AS
ECONOMICS
7135/2

Paper 2 The National Economy in a Global Context

Mark scheme

June 2024

Version: 1.0 Final

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

No student should be disadvantaged on the basis of their gender identity and/or how they refer to the gender identity of others in their exam responses.

A consistent use of 'they/them' as a singular and pronouns beyond 'she/her' or 'he/him' will be credited in exam responses in line with existing mark scheme criteria.

Further copies of this mark scheme are available from aqa.org.uk

SECTION A

The following list indicates the correct answers used
in marking the students' responses.

KEY LIST

1	**B** (Output of goods per worker)	**11**	**D** (Rising national income leads to an increase in investment)
2	**C** (the proportion of average consumer expenditure relating to restaurants and hotels rose in 2022.)	**12**	**C** (£600 000)
3	**D** (An increase in savings)	**13**	**D** (Shortages of skilled labour)
4	**B** (A leftward movement along the short-run aggregate supply curve)	**14**	**A** (The central bank considers the government's fiscal policy when setting Bank Rate)
5	**C** (Falling labour productivity)	**15**	**B** (1.2)
6	**D** (the price level is rising less quickly than previously.)	**16**	**D** (An increase in tax rates and a reduction in welfare payments to create a budget surplus)
7	**B** (A reduction in geographical immobility of labour)	**17**	**A** (A change in the pattern of economic activity)
8	**C** (Point **C**)	**18**	**D** (the volume of imports to Switzerland from the USA is likely to increase.)
9	**A** (Cyclical)	**19**	**C** (Labour productivity and real GDP grew more quickly in Country A than Country B over the period.)
10	**C** (A positive output gap and an increase in demand-pull inflation)	**20**	**C** (income tax rates.)

Totals

A 3
B 4
C 7
D 6

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

The levels of response grid below should be used when marking the 25 mark questions.

Level of response	Response	Max 25 marks
5	**Sound, focused analysis and well-supported evaluation that:** • is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors • includes good application of relevant economic principles to the given context and, where appropriate, good use of data to support the response • includes well-focused analysis with clear, logical chains of reasoning • includes supported evaluation throughout the response and in a final conclusion.	**21–25 marks**
4	**Sound, focused analysis and some supported evaluation that:** • is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors • includes some good application of relevant economic principles to the given context and, where appropriate, some good use of data to support the response • includes some well-focused analysis with clear, logical chains of reasoning • includes some reasonable, supported evaluation.	**16–20 marks**
3	**Some reasonable analysis but generally unsupported evaluation that:** • focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present • includes reasonable application of relevant economic principles to the given context and, where appropriate, some use of data to support the response • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes fairly superficial evaluation; there is likely to be some attempt to make relevant judgements but these are not well-supported by arguments and/or data.	**11–15 marks**
2	**A fairly weak response with some understanding that:** • includes some limited knowledge and understanding of economic terminology, concepts and principles but some errors are likely • includes some limited, application of relevant economic principles to the given context and/or data to the question • includes some limited analysis but it may lack focus and/or become confused • includes attempted evaluation which is weak and unsupported.	**6–10 marks**
1	**A very weak response that:** • includes little relevant knowledge and understanding of economic terminology, concepts and principles • includes application to the given context which, at best, is very weak • includes attempted analysis which is weak and unsupported.	**1–5 marks**

Section B

Context 1 Troubling times for the UK economy   **Total for this context: 50 marks**

| 2 | 1 | *Define 'Regressive taxes'* **Extract C** (line 12).

[3 marks]

Level of response	Response	Max 3 marks
1	• A full and precise definition is given.	**3 marks**
2	• The substantive content of the definition is correct, but there may be some imprecision or inaccuracy.	**2 marks**
3	• Some fragmented points are made.	**1 mark**

Examples of acceptable definitions worth 3 marks:

- a tax for which the proportion of income paid in tax increases as income falls (or vice versa)
- a tax that takes a larger percentage of income from low-income earners, than high-income earners (or vice versa).

Examples of a definition worth 2 marks:

- a tax that takes a greater amount of tax from low income-earners than high-income earners
- a tax where the amount of tax paid rises as income falls.
- Those on a low income must pay the same amount of tax as those on a high income.

Examples of a definition worth 1 mark:

- a tax that adversely affects low-income earners
- a tax where the poor pay more than the rich.

