

CCEA GCSE - Economics
Summer Series 2016

Chief Examiner's Report

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Foreword

This booklet outlines the performance of candidates in all aspects of CCEA's General Certificate of Secondary Education (GCSE) in Economics for this series.

CCEA hopes that the Chief Examiner's and/or Principal Moderator's report(s) will be viewed as a helpful and constructive medium to further support teachers and the learning process.

This booklet forms part of the suite of support materials for the specification. Further materials are available from the specification's microsite on our website at www.ccea.org.uk

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GCSE ECONOMICS

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General Comments

The general high standard of candidates' performance was broadly similar to previous years. The majority of candidates demonstrated a very sound grasp of the economic knowledge, understanding and skills across the two examination papers and this is reflected in the final award of grades.

Centres frequently report that their candidates find Paper 1 to be the more challenging examination paper. Furthermore, the examination team is aware of anecdotal comments concerning the challenge of this unseen extended writing component relative to tasks undertaken in other subjects under controlled assessment conditions. However, in spite of this perceived difficulty, this model of assessment continues to elicit strong responses from the majority of candidates that demonstrate excellent development of the knowledge and skills outlined in the three assessment objectives (AOs).

The Energy Efficient Car Market in the UK provided both a stimulating and challenging context for the report writing task in Paper 1. The majority of candidates engaged well with the source material to demonstrate their ability in relation to the AOs and to address the set task. Performances at the top end of the mark range included effective use of the stimulus material, appropriate application of economic concepts and terminology, and a high standard of analysis and evaluation. The strongest answers effectively applied the concepts of demand and supply, and social costs and benefits. They also demonstrated good knowledge and critical understanding of relevant government policies that could be used to promote more environmentally friendly car use. Candidates in general demonstrated sound graphical and statistical interpretation skills in relation to the Sources 1, 2, 3 and 5.

Candidates who were awarded the highest marks managed their time and effort well to complete all sections of the task and write clear, concise and relevant responses. The most heavily weighted assessment objective is AO3, analyse and evaluate evidence, make reasoned judgements and present appropriate conclusions and this year, this was mainly assessed in Sections 5 and 6. Therefore, it is important that candidates show the ability to weigh up the evidence already provided in the source material rather than simply reproducing it. For example, Source 4 outlined government investment in 'green car production' but it was also clear in that particular source that huge investment was still required and that manufacturers did not feel that the government had gone far enough.

Candidates who scored less well on this paper often made a strong start to sections 1, 2 and 3 but demonstrated limited understanding of sections 4 (factors that affect the supply of new cars) and 5 (the social costs and benefits associated with owning and using a car). Other common features of weaker performances included superficial use of the source material and of the statistical and graphical data. Some candidates did not make effective use of Source 8 in the final sub-section 6 to extend the scope of their response to include appreciation of the changing social and economic factors that are likely to have an impact on future car use.

The vast majority of candidates performed well in Paper 2. Responses to the short questions in Section A were generally very good. Section B was also generally well answered with the majority of candidates demonstrating good knowledge and understanding of the specification content that was examined in questions 4 and 5, Managing the Economy and Financial Capability. In Section C the standard of answers was generally very good and again, there were some excellent performances that merited the award of marks in the upper mark band.

Questions 7 and 8 were more popular choices than questions 6 and 9. The weakest responses in Paper 2 were generally caused by weak performance in Section C.

The quality of written communication (QWC) was assessed in questions and tasks that required extended writing, namely the whole of the report writing task in Paper 1 and the essay in Section C of Paper 2. Similar to previous years, the standard of QWC continues to vary considerably and this affects many candidates' overall performance. Candidates should be advised to write their answers in continuous prose rather than using abbreviations and symbols. They should also be encouraged to use correct spelling and become familiar with the spelling of economic terms such as disposable income and aggregate demand. Some candidates had difficulty spelling plural words such as currencies, countries and policies. Candidates are encouraged to develop their writing style so that they can express 'positive' economic ideas and to use evidence to support any views or opinions expressed.

Paper 1

The report writing task is assessed holistically against all three assessment objectives with a heavier weighting assigned to AO3. The majority of candidates responded well to each of the six sub-tasks and were able to achieve marks consistently in the Level 3 and 4 mark bands.

However, some candidates' performance was more limited in some sections of the task where they demonstrated a weaker grasp of economic knowledge, understanding and skills. This was reflected in the award of marks in the lower bands. Comments below provide detailed feedback on candidates' performance on each section of the report.

Task Sections

- Task 1** All candidates gave a relevant introduction to the task indicating that they understood the issues facing the car industry and the economy if further progress is to be made towards developing a more energy efficient market. The majority of candidates generally kept their introductions short and concise. However, a few did write more lengthy introductions that appeared to affect the time they had remaining to write more effective answers to the later sections of their report.
- Task 2** The majority of candidates used Source 1 to effectively describe the trends in the sales of new cars in the UK between 2007 and 2014. The best answers demonstrated the ability to analyse trends in the data rather than describing every year on year change. The best answers also included analysis of the data for the annual new car registrations by fuel type as well as the absolute numbers of new cars.
- Task 3** There were many excellent answers that explained in detail the factors that affect the demand for new cars in the UK and many candidates used demand curve diagrams to support their points. Some candidates gave theoretically correct answers but omitted to illustrate their points with evidence from the source material.
- Task 4** This section was generally less well answered with many candidates confusing supply and demand factors, or in a few instances, omitting this section completely.

