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# GCSE ECONOMICS 8136/2

Paper 2 How the Economy Works

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**Mark scheme**

June 2023

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Version: 1.0 Final



2 3 6 G 8 1 3 6 / 2 / M S

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.

Further copies of this mark scheme are available from [aqa.org.uk](http://aqa.org.uk)

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## 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.

## KEY LIST

<b>01</b>	B – Where government revenue is greater than government expenditure	<b>06</b>	B – Increased UK economic growth
<b>02</b>	C – Increasing interest rates	<b>07</b>	B – Frictional
<b>03</b>	B – 1.1%	<b>08</b>	C – Increase, Decrease
<b>04</b>	C – Store of value	<b>09</b>	D – Increased UK imports from the USA
<b>05</b>	C – Decreased unemployment benefits	<b>10</b>	A – £1.4 million deficit

Qu	Part	Marking guidance	Total marks
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<b>11</b>		State <b>two</b> factors that may influence the rate of interest charged by banks lending money.	2
		AO1 = 2  <b>Possible answers include:</b> <ul style="list-style-type: none"> <li>• Bank of England's 'base rate'</li> <li>• amount borrowed</li> <li>• length of loan period</li> <li>• inflation</li> <li>• security/collateral offered</li> <li>• existing debt level of customer</li> <li>• credit score of customer or income/employment status of customer.</li> </ul>	

Qu	Part	Marking guidance	Total marks								
12		Explain <b>one</b> benefit of increasing taxation rates for an economy.	2								
		<p>AO1 = 2</p> <table border="1" data-bbox="316 495 1342 734"> <thead> <tr> <th data-bbox="316 495 440 553">Marks</th> <th data-bbox="440 495 1342 553">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 553 440 611">2</td> <td data-bbox="440 553 1342 611">Benefit of increasing taxation rates explained.</td> </tr> <tr> <td data-bbox="316 611 440 672">1</td> <td data-bbox="440 611 1342 672">Benefit of increasing taxation rates identified.</td> </tr> <tr> <td data-bbox="316 672 440 734">0</td> <td data-bbox="440 672 1342 734">Nothing written worthy of credit.</td> </tr> </tbody> </table> <p><b>Possible answers include:</b></p> <ul data-bbox="316 846 1139 1055" style="list-style-type: none"> <li>• to generate government revenue</li> <li>• reduced inflation</li> <li>• reduced budget deficit</li> <li>• can be used to correct negative externalities/market failure</li> <li>• can be used to reduce inequality (ie via progressive taxation)</li> <li>• reduced current account deficit.</li> </ul> <p><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	Marks	Description	2	Benefit of increasing taxation rates explained.	1	Benefit of increasing taxation rates identified.	0	Nothing written worthy of credit.	
Marks	Description										
2	Benefit of increasing taxation rates explained.										
1	Benefit of increasing taxation rates identified.										
0	Nothing written worthy of credit.										

Qu	Part	Marking guidance	Total marks								
13		<p data-bbox="312 367 1203 405">Explain <b>one</b> factor that may contribute to the growth of globalisation.</p> <p data-bbox="312 427 424 461">AO1 = 2</p> <table border="1" data-bbox="312 495 1342 736"> <thead> <tr> <th data-bbox="312 495 440 555">Marks</th> <th data-bbox="440 495 1342 555">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 555 440 616">2</td> <td data-bbox="440 555 1342 616">Factor contributing to increased globalisation explained.</td> </tr> <tr> <td data-bbox="312 616 440 676">1</td> <td data-bbox="440 616 1342 676">Factor contributing to increased globalisation identified.</td> </tr> <tr> <td data-bbox="312 676 440 736">0</td> <td data-bbox="440 676 1342 736">Nothing written worthy of credit.</td> </tr> </tbody> </table> <p data-bbox="312 772 683 806"><b>Possible answers include:</b></p> <ul data-bbox="312 844 791 1021" style="list-style-type: none"> <li>• improved transportation</li> <li>• improved communication</li> <li>• reduced trade barriers</li> <li>• growth of multinational companies</li> <li>• other technological advance.</li> </ul> <p data-bbox="312 1055 1313 1122"><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	Marks	Description	2	Factor contributing to increased globalisation explained.	1	Factor contributing to increased globalisation identified.	0	Nothing written worthy of credit.	2
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## MARK SCHEME – GCSE ECONOMICS – 8136/2 – JUNE 2023

