p> <p>The weakest candidates will see this question as invitation to explain the SDGs without specifically addressing whether governments are able to deliver their achievement. These answers will read like a list of problems and SDG solutions without an examination of the nature of the delivery of these solutions. Better candidates will move from the nature of the SDGs and their demands to what this means for effective delivery. They will look at the extent to which governments can achieve the SDGs and whether governments have ‘hindered’ progress towards their achievement.</p>	40



Question	Answer	Marks
3	<p>This will necessitate a discussion around whether these targets are realistic and hence achievable. The question invites debate around the achievability of the SDGs and the extent to which other factors prevent their achievement.</p> <p>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, that is, those who are able to elucidate clear arguments for and against government-led approaches to development.</p> <p>Knowledge of general aims of the SDGs together with specific goal examples is expected, as well as the experience of specific noteworthy countries. They should reach a clear and well-supported conclusion on the extent to which government delivery is desirable.</p> <p>Analysis may be assisted by use of diagrams.</p> <p>Answers may include:</p> <p><b>Knowledge and understanding</b> of the SDGs, forms of government and non-government delivery and other factors which are likely to prevent the achievement of SDGs.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• The purpose/nature and details of the SDGs in general – their overall goal and aims</li> <li>• The aims and features of specific individual goals</li> <li>• Forms of government delivery of the SDGs and development more broadly for example ODA, budget support, poverty reduction strategies, provision of merit goods, policies to promote economic growth, service delivery, transfer payments etc</li> <li>• Different types of governments that could be involved in the SDG delivery process: international organisations, donor governments and LEDC governments</li> <li>• Other government priorities that might hinder the achievement of SDGs</li> <li>• Other factors that prevent the achievement of SDGs</li> </ul> <p><b>Application</b> of government strategies aimed at achieving SDGs, other government priorities that hinder the achievement of SDGs, and other factors that hinder the achievement of SDGs</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Anti-corruption drives</li> <li>• Provision of low-fee or zero cost merit goods and public goods</li> <li>• Provision and protection of property rights</li> <li>• Blanket, catch-all policies such as vaccination programmes and universal basic education</li> <li>• Benefits, transfer payments and cash transfers (conditional and unconditional)</li> <li>• MEDC government delivery in the form of ODA, advice and expertise, conditional loans</li> <li>• Privatisation and nationalisation policies</li> <li>• NGO delivery – healthcare, education, civil society NGOs etc.</li> </ul>	

Question	Answer	Marks
3	<ul style="list-style-type: none"> <li>• Military intervention</li> <li>• FDI by overseas governments and companies</li> <li>• International government delivery through the WTO, WHO, UNICEF, UN peacekeeping missions, International Criminal Court, World Bank, IMF etc.</li> <li>• Market-based approaches including microfinance, banking system reform, peer-to-peer to lending, development vouchers and low-fee provision of merit goods such as education and healthcare</li> <li>• Economic growth policies implemented by governments that then impact on poverty reduction</li> <li>• The extent to which the need for energy provision detracts from prevention of damage to the environment.</li> <li>• The extent to which certain SDGs may be more achievable through government delivery than others, for instance SDG 16 Peace, Justice and Strong Institutions may give more of a role to governments than SDG 9 Industry, Innovation and Infrastructure.</li> <li>• The extent to which other factors prevent the achievement of SDGs</li> </ul> <p><b>Analysis</b> of the ability of governments to deliver the aims SDGs. The bulk of analysis is likely to be around the debate as to whether centralised, government-led approaches are appropriate in solving development problems. This is a core theme of modern development literature and better candidates are likely to explore the pro-market approaches of Moyo and Easterly with the greater role for governments given by Sachs and to a lesser extent Collier, Banerjee and Reinert. The higher marks will be reserved for candidates who are able to support their analysis with relevant empirical examples of how the SDG agenda has and has not been effectively delivered by governments and whether governments have intentionally or unintentionally hindered the delivery of SDGs – this will be clear differentiating factor.