MAXIMUM FOR QUESTION 21: 3 MARKS

| 2 | 2 | *A homeowner has an interest-only mortgage of £225 000. The annual interest rate paid on their mortgage has increased from 2% to 4.3%.*

*Calculate the increase in the amount of interest paid per month to the **nearest pound (£)**.*
[4 marks]

Calculation:

Increase in interest charged: 4.3% - 2% = 2.3% points
£225 000 × 0.023 = £5175 per annum /12 months = £431.25 = £431 to nearest £

Alternative method:

£225 000 × 0.043 = £9675/12 months = £806.25
£225 000 × 0.02 = £4500/12 months = £375
£806.25 - £375 = £431.25 = £431 to nearest £

Response	**Max 4 marks**
For the correct answer: £431	**4 marks**
For the correct value, not to the nearest £: eg £431.25 **OR** For the correct value, rounded the wrong way: eg £432 **OR** For the correct value with missing/incorrect units: eg 431	**3 marks**
For the correct value with missing/incorrect units, not to the nearest £ or rounded the wrong way: eg 431.25 or 432 **OR** For the correct method using an incorrect interest rate, such as 4.3%, to arrive at an incorrect answer (allow not rounded, rounded the wrong way and/or missing/incorrect units): eg £806 or £806.25 or £807 or 806 or 806.25 or 807 **OR** For the correct value for the annual interest payment: £5175	**2 marks**
For the correct value for the annual interest payment without units: 5175 **OR** For the correct value for the annual interest payment using an incorrect interest rate with units: eg £9675 **OR** For stating the correct method.	**1 mark**

MAXIMUM FOR QUESTION 22: 4 MARKS

| 2 | 3 |

*Use **Extract A** to identify **two** significant points of comparison between inflation and the growth in average weekly real earnings over the period shown.*

[4 marks]

Award up to 2 marks for <u>each</u> significant point of comparison made.

Response	Max 4 marks
Identifies a significant point of comparison Makes accurate use of the data to support the comparison identified Unit of measurement given accurately	**2 marks**
Identifies a significant point of comparison but only one piece of data is given when two are needed **and/or** no unit of measurement is given **and/or** the unit of measurement is inaccurate **and/or** the wrong date is given **OR** Identifies a significant feature of one data series with accurate use of the data (including the unit of measurement) but no comparison is made.	**1 mark**

If a candidate identifies more than two significant points of comparison, reward the best two.

Significant points include:

- the rate of inflation peaked in October 2022 at 9.6%, whereas growth in average weekly real earnings peaked in April 2021 at 5.9%
- the rate of inflation was lowest in February 2021 at 0.7%, whereas the greatest fall in average weekly real earnings was in April 2022 at -3.5% (accept lowest rate of growth in average weekly real earnings was in April 2022 at -3.5%)
- growth in average weekly real earnings fell over the period from 3.5% in December 2020 to -2.4% in November 2022, whereas the rate of inflation rose over the period from 0.8% in December 2020 to 9.3% in November 2022
- the rate of inflation has always been positive, ranging from 0.7% in February 2021 to 9.6% in October 2022, whereas growth in average weekly real earnings has been negative since November 2021 when it fell to -1.0%
- the rate of inflation ranged from 0.7% in February 2021 to 9.6% in October 2022, whereas the range for growth in average weekly real earnings was larger, it ranged from -3.5% in April in 2022 to 5.9% in April 2021
- prior to August 2021, the growth in average weekly real earnings was higher than the rate of inflation, for example, in April 2021, the growth in average weekly real earnings was 5.9% and the rate of inflation was 1.6%. Since then, the rate of inflation has always been higher than the growth in average weekly real earnings. For example, in August 2021 the rate of inflation was 3% whereas the growth in average weekly real earnings was 1.8%.