Qu	Part	Marking guidance	Total marks
14	1	Using <b>Table 3</b> , calculate the unemployment rate to <b>one</b> decimal place. Show your working.	2
		<p>AO2 = 2</p> <p><b>Answer:</b></p> <ul style="list-style-type: none"> <li>unemployment rate = unemployment level/labour force x 100</li> <li>unemployment rate = <math>(33.5\text{m} - 31.8\text{m})/33.5\text{m} \times 100</math></li> <li>answer = 5.1%.</li> </ul> <p>Two marks for correct answer. One mark for partial calculation (eg use of wrong denominator, or incorrect calculation of unemployment). One mark if not rounded correctly. No marks for calculation of unemployment level alone (<math>33.5\text{m} - 31.8\text{m} = 1.7\text{m}</math>) Percentage sign is not needed.</p>	

Qu	Part	Marking guidance	Total marks								
14	2	Explain <b>one</b> possible consequence for UK businesses of increased UK unemployment.	2								
		<p>AO1 = 2</p> <table border="1"> <thead> <tr> <th>Marks</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>Consequence for UK businesses of increased unemployment explained.</td> </tr> <tr> <td>1</td> <td>Consequence for UK businesses of increased unemployment identified.</td> </tr> <tr> <td>0</td> <td>Nothing written worthy of credit.</td> </tr> </tbody> </table> <p><b>Possible answers include:</b></p> <ul style="list-style-type: none"> <li>falling sales</li> <li>increase in demand for 'inferior'/budget products</li> <li>easier to find/recruit workers</li> <li>less requirement to increase wages.</li> </ul> <p><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	Marks	Description	2	Consequence for UK businesses of increased unemployment explained.	1	Consequence for UK businesses of increased unemployment identified.	0	Nothing written worthy of credit.	
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Qu	Part	Marking guidance	Total marks															
15		Using <b>Figure 2</b> , analyse how redistribution of income <b>and</b> wealth can be achieved through taxation and government spending.	6															
		<p>AO2 = 2, AO3 = 4</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Marks</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>5–6</td> <td>A full analysis of the economic evidence, a well-developed and logical chain of reasoning.</td> </tr> <tr> <td>2</td> <td>3–4</td> <td>An incomplete analysis of the economic evidence, starts to develop a chain of reasoning.  Good application of knowledge and understanding of concepts/issues mostly relevant to the context.</td> </tr> <tr> <td>1</td> <td>1–2</td> <td>Analysis of discrete points of the economic evidence with no chain of reasoning attempted.  Basic application of knowledge and understanding of concepts/issues with limited relevance to the context.</td> </tr> <tr> <td></td> <td>0</td> <td>Nothing written worthy of credit.</td> </tr> </tbody> </table> <p><b>Possible solutions include:</b></p> <ul style="list-style-type: none"> <li>• progressive taxes – increase in tax rates on higher earners/lowering tax rates on lower earners</li> <li>• increase in personal tax allowances</li> <li>• increase in benefits for those on low/no incomes</li> <li>• taxes on assets/wealth, eg property tax, inheritance tax</li> <li>• supply-side policies, eg investment in education.</li> </ul> <p>Must cover issue of redistribution to reach L2. Must mention possible ways for <b>both</b> income and wealth, to be awarded top of L3.</p> <p><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	Level	Marks	Description	3	5–6	A full analysis of the economic evidence, a well-developed and logical chain of reasoning.	2	3–4	An incomplete analysis of the economic evidence, starts to develop a chain of reasoning.  Good application of knowledge and understanding of concepts/issues mostly relevant to the context.	1	1–2	Analysis of discrete points of the economic evidence with no chain of reasoning attempted.  Basic application of knowledge and understanding of concepts/issues with limited relevance to the context.		0	Nothing written worthy of credit.	
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Qu	Part	Marking guidance	Total marks
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16		State <b>two</b> examples of direct taxes used in the UK.	2
		<p>AO1 = 2</p> <p><b>Answers include:</b></p> <ul style="list-style-type: none"> <li>• income tax</li> <li>• National Insurance contributions</li> <li>• corporation tax</li> <li>• capital gains tax</li> <li>• inheritance tax.</li> </ul> <p><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	