</p> <p>Examples:</p> <p>Government delivery:</p> <ul style="list-style-type: none"> <li>• ODA provides budget support enabling the provision of education and other public services</li> <li>• Government delivery of healthcare, education, energy achieves universal basic access</li> <li>• Governments are essential for providing the preconditions for development such as peace and stable institutions</li> <li>• Nationalisation policies to reduce prices and increase access</li> <li>• Affirmative action and redistribution to address inequality</li> <li>• International leadership on issues such as trade, conflict, environmental protection, justice and health epidemics</li> <li>• The idea that with sufficient budgetary support poverty can be eradicated</li> <li>• The democratic feedback loop provided by government delivery</li> <li>• Developing a wider tax base to provide merit goods</li> <li>• Problems with government delivery: <ul style="list-style-type: none"> <li>• Corruption</li> <li>• Information failure</li> </ul> </li> </ul>	

Question	Answer	Marks
3	<ul style="list-style-type: none"> <li>• Government failure when providing merit and public goods</li> <li>• Conflict promotion and rent-seeking behaviour</li> <li>• Misaligned objectives</li> <li>• Regulatory capture by MNCs</li> <li>• Dependency theories</li> <li>• Moral hazard created by aid as budgetary support</li> </ul> <p>Alternative/additional methods of delivery:</p> <ul style="list-style-type: none"> <li>• The role of the poor in identifying and solving their own problems</li> <li>• NGOs</li> <li>• International coalitions/movements</li> <li>• Market-based approaches</li> </ul> <p>Things preventing delivery of the SDGs – governments should not be trying to ‘deliver’ the SDGs but concentrate on</p> <ul style="list-style-type: none"> <li>• Economic growth to promote economic development</li> <li>• Promotion of individual liberty and opportunity</li> <li>• Focus on peace and on-corrupt institutions and let the market do the rest</li> </ul> <p><b>Evaluation</b> of whether governments have hindered the deliverance of SDGs or whether other factors render deliverance unachievable.</p> <p>At the lowest ends, the weakest candidates will not be able to offer any judgement on government delivery or other factors, simply giving the pros and cons of government intervention. Weaker candidates will also fail to make judgements on specific SDGs.</p> <p>Stronger candidates will not only consider whether governments hinder the achievement of SDGs as they do not believe they are the right goals for governments to pursue or whether other factors mean that they are unachievable?</p> <p>LEDGs, their problems and their governments differ in their characteristics, and strong responses will reflect this – by offering an awareness that the role of governments will vary depending on the country context.</p> <p>Some may explore the role of international and MEDC governments in delivering the SDGs beyond a sole focus on the governments of LEDGs themselves.</p>	

Question	Answer	Marks				
3	<p>Examples of evaluation may include:</p> <ul style="list-style-type: none"><li>• Do governments have other policy objectives which hinder the achievement of SDGs?</li><li>• Do some SDGs offer more scope for government delivery than others?</li><li>• What features of governance need to be in place for governments to be trusted with SDG delivery?</li><li>• Should some SDGs be prioritised by governments?</li><li>• To what extent are the SDGs the right focus for governments? Would a focus on growth then deliver many of the SDGs?</li><li>• Should the role of governments change over time?</li><li>• What is the extent to which other factors prevent the achievement of SDGs and hence render at least some of them unachievable?</li></ul> <p><b>Theory and Analysis</b></p> <table><tr><td>Level 4 (18–22 marks) Mid mark 20</td><td><p>In this level, the response is clearly focussed on the extent to which governments are able to or hinder in the deliverance of the SDGs and on other factors that prevent its achievement. 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>In this level, students are clearly able to move from the general principles of the SDGs to discussing specific SDGs and the role governments can play in their delivery. The nuances of government delivery are explored, either in terms of forms of delivery or forms of government. A strong appreciation of context is evident throughout the essay with supporting research being used to explain how government delivery can be both beneficial and harmful.</p></td></tr><tr><td>Level 3 (12–17 marks) Mid mark 15</td><td><p>In this level, a clear attempt is made to answer the specific question set on whether governments hinder or achieve SDGs and other factors that make SDGs potentially unachievable. Links between the question being asked and the perspective being put forward are clear. There is a solid understanding of a range of SDGs with a narrow focus on a single SDG or simply a broad discussion without exploring specific SDGs preventing entrance into level 3. Relevant supporting data is evident throughout. 