Note: these figures are taken from actual data, allow a tolerance of +/– 0.5% points.
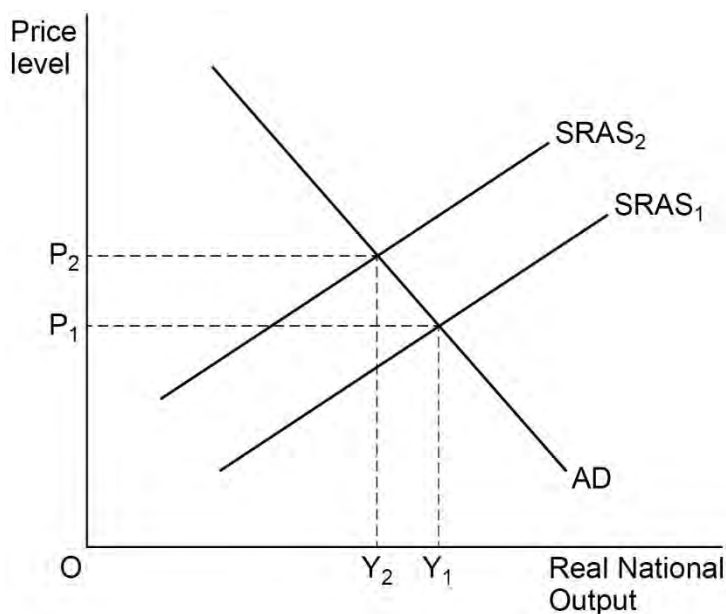
MAXIMUM FOR QUESTION 23: 4 MARKS

| 2 | 4 |

Extract B (lines 1–3) states: '…rapid increases in the price of commodities, such as gas and wheat...led to a 40-year high inflation rate...'.

Draw an AD/AS diagram to show how rising commodity prices are likely to affect the macroeconomy.

[4 marks]

The correct diagram involves an AD/AS diagram showing a leftward shift in the SRAS curve.

Response	Max 4 marks
Accurately drawn AD/AS diagram showing a leftward shift in SRAS, original equilibrium shown, P_1Y_1 and new equilibrium price level and output eg P_2Y_2 with both axes and all curves and coordinates labelled.	**4 marks**
Accurately drawn AD/AS diagram showing a leftward shift in SRAS, with one label/coordinate missing.	**3 marks**
Accurately drawn AD/AS diagram showing a leftward shift in SRAS, with two or more labels/coordinates missing.	**2 marks**
Accurately drawn AD/AS diagram showing an initial equilibrium point with both axes, both original curves and both original coordinates labelled, eg P_1Y_1.	**1 mark**

Notes:

Labels refer to axes and/or coordinate labels.
Label of horizontal axis can be 'Real GDP', 'Real output,' 'Output,' 'Y,' 'RNO,' 'NI' and 'National output.'
Do not reward Quantity or Q.
Label of vertical axis can be 'Price Level,' 'PL,' 'Inflation' and '£'.
Do not reward Price or P.

MAXIMUM FOR QUESTION 24: 4 MARKS

| 2 | 5 | *Extract B* (lines 11–12) states: 'In response, as inflation rose above the target rate, the Bank of England's Monetary Policy Committee acted by increasing Bank Rate.'

Explain how an increase in Bank Rate may lead to a reduction in the rate of inflation.

[10 marks]

Level of response	An answer that:	Max 10 marks
3	- is well organized and develops one or more of the key issues that are relevant to the question - shows sound knowledge and understanding of relevant economic terminology, concepts and principles - includes good application of relevant economic principles and/or good use of data to support the response - includes well-focused analysis with a clear, logical chain of reasoning - may include a relevant diagram to support their explanation.	8–10 marks
2	- includes one or more issues that are relevant to the question - shows reasonable knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present - includes reasonable application of relevant economic principles and/or data to the question - includes some reasonable analysis but it might not be adequately developed and may be confused in places - may include a relevant diagram to support their explanation.	4–7 marks
1	- is very brief and/or lacks coherence - shows some limited knowledge and understanding of economic terminology, concepts and principles but some errors are likely - demonstrates very limited ability to apply relevant economic principles and/or data to the question - may include some very limited analysis but the analysis lacks focus and/or becomes confused - may include a diagram but the diagram is likely to be inaccurate in some respects or is inappropriate.	1–3 marks

Relevant issues include:

- meaning of Bank Rate/monetary policy/inflation/aggregate demand
- explanation of how a rise in Bank Rate is likely to lead to increases in other interest rates
- explanation of how a rise in interest rates affects AD
- explanation of how a leftward shift of the AD curve affects demand-pull inflation
- explanation of the impact of a rise in interest rates on the cost of borrowing/reward for saving
- explanation of the impact of a rise in interest rates on consumption/savings
- explanation of the impact of a rise in interest rates on investment
- explanation of the impact of a rise in interest rates on the exchange rate
- explanation of the impact on costs of production as a result of a rising exchange rate
- explanation of how a rightward shift of the SRAS curve (as a result of a change in the exchange rate) affects cost-push inflation.