Qu	Part	Marking guidance	Total marks
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17		Explain <b>one</b> role of a commercial bank.	2								
		<p>AO1 = 2</p> <table border="1"> <thead> <tr> <th>Marks</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>Role of commercial bank explained.</td> </tr> <tr> <td>1</td> <td>Role of commercial bank identified.</td> </tr> <tr> <td>0</td> <td>Nothing written worthy of credit.</td> </tr> </tbody> </table> <p><b>Possible ethical issues include:</b></p> <ul style="list-style-type: none"> <li>• lending money to those wishing to borrow</li> <li>• accepting deposits from those who want a secure place to store/save money</li> <li>• facilitate electronic monetary transactions between customers.</li> </ul> <p><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	Marks	Description	2	Role of commercial bank explained.	1	Role of commercial bank identified.	0	Nothing written worthy of credit.	
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1	Role of commercial bank identified.										
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Qu	Part	Marking guidance	Total marks								
18		<p data-bbox="316 367 1038 405">Explain <b>one</b> disadvantage of using supply-side policies.</p> <p data-bbox="316 427 424 461">AO1 = 2</p> <table border="1" data-bbox="316 495 1305 696"> <thead> <tr> <th data-bbox="316 495 453 544">Marks</th> <th data-bbox="453 495 1305 544">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 544 453 593">2</td> <td data-bbox="453 544 1305 593">Disadvantage of using supply-side policies explained.</td> </tr> <tr> <td data-bbox="316 593 453 642">1</td> <td data-bbox="453 593 1305 642">Disadvantage of using supply-side policies identified.</td> </tr> <tr> <td data-bbox="316 642 453 696">0</td> <td data-bbox="453 642 1305 696">Nothing written worthy of credit.</td> </tr> </tbody> </table> <p data-bbox="316 730 560 763"><b>Answers include:</b></p> <ul data-bbox="316 801 1038 943" style="list-style-type: none"> <li>• may be expensive</li> <li>• may take a long time to be effective</li> <li>• effects are often uncertain</li> <li>• creates trade-offs with inequality/poverty (potentially).</li> </ul> <p data-bbox="316 976 1313 1043"><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	Marks	Description	2	Disadvantage of using supply-side policies explained.	1	Disadvantage of using supply-side policies identified.	0	Nothing written worthy of credit.	2
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## MARK SCHEME – GCSE ECONOMICS – 8136/2 – JUNE 2023

Qu	Part	Marking guidance	Total marks
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19	1	A person earns an annual income of £35 000 from working. Using <b>Table 4</b> , calculate the amount of income tax this person pays. Show your working.	2
		AO2 = 2  <b>Answer:</b>  <ul style="list-style-type: none"> <li>• £5250 (2 marks)</li> <li>• taxable income = (£35 000 – £14 000 = £21 000) (1 mark)</li> <li>• £21 000 × 25% = £5250 (2 marks)</li> <li>• if tax is calculated on total income (ie £35 000 × 25% = £8750) award 1 mark</li> </ul>	

Qu	Part	Marking guidance	Total marks
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19	2	Explain what is meant by a progressive tax.	2								
		AO1 = 2  <table border="1" style="width: 100%;"> <thead> <tr> <th>Marks</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2</td> <td>Clear explanation of progressive tax.</td> </tr> <tr> <td style="text-align: center;">1</td> <td>Partial or unclear explanation of progressive tax.</td> </tr> <tr> <td style="text-align: center;">0</td> <td>Nothing written worthy of credit.</td> </tr> </tbody> </table> <b>Possible answers include:</b>  <ul style="list-style-type: none"> <li>• higher earners pay a higher proportion of their income in tax (2 marks)</li> <li>• higher earners pay more tax (1 mark).</li> </ul> <b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	Marks	Description	2	Clear explanation of progressive tax.	1	Partial or unclear explanation of progressive tax.	0	Nothing written worthy of credit.	
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Qu	Part	Marking guidance	Total marks
20		<p>Use <b>Table 5</b> to complete the pie chart on the opposite page to show the proportions of total tax revenue collected for each of the following taxes:</p> <ul style="list-style-type: none"> <li>• income tax</li> <li>• value-added tax</li> <li>• National Insurance contributions.</li> </ul> <p>Additional information:</p> <ul style="list-style-type: none"> <li>• the area for 'All other taxes combined' has already been completed</li> <li>• each segment shown on the pie chart on the next page represents 45 degrees</li> <li>• use of a protractor is <b>not</b> required.</li> </ul>	3
		<p>Different taxes collected by a government in 1 year by proportion of overall tax calculated</p>	
		<p>AO2 = 3</p> <p><b>Answer:</b></p> <ul style="list-style-type: none"> <li>• award 1 mark for each segment correctly drawn and labelled</li> <li>• 2 marks max if no labelling present.</li> </ul> <p>Order in which segments appear does not matter. Labels can appear in the pie chart or by arrow pointing to correct area from outside or a key/legend.</p> <p>Allow some leniency if free-hand drawing of segments is not a 'perfect' fit – it must look a close enough match though.</p>	