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. the role of governments in delivering a certain SDG may be generalised across countries. Evidence of independent research is clearly present though unsophisticated or undeveloped towards the lower end.</p></td></tr></table>	Level 4 (18–22 marks) Mid mark 20	<p>In this level, the response is clearly focussed on the extent to which governments are able to or hinder in the deliverance of the SDGs and on other factors that prevent its achievement. 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>In this level, students are clearly able to move from the general principles of the SDGs to discussing specific SDGs and the role governments can play in their delivery. The nuances of government delivery are explored, either in terms of forms of delivery or forms of government. A strong appreciation of context is evident throughout the essay with supporting research being used to explain how government delivery can be both beneficial and harmful.</p>	Level 3 (12–17 marks) Mid mark 15	<p>In this level, a clear attempt is made to answer the specific question set on whether governments hinder or achieve SDGs and other factors that make SDGs potentially unachievable. Links between the question being asked and the perspective being put forward are clear. There is a solid understanding of a range of SDGs with a narrow focus on a single SDG or simply a broad discussion without exploring specific SDGs preventing entrance into level 3. Relevant supporting data is evident throughout. 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. the role of governments in delivering a certain SDG may be generalised across countries. Evidence of independent research is clearly present though unsophisticated or undeveloped towards the lower end.</p>	
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Question	Answer		Marks
3	Level 2 (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 fail to analyse the extent of government involvement, instead explaining how governments may deliver the SDGs or a range of factors that prevent SDGs being delivered. It feels like a general answer on how to provide economic development or on the methods of government delivery. Points made may be generalised to all LEDCs whilst simultaneously being narrow in their analysis, for example by generalising developing countries' governments and the contexts within which they work. Independent research may be significantly lacking.	
	Level 1 (1–5 marks) Mid mark 3	There is no understanding of whether governments can deliver or hinder the SDGs or of other factors outside government control.	
	<b>Evaluation</b>		
	Level 3 (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 governments' role in delivery or in hindering the delivery or other factors that prevent delivery may vary across countries and SDGs.	
	Level 2 (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 1 (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, 'Governments play a key role in delivering development and the SDGs but there are other important policy objectives that hinder the deliverance of SDGs. There is no attempt to draw together the relevant issues in a conclusion.	

Question	Answer	Marks
4	<p><b>Behavioural Economics and Government policy</b></p> <p><b>Daniel Kahneman was awarded the Nobel Prize in economic sciences in 2002 ‘for having integrated insights from psychological research into economic science, especially concerning human judgement and decision-making under uncertainty.’</b></p> <p><b>To what extent do you agree with the view that the greatest contribution made by behavioural economics concerns human judgement and decision-making under uncertainty?</b></p> <p>Candidates are expected to give a clear explanation and discussion of three of the following four areas. These include: an understanding of ‘behavioural economics’ and human judgements (for example concepts such as ‘bounded rationality’, bounded self-interest, biases, loss aversion and heuristics); an understanding of ‘behavioural economics’ and decision-making under uncertainty, information failures and unpredictability over time; applications / contributions of behavioural economics to policies e.g. nudges and constrained choices; and a comparison of behavioural economics to traditional economics.</p> <p>The question focuses specifically on one aspect of behavioural economics, BE, – that of decision making when outcomes are uncertain. Candidates are expected to explain how BE can be applied to decision making under uncertainty. There should be real-world applications to illustrate how BE has made a contribution to economics. The better responses will take this as an invitation to investigate how BE has improved our understanding of decision making by comparing this to ‘standard’ economics which is based on the assumption of ‘homo economicus’ or rational man.