MAXIMUM FOR QUESTION 25: 10 MARKS

| 2 | 6 | *Extract C (lines 17–18) states: 'These policies could restrict economic growth in the short term and increase the likelihood of the economy going into recession.'* |

Use the extracts and your knowledge of economics to evaluate policies that might help an economy to recover from a recession.

[25 marks]

Areas for discussion include:

- the meaning/characteristics of recession/economic cycle
- macroeconomic performance and how it is measured
- macroeconomic policies
- explanation of expansionary policies/impact on aggregate demand
- analysis and evaluation of how fiscal policy, including tax changes and/or government spending/the budget position may be used to help an economy to recover from recession
- analysis and evaluation of how various tools of monetary policy may be used to help an economy to recover from recession
- explanation of multiplier/accelerator effects
- analysis and evaluation of the impact of policies on confidence and uncertainty/importance of confidence and uncertainty
- consideration of the importance of reducing inflation
- consideration of government borrowing
- consideration of external influences
- analysis and evaluation of the possible role supply-side policies have to play in aiding recovery from a recession
- evaluation of the likely success of policies in helping an economy to recover from a recession
- analysis and evaluation of whether the private sector can be relied upon to take the economy out of a recession
- use of the prompts in the extracts to support arguments and judgements
- an overall assessment of the policies that might be used to help an economy to recover from a recession.

The use of relevant diagrams to support the analysis should be taken into account when assessing the quality of the candidate's response to the question.

Use the levels mark scheme on page 5 to award students marks for this question.

MAXIMUM FOR QUESTION 26: 25 MARKS

Context 2 The levelling-up agenda   **Total for this context: 50 marks**

| 2 | 7 | *Define 'GDP per capita'* ***Extract E*** *(line 3).*

[3 marks]

Level of response	Response	Max 3 marks
1	• A full and precise definition is given.	**3 marks**
2	• The substantive content of the definition is correct, but there may be some imprecision or inaccuracy.	**2 marks**
3	• Some fragmented points are made.	**1 mark**

Examples of acceptable definitions worth 3 marks:

- the value of all of the goods and services produced in an economy, per person, over a period of time.
- the value of output produced in a country over a period of time, divided by the population.
- the total amount of output produced in a country over a period of time, divided by the population.

Examples of a definition worth 2 marks:

- the level of output produced in an economy, per head.
- the total amount of output produced in an economy, per head.
- the total goods and services produced in a country, divided by the population.
- the total amount of income, per head.

Examples of a definition worth 1 mark:

- GDP divided by the population.
- the output of goods and services produced in an economy over time.

MAXIMUM FOR QUESTION 27: 3 MARKS

| 2 | 8 | *Use **Extract D** to calculate, as a percentage, how much nominal GDP per capita in the poorest region would need to rise, to equal nominal GDP per capita in the richest region.* |

*Give your answer to the **nearest whole percent (%).***

[4 marks]

Calculation:

Poorest region is the NE £23 109. Richest region is the SE £34 516.

Difference in nominal GDP per capita: £34 516 - £23 109 = £11 407.

11 407/23 109 × 100 = 49.36% = 49% to the nearest per cent.

Response	**Max 4 marks**
For the correct answer: 49%	**4 marks**
For the correct value, not to the nearest %: eg 49.36% **OR** For the correct value, rounded the wrong way eg 50% **OR** For the correct value, with missing/incorrect units eg 49	**3 marks**
For the correct value with missing/incorrect units, not to the nearest % or rounded the wrong way: eg 49.36 or 50 **OR** For stating the correct value using incorrect data, such as £23 882 (Wales), to arrive at an incorrect answer (allow not rounded, rounded the wrong way and/or missing/incorrect units): eg 45% or 44.52% or 44% or 45 or 44.52 or 44 **OR** For the correct value for the difference in Nominal GDP per capita, with units: £11 407	**2 marks**
For the correct value for the difference in Nominal GDP per capita, without units: 11 407 **OR** For using the correct value for the difference in Nominal GDP per capita using an incorrect data, with units: eg Wales £10 634 **OR** For stating the correct method. **OR** Showing an implicit understanding of the difference in Nominal GDP per capita, arriving at an answer of 33%	**1 mark**

MAXIMUM FOR QUESTION 28: 4 MARKS

| 2 | 9 | *Use **Extract D** to identify **two** significant points of comparison between employment rates and inactivity rates in selected regions of the UK.*

[4 marks]

Award up to 2 marks for each point of comparison made.