Qu	Part	Marking guidance	Total marks															
21		Using <b>Figure 3</b> , assess whether an indirect tax on junk food can help solve the market failure caused by obesity.	9															
		<p>AO2 = 3, AO3 = 6</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Marks</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>7–9</td> <td> <p>A fully justified conclusion with sustained evaluation, which is coherent and relevant, with judgements supported by evidence.</p> <p>A full analysis of the economic evidence, a well-developed and logical chain of reasoning.</p> <p>Comprehensive application of knowledge and understanding of pertinent concepts/issues relevant to the context; specialist language used throughout.</p> </td> </tr> <tr> <td>2</td> <td>4–6</td> <td> <p>A partially justified conclusion with an evaluation, which is mostly coherent and relevant; judgements may not be fully supported by evidence.</p> <p>An incomplete analysis of the economic evidence; starts to develop a chain of reasoning.</p> <p>Good application of knowledge and understanding of concepts/issues mostly relevant to the context; specialist language used mostly appropriately.</p> </td> </tr> <tr> <td>1</td> <td>1–3</td> <td> <p>A basic conclusion or assertion may be present based on evaluative judgements supported by little or no evidence. Analysis of discrete points of the economic evidence with no chain of reasoning attempted.</p> <p>Basic application of knowledge and understanding of concepts/issues with limited relevance to the context; may use non-specialist language.</p> </td> </tr> <tr> <td></td> <td>0</td> <td>Nothing written worthy of credit.</td> </tr> </tbody> </table> <p><b>Possible answers:</b></p> <p>Tax on junk food can help because:</p> <ul style="list-style-type: none"> <li>• makes product more expensive – less affordable</li> <li>• people may switch to cheaper/healthier alternatives</li> <li>• raises money for governments to use elsewhere.</li> </ul> <p>Tax on junk food will not help because:</p> <ul style="list-style-type: none"> <li>• price may not be important for consumers (ie price inelastic)</li> <li>• no close substitutes exist/substitutes are too expensive</li> </ul>	Level	Marks	Description	3	7–9	<p>A fully justified conclusion with sustained evaluation, which is coherent and relevant, with judgements supported by evidence.</p> <p>A full analysis of the economic evidence, a well-developed and logical chain of reasoning.</p> <p>Comprehensive application of knowledge and understanding of pertinent concepts/issues relevant to the context; specialist language used throughout.</p>	2	4–6	<p>A partially justified conclusion with an evaluation, which is mostly coherent and relevant; judgements may not be fully supported by evidence.</p> <p>An incomplete analysis of the economic evidence; starts to develop a chain of reasoning.</p> <p>Good application of knowledge and understanding of concepts/issues mostly relevant to the context; specialist language used mostly appropriately.</p>	1	1–3	<p>A basic conclusion or assertion may be present based on evaluative judgements supported by little or no evidence. Analysis of discrete points of the economic evidence with no chain of reasoning attempted.</p> <p>Basic application of knowledge and understanding of concepts/issues with limited relevance to the context; may use non-specialist language.</p>		0	Nothing written worthy of credit.	
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	<ul style="list-style-type: none"> <li>• difficult to decide what to tax – ingredients or final product</li> <li>• other methods may be more effective (eg regulations, advertising, public education)</li> <li>• indirect tax may hit poor groups harder.</li> </ul> <p>Evaluation issues:</p> <ul style="list-style-type: none"> <li>• money raised in tax could be used to subsidise ‘healthier’ food</li> <li>• works better if there are close substitutes that are better options (similar in a way to diet/non-diet soft drinks alternatives)</li> <li>• relevant comments on merits/drawbacks of other methods.</li> </ul> <p><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	
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Qu	Part	Marking guidance	Total marks
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22		Define the term ‘demand-pull inflation’.	2								
		<p>AO1 = 2</p> <table border="1"> <thead> <tr> <th>Marks</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>Clear definition of demand-pull inflation.</td> </tr> <tr> <td>1</td> <td>Partial or unclear definition of demand-pull inflation.</td> </tr> <tr> <td>0</td> <td>Nothing written worthy of credit.</td> </tr> </tbody> </table> <p><b>Answer:</b></p> <p>A rise in average prices caused by excessive spending/fast increases in the level of demand in the economy.</p> <p>Level 1 answers are likely to define inflation but not the demand-pull element clearly enough.</p>	Marks	Description	2	Clear definition of demand-pull inflation.	1	Partial or unclear definition of demand-pull inflation.	0	Nothing written worthy of credit.	
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23		Using <b>Table 6</b> , calculate the UK's (mean) average inflation rate for the years 2021 and 2022 to <b>one</b> decimal place.	3
		<p>AO2 = 3</p> <p><b>Answer:</b></p> <p>2021 Inflation = <math>(110.1 - 108.5)/108.5 \times 100 = 1.5\%</math>            2022 Inflation = <math>(120.0 - 110.1)/110.1 \times 100 = 9.0\%</math>            Average inflation = <math>(1.5 + 9.0)/2 = 5.3\%</math> (allow 5.2% as correct – this would occur if rounding only took place in calculation of mean.)</p> <p>3 marks for correct answer (5.3% or 5.2%)            Breakdown of marks:</p> <ul style="list-style-type: none"> <li>• 1 mark for each correct inflation calculation (does not have to be rounded to 1dp)</li> <li>• 1 mark for correct mean based on incorrectly calculated inflation rate(s)</li> <li>• 2 marks maximum if correct answer is not to one decimal place</li> <li>• Percentage sign is not needed.</li> </ul>	