</p> <p>Daniel Kahneman proposed the dual process theory. First if the intuitive system which is described as fast, effortless and volatile. The reasoning system is more elaborate, reliable and slow. The intuitive system deviates from predictions given by the standard ‘rational behavioural models’ and as such humans are considered to have bounded rationality i.e. their decisions are limited by the amount of information they have, the time they have in which to make a decision and their personal limitations in processing complex information. Do not expect candidates to link ‘bounded rationality’ with Daniel Kahneman or to be familiar with the term ‘dual process theory’, but the better responses will demonstrate good understanding of the concepts that underly ‘bounded rationality’.</p> <p>Humans often overestimate their abilities to make decisions (over confidence) and extrapolate from a small sample to the whole population. Decision makers frequently demonstrate a preference for the present and do not discount consistently over time. In part this may be due to uncertainty about the future and a lack of understanding about how to deal with this uncertainty. These issues should be related to decision making in the real world. Decisions also depend on the way in which uncertain outcomes are framed. A surgeon may be more likely to undertake a risky medical procedure if he thought that 90 out of 100 survive rather than 10 out of 100 will die – although the probability is the same.</p>	40

Question	Answer	Marks
4	<p>Heuristics also play a part – humans make rule of thumb judgements when faced with a decision about a risky activity. A recent airplane crash which has widespread media coverage is more likely to affect a decision not to travel by air to a destination as the traveller has overestimated the likelihood of a plane crash by considering the time frame over which accidents happen nor has the traveller compared it to the greater likelihood of being killed in a road traffic accident (mainly because single road traffic deaths do not have the same intensity of media coverage).</p> <p>Behavioural economics has a much wider application to economic decision making than that suggested by the question. Candidates are also expected to consider a wider range of applications from the perspective of decision making by consumers, firms and governments. This may consider decision making when information is unavailable or imperfectly understood which could be due to the cognitive ability of economic agents or to inherent biases within their personal prejudices and previous experience.</p> <p>This question clearly requires candidates to make a judgement about the most important contribution made by behavioural economics.</p> <p><b>Answers may include:</b></p> <p><b>Knowledge and understanding</b> of the underlying difference between behavioural economics and ‘standard’ economics in terms of the contribution that BE has made to economic science. Knowledge and understanding of uncertainty and how decision making is treated in BE and standard economics.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Rational decision making and bounded rationality.</li> <li>• Clear understanding of how uncertainty is dealt with by standard economics and behavioural economics. For example, maximising utility under uncertain outcomes using an understanding of discounting and measurement of probabilities (the mathematical models are not expected but the principles are). In contrast behavioural economics requires an understanding of bounded rationality and heuristics.</li> <li>• An understanding of other applications and tools of behavioural economics such as nudges, default choices, constrained choices, framing, the use of social norms etc.</li> </ul> <p><b>Application</b> of behavioural economic thinking to uncertainty and other applications</p>	

Question	Answer	Marks
4	<p>Examples:</p> <ul style="list-style-type: none"> <li>• Application of behavioural biases and heuristics to specific issues such as merit/demerit goods/public goods/insurance/risk-averse behaviour</li> <li>• Pensions and saving (uncertainty of future outcomes)</li> <li>• Mosquito nets</li> <li>• Giving behaviour / charities</li> <li>• Immunisations</li> <li>• Investment appraisal</li> <li>• Macro-economic management of the economy by central banks</li> <li>• Healthy food and exercise</li> </ul> <p><b>Analysis</b> of uncertain outcomes under standard and behavioural economics. Analysis of other applications of behavioural economics.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Maximisation of utility by rational decision makers under uncertainty</li> <li>• Rational decision making under information failure</li> <li>• Decision making where outcomes are uncertain using behavioural economics</li> <li>• Decision making where there is incomplete information or where economic agents are unable to interpret information using behavioural economics</li> <li>• Analysis of the application of behavioural economics to policy making by governments</li> </ul> <p><b>Evaluation</b> of the extent to which the greatest contribution made by behavioural economics concerns human judgement and decision-making under uncertainty.