Response	Max 4 marks
Identifies a significant point of comparison Makes accurate use of the data to support the comparison identified Unit of measurement given accurately	**2 marks**
Identifies a significant point of comparison but only one piece of data is given when two are needed **and/or** no unit of measurement is given **and/or** the unit of measurement is inaccurate **and/or** the wrong date is given **OR** Identifies a significant feature of one data series with accurate use of the data (including the unit of measurement) but no comparison is made.	**1 mark**

If a candidate identifies more than two significant points of comparison, reward the best two.

Significant points include:

- the employment rate was highest in the South East at 79% whereas the inactivity rate was highest in Northern Ireland at 26.2%
- the employment rate was lowest in Northern Ireland at 71.9% whereas the inactivity rate was lowest in the South East at 17.7%
- Northern Ireland has the lowest employment rate of 71.9% and also the highest inactivity rate of 26.2%
- the South East has the highest employment rate of 79% and also the lowest inactivity rate of 17.7%
- only the South East has a higher employment rate than the UK as a whole, 79% compared to 75.8% for the UK, and only the South East has a lower inactivity rate than the UK as a whole, 17.7% compared to 21.1% for the UK
- the median employment rate (excluding the UK) is in the Midlands at 74.5% and the median inactivity rate (excluding the UK) is in the North West at 22.5%.
- the range for the employment rate is 7.1 percentage points whereas the range for the inactivity rate is 8.5 percentage points.
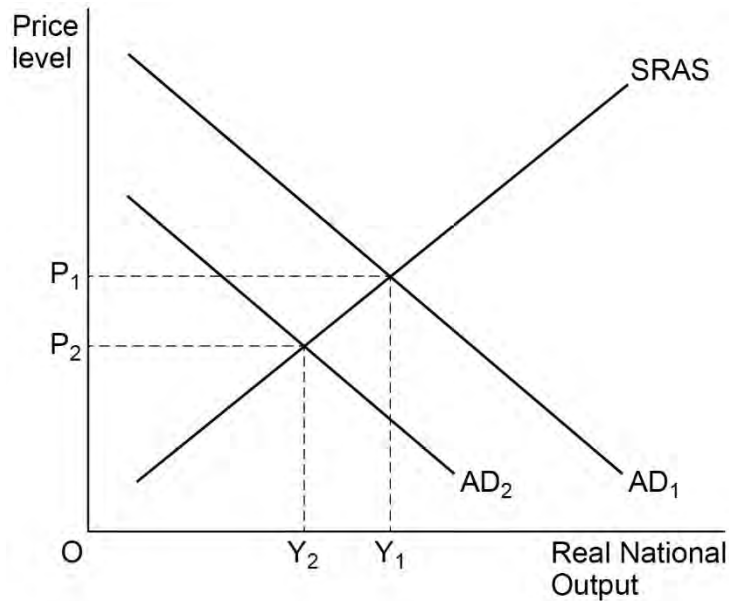
MAXIMUM FOR QUESTION 29: 4 MARKS

| 3 | 0 |

***Extract E** (lines 20–21) states: '…the government intends to cut the budget deficit to reduce borrowing'.*

Draw an AD/AS diagram to show the most likely short-run effect of reducing the budget deficit on the macroeconomy.

[4 marks]

The correct diagram involves an AD/AS diagram showing a leftward shift in the AD curve

Response	Max 4 marks
Accurately drawn AD/AS diagram showing a leftward shift in AD, original equilibrium shown, P_1Y_1 and new equilibrium price level and output eg P_2Y_2 with both axes and all curves and coordinates labelled.	**4 marks**
Accurately drawn AD/AS diagram showing a leftward shift in AD, with one label/coordinate missing.	**3 marks**
Accurately drawn AD/AS diagram showing a leftward shift in AD, with two or more labels/coordinates missing.	**2 marks**
Accurately drawn AD/AS diagram showing an initial equilibrium point with both axes, both original curves and both original coordinates labelled, eg P_1Y_1.	**1 mark**

Notes:

Labels refer to axes and/or coordinate labels.
Label of horizontal axis can be 'Real GDP', 'Real output,' 'Output,' 'Y,' 'RNO,' 'NI' and 'National output.'
Do not reward Quantity or Q.
Label of vertical axis can be 'Price Level,' 'PL,' 'Inflation' and '£'.
Do not reward Price or P.