Qu	Part	Marking guidance	Total marks
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24		Using <b>Item A</b> , explain <b>two</b> possible effects of increasing interest rates.	6										
		<p>AO2 = 6</p> <p>Apply grid twice:</p> <table border="1"> <thead> <tr> <th>Marks</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>A full and precise explanation applying economic concepts and issues.</td> </tr> <tr> <td>2</td> <td>A partial explanation applying economic concepts and issues but lacking detail.</td> </tr> <tr> <td>1</td> <td>Fragmented points made.</td> </tr> <tr> <td>0</td> <td>Nothing written worthy of credit.</td> </tr> </tbody> </table> <p><b>Possible answers include:</b></p> <ul style="list-style-type: none"> <li>• decrease in consumption</li> <li>• increase in unemployment</li> <li>• reduction in inflation</li> <li>• decrease in (business) investment</li> <li>• increase in exchange rate</li> <li>• effects on individuals eg borrowers and savers.</li> </ul> <p><b>Note:</b> This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</p>	Marks	Description	3	A full and precise explanation applying economic concepts and issues.	2	A partial explanation applying economic concepts and issues but lacking detail.	1	Fragmented points made.	0	Nothing written worthy of credit.	
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25		Using <b>Item B</b> , analyse how government policies can increase economic growth.	6															
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26		Do you think aiming for price stability should always be an economic priority for governments? Use <b>Item A and Item B</b> and your own economic knowledge to justify your view.	15															
		<p>AO2 = 5, AO3 = 10</p> <table border="1" data-bbox="316 568 1347 2040"> <thead> <tr> <th data-bbox="316 568 427 622">Level</th> <th data-bbox="427 568 555 622">Marks</th> <th data-bbox="555 568 1347 622">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 622 427 1025">5</td> <td data-bbox="427 622 555 1025">13–15</td> <td data-bbox="555 622 1347 1025"> <p>A justified conclusion with sustained evaluation, which is coherent and relevant, with judgements fully supported by evidence.</p> <p>Analysis of a relevant selection of the economic evidence, with a well-developed logical chain of reasoning.</p> <p>Comprehensive application of knowledge and understanding of pertinent concepts/issues relevant to the context; effective use of specialist language maintained throughout.</p> </td> </tr> <tr> <td data-bbox="316 1025 427 1429">4</td> <td data-bbox="427 1025 555 1429">10–12</td> <td data-bbox="555 1025 1347 1429"> <p>A partially justified conclusion with an evaluation, which is mostly coherent and relevant; judgements may not be fully supported by evidence.</p> <p>Analysis of a relevant selection of the economic evidence; a logical chain of reasoning is established but not fully developed.</p> <p>Strong application of knowledge and understanding of a broad range of concepts/issues relevant to the context; mostly effective use of specialist language throughout.</p> </td> </tr> <tr> <td data-bbox="316 1429 427 1832">3</td> <td data-bbox="427 1429 555 1832">7–9</td> <td data-bbox="555 1429 1347 1832"> <p>A partially justified conclusion with an evaluation, but not integrated in a coherent way; judgements are not fully supported by evidence.</p> <p>Analysis of a relevant selection of the economic evidence and starts to develop a chain of reasoning.</p> <p>Good application of knowledge and understanding of a broad range of concepts/issues relevant to the context; consistent use of specialist language but not always effective.