- Task 5** There were some excellent answers that clearly identified and discussed the social costs and benefits associated with owning and using a car. However, it was notable that many candidates were unable to distinguish between private and external costs, and many answers did not include examples of positive externalities such as the number of jobs created in the economy (Source 8), or the contribution of Vehicle Excise Duty and other ‘car’ taxes to the Treasury (Source 5).
- Task 6** Most candidates were able to identify and describe a number of policies that the government has used to encourage more environmentally friendly car use. The best answers included an evaluation of the policies and a recommendation for the future while weaker answers did not include sufficient evidence of AO3.

Paper 2

Section A

- Q1** The majority of candidates gave effective descriptions of debit cards, credit cards and were able to give a reason why consumers may use credit to pay for goods and services. A few candidates appeared to be confused between debit cards and store cards.
- Q2** This was well answered by the majority of candidates. In Part (c), rather than stating that a disadvantage of aid may be that countries become over-dependent on it, and/or it may not be directed at the areas most in need, or may end up in corrupt hands, a different example given in several responses was the opportunity cost to the donor country of not having the finance to spend on domestic priorities. Credit was awarded for this response.
- Q3** The majority of candidates were able to define what is meant by an exchange rate and use relevant examples. In Part (b), many responses indicated understanding that the euro was a different currency but some gave confusing examples of the number of countries using it. Answers to Part (c) were generally strong with most candidates able to give a possible advantage and disadvantage of the UK introducing the euro. The best answers showed insight into the role of the European Central Bank or were able to explain the practical ‘menu’ costs for UK businesses should they have to change currencies.

Section B

- Q4** In Parts (a) and (b), the majority of candidates explained effectively why the government imposes indirect taxation and used examples to explain the difference between direct and indirect taxation. Parts (c) and (d) were generally well answered but some candidates did not make full use of the data on the average amount and the percentage of income paid in direct and indirect tax by the richest and poorest 20% of households, hence they were not awarded full marks. Part (e) was very well answered by the majority of candidates who explained three possible economic effects of a reduction in income tax on the UK economy.
- Q5** This question was generally less well answered than the other compulsory data question, Question 4. In Part (a), the majority of candidates gave effective descriptions of the changes to household savings between 2007 and 2013 and in Part (b), they were able to explain two reasons why people may want to save. Some answers to Part (c) lacked clarity and did not make effective use of the data provided that showed that the ISA account did not require any notice to withdraw funds. Some candidates were unaware of tax advantages of ISA. In Part (d), some

candidates were unable to explain an advantage and a disadvantage to the economy of an increase in the level of savings.

Section C

- Q6** This was a popular question and was completed to a high standard by many candidates but there were also some very weak responses. The latter group tended to do little more than highlight the advantages of online shopping to consumers. These responses lacked depth of knowledge and understanding and the ability to express coherently the key economic features of globalisation. A similar divergence of understanding was evident in responses to Part (b) where there were several outstanding explanations of the causes of globalisation but these contrasted with others that gave little more than the existence of new technology and particularly the internet. The wording of Part (c) into advantages and disadvantages in relation to consumers and business appeared to provide candidates of all abilities with a helpful framework for their responses. There were some excellent answers that included detailed discussion using relevant economic knowledge and concepts, and also included many contemporary examples to illustrate points. Those candidates whose responses to Parts (a) and (b) were generally weak frequently gave relatively stronger responses to Part (c).
- Q7** This was one of the more popular choices of essays among candidates. Part (a) was well answered with the majority of candidates able to explain the difference between costs and revenue using relevant examples to illustrate these differences. There were some excellent answers to Part (b), but there were several responses where candidates confused demand and supply analysis with break-even, hence diagrams were confused and frequently they were poorly labelled. Several of these responses did not merit the award of marks beyond the Level 1 band. Part (c) was generally quite well answered. The marks awarded reflected the range of points and depth of analysis that candidates included in their responses.
- Q8** This was also a popular question although in Part (a), some candidates struggled to give a clear definition of inflation and a supporting explanation of how it is measured. Some weaker responses gave very muddled details about the surveys conducted to identify the typical 'basket of goods', the weightings assigned to these and the monthly price surveys. In Part (b), candidates were generally confident in their knowledge and understanding of the problems of rising inflation creates for the economy. However, some candidates did not demonstrate knowledge and understanding of the problems associated with rising inflation. Similarly in Part (c), candidates were generally able to explain in reasonable depth how policies to address inflation may affect other economic objectives. However, some weaker answers were unclear about how interest rates impact on inflation.
- Q9** This was not a popular question and where attempted, responses were generally disappointing. In Part (a), many candidates struggled to give a clear explanation of what is meant by a leakage from the circular flow of income. This knowledge gap carried forward to Part (b) where many responses lacked the knowledge and understanding to explain how an increase in leakages to the economy affects the economy. In Part (c), the majority of responses identified that any increase in government spending would have a problematic knock-on effect on public finances. However, many responses did not go much beyond this.

Contact details

The following information provides contact details for key staff members:

- Specification Support Officer: Arlene Ashfield
(telephone: (028) 9026 1200, extension: 2291, email: aashfield@ccea.org.uk)
- Officer with Subject Responsibility: Jill Armer
(telephone: (028) 9026 1200, extension: 2426, email: jarmer@ccea.org.uk)