MAXIMUM FOR QUESTION 30: 4 MARKS

| 3 | 1 |

Extract F (line 1–2) states: 'Unless the UK Government provides additional support, the outlook for some poorer regions may be gloomy. They often suffer from structural unemployment'.

Explain why some regions of the UK suffer from structural unemployment.

[10 marks]

Level of response	An answer that:	Max 10 marks
3	- is well organised and develops one or more of the key issues that are relevant to the question - shows sound knowledge and understanding of relevant economic terminology, concepts and principles - includes good application of relevant economic principles and/or good use of data to support the response - includes well-focused analysis with a clear, logical chain of reasoning - may include a relevant diagram to support their explanation.	**8–10 marks**
2	- includes one or more issues that are relevant to the question - shows reasonable knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present - includes reasonable application of relevant economic principles and/or data to the question - includes some reasonable analysis but it might not be adequately developed and may be confused in places - may include a relevant diagram to support their explanation.	**4–7 marks**
1	- is very brief and/or lacks coherence - shows some limited knowledge and understanding of economic terminology, concepts and principles but some errors are likely - demonstrates very limited ability to apply relevant economic principles and/or data to the question - may include some very limited analysis but the analysis lacks focus and/or becomes confused - may include a diagram but the diagram is likely to be inaccurate in some respects or is inappropriate.	**1–3 marks**

Relevant issues include:
- meaning of unemployment/structural unemployment
- discussion of 'regions'/key industries/industrial decline
- explanation of how changing demand conditions can affect a key industry
- explanation of how changing supply conditions/falling international competitiveness can affect a key industry
- explanation of the impact of technological progress/automation in an industry
- explanation of the impact on confidence and (future) investment
- explanation of the impact of the downwards multiplier/accelerator effect
- explanation of the significance of occupational immobilities of labour
- explanation of the significance of geographical immobilities of labour.

MAXIMUM FOR QUESTION 31: 10 MARKS

| 3 | 2 | ***Extract F*** *(lines 5–6) states: 'As part of its long-term plan, the government has 12 levelling-up 'missions' or objectives. These include raising pay, employment and productivity throughout the UK'.*

Use the extracts and your knowledge of economics to assess the view that the government should increase the amount of spending allocated to poorer regions of the UK.

[25 marks]

Areas for discussion include:

- meaning of government spending/fiscal policy/supply-side policy
- discussion of 'poorer regions of the UK'
- explanation of how increased government spending may lead to improvements in poorer regions, such as job creation, better infrastructure, productivity improvements, increased living standards, reduction in poverty and inequality
- analysis of the impact of increased government spending on levels/types of taxation
- analysis of the impact of increased government spending on budget deficit/national debt
- discussion of whether this is additional spending or diverted from elsewhere
- analysis and evaluation of the consequences of increased employment/better infrastructure/productivity improvements/living standards for 'poorer regions'
- discussion of spare capacity
- analysis and evaluation of the impact of increased spending on poorer regions on the wider macroeconomy, such as the impact on UK economic growth
- explanation of possible multiplier/accelerator effects
- explanation of the impact on international competitiveness
- consideration of the extent of geographical immobility and whether infrastructure improvements should be the primary focus
- analysis and evaluation of whether government spending is required in part/at all or whether this can be left to the markets and private sector involvement will suffice
- evaluation of whether it is necessary to focus on 'poorer regions'
- evaluation of the impact of, and consequences for, inequality within regions, for example, poorer areas in more prosperous regions may lose out
- use of the prompts in the extracts to support arguments and judgements
- overall assessment of whether the government should increase spending on poorer regions.

The use of relevant diagrams to support the analysis should be taken into account when assessing the quality of the candidate's response to the question.

Use the levels mark scheme on page 5 to award students marks for this question.

MAXIMUM FOR QUESTION 32: 25 MARKS