</p> </td> </tr> <tr> <td data-bbox="316 1832 427 2040">2</td> <td data-bbox="427 1832 555 2040">4–6</td> <td data-bbox="555 1832 1347 2040"> <p>A basic conclusion is present based on simple evaluative judgements supported by little or no evidence.</p> <p>Analysis of a relevant selection of the economic evidence with no chain of reasoning attempted.</p> </td> </tr> </tbody> </table>	Level	Marks	Description	5	13–15	<p>A justified conclusion with sustained evaluation, which is coherent and relevant, with judgements fully supported by evidence.</p> <p>Analysis of a relevant selection of the economic evidence, with a well-developed logical chain of reasoning.</p> <p>Comprehensive application of knowledge and understanding of pertinent concepts/issues relevant to the context; effective use of specialist language maintained throughout.</p>	4	10–12	<p>A partially justified conclusion with an evaluation, which is mostly coherent and relevant; judgements may not be fully supported by evidence.</p> <p>Analysis of a relevant selection of the economic evidence; a logical chain of reasoning is established but not fully developed.</p> <p>Strong application of knowledge and understanding of a broad range of concepts/issues relevant to the context; mostly effective use of specialist language throughout.</p>	3	7–9	<p>A partially justified conclusion with an evaluation, but not integrated in a coherent way; judgements are not fully supported by evidence.</p> <p>Analysis of a relevant selection of the economic evidence and starts to develop a chain of reasoning.</p> <p>Good application of knowledge and understanding of a broad range of concepts/issues relevant to the context; consistent use of specialist language but not always effective.</p>	2	4–6	<p>A basic conclusion is present based on simple evaluative judgements supported by little or no evidence.</p> <p>Analysis of a relevant selection of the economic evidence with no chain of reasoning attempted.</p>	
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		Simple application of knowledge and understanding of a narrow range of concepts/issues relevant to the context; sporadic use of specialist language.
1	1–3	<p>Evaluative judgements are simple with no conclusion present.</p> <p>Analysis of a limited selection of the economic evidence with no chain of reasoning attempted; selection of evidence may lack relevance.</p> <p>Basic application of knowledge and understanding of concepts/issues with limited relevance to the context; uses non-specialist language.</p>
	0	Nothing written worthy of credit.

**Indicative content:**

Governments should always aim for price stability:

- there are costs associated with inflation – shoe leather, menu, etc
- inflation can harm ability to achieve a balance on current account of balance of payments
- those on fixed incomes experience larger reductions in real incomes
- price stability is more likely to lead to improved business/consumer confidence
- use of data.

Governments should not always aim for price stability:

- aiming for price stability may mean raising interest rates
- taxes may need to rise
- aiming for price stability may conflict with other objectives
- use of data.

Evaluation:

- governments have a range of objectives – sometimes other objectives may be more important
- depends on the level of inflation
- the Bank of England target for inflation allows some tolerance around 2% inflation rate for price stability
- time lags may create difficulties
- opportunity cost of methods – ie trade-offs and conflicts.

**Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.