</p> <p>At the lowest end, the candidate will evaluate behavioural economics in general rather than focussing on whether its greatest contribution is in decision-making under uncertainty.</p> <p>Better evaluation will focus on the wider contributions of behavioural economics and ask whether its greatest contribution is in decision-making under uncertainty or some other area. Strong candidates may have supporting evidence to assess the extent to which behavioural economics has advanced the armoury used by economists in analysing economic decision-making in not only situations that are uncertain but in other areas too.</p> <p>They may choose to discuss whether decisions made by economics agents would have been similar by homo economicus and under behavioural economics.</p>	



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4	<p>Examples of evaluation:</p> <ul style="list-style-type: none"><li>Is the greatest contribution made by behavioural economics in the understanding of decision making under uncertainty?</li><li>Do the decisions differ significantly from those made using 'standard' economics?</li><li>What is the greatest contribution made by behavioural economics?</li></ul> <p><b>Theory and Analysis</b></p> <table><tr><td>Level 4 (18–22 marks) Mid mark 20</td><td>In this level, it is clear how behavioural economics has contributed to the study of economic decision making. This should encompass decision making under uncertain outcomes and other applications of behavioural economics. In coming to a decision about whether the application to uncertainty is the greatest, candidates are expected to compare behavioural economics with 'standard' economics based on homo economicus. 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.</td></tr><tr><td>Level 3 (12–17 marks) Mid mark 15</td><td>In this level, a clear attempt is made to answer the specific question set with reference to the contribution of behavioural economics in a range of applications including decision making under uncertain outcomes together with a comparison to how 'standard' economics would analyse the same decisions. Links between the question being asked and the perspective being put forward are clear. There is a solid understanding of a range of supporting points, with relevant supporting empirical examples. Use of economic theory, terminology and application is correct and regular, though may contain some errors at times. Towards the top of this level, the link to 'improving' economic decision making may not be explicit, preventing L4. The range of alternatives may be narrow or there may limited comparison to 'standard' economics.</td></tr></table>	Level 4 (18–22 marks) Mid mark 20	In this level, it is clear how behavioural economics has contributed to the study of economic decision making. This should encompass decision making under uncertain outcomes and other applications of behavioural economics. In coming to a decision about whether the application to uncertainty is the greatest, candidates are expected to compare behavioural economics with 'standard' economics based on homo economicus. 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.	Level 3 (12–17 marks) Mid mark 15	In this level, a clear attempt is made to answer the specific question set with reference to the contribution of behavioural economics in a range of applications including decision making under uncertain outcomes together with a comparison to how 'standard' economics would analyse the same decisions. Links between the question being asked and the perspective being put forward are clear. There is a solid understanding of a range of supporting points, with relevant supporting empirical examples. Use of economic theory, terminology and application is correct and regular, though may contain some errors at times. Towards the top of this level, the link to 'improving' economic decision making may not be explicit, preventing L4. The range of alternatives may be narrow or there may limited comparison to 'standard' economics.	
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Question	Answer		Marks
4	Level 2 (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, discussing behavioural economics in general with a largely pre-rehearsed response. There may be limited attempt at considering behavioural economics contribution to decision-making under uncertainty with candidates concentrating on other applications.	
	Level 1 (1–5 marks) Mid mark 3	There is a lack of understanding of what is meant by behavioural biases and issues that decision makers need to consider when outcomes are uncertain.	
	<b>Evaluation</b>		
	Level 3 (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.	
	Level 2 (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. Any conclusion will do little more than sit on the fence.	
	Level 1 (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, ‘behavioural economics allows the explanation of apparently irrational behaviour such as giving to charities’. There is no attempt to draw together the relevant issues in a conclusion.	