



ASSESSMENT and
QUALIFICATIONS
ALLIANCE

Mark scheme January 2003

GCE

Economics

Unit EC4W

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Unit 4: Working as an Economist

General instructions

Marks awarded to candidates should be in accordance with the following mark scheme, and examiners should be prepared to use the full range of marks available. Where the candidate's response to a question is such that the mark scheme permits full marks to be awarded, full marks **must** be given. A perfect answer is not necessarily required. Conversely, if the candidate's answer does not deserve credit, then no marks should be given.

Occasionally, a candidate may respond to a question in a reasonable way, but the answer may not have been anticipated when the mark scheme was devised. In this situation **or whenever you have any doubt about the interpretation of the mark scheme**, telephone the Senior Examiner to discuss how to proceed.

Quality of Written Communication

The marks awarded for **Quality of Written Communication** are included in this mark scheme. The Case Study paper is marked holistically using the same marking criteria as are used for marking coursework. When marking the report, examiners should **identify evidence of the skills** being assessed by using the following key.

| | |
|-----------|----------------------------------|
| K | Knowledge and Understanding |
| AP | Application |
| AN | Analysis |
| E | Evaluation |
| C | Quality of Written Communication |

Case Study: The European Union**Requirements of the report**

You are to write a report which discusses the economic consequences of the proposal for the UK to leave the EU and join NAFTA.

Your report should:

- have an introduction which includes a description of the main ways the EU differs from NAFTA;
- comment critically on the arguments for and against the UK leaving the EU put forward in the extracts;
- evaluate the effects of the proposal on companies like Lascu;
- conclude by recommending whether Lascu should support the proposal, giving reasons to justify your recommendation.

You will be given credit for demonstrating your ability to analyse, comment critically on, and make effective use of the data provided, and for your use of economic principles. *(84 marks)*

Specific instructions to examiners

Examiners should use the following notes as guidance on what the question-setters expected to elicit from candidates as evidence of particular skills and levels of performance. This guidance should **not** be regarded as a ‘straitjacket’ and examiners should approach the work they are marking with an open mind, giving credit where it is justified by the evidence before them. Credit should always be given in circumstances where candidates respond in an unanticipated, but economically valid, way.

Knowledge and Understanding

Guidance for the Case Study in the subject specification mentions the following issues that are particularly relevant to this question: opportunities of the single market; globalisation and the EU; the nature of the EU as a trading bloc.

Evidence of knowledge and understanding may be shown by the candidate who considers the general features of the different kinds of trading bloc. The fact that a Customs Union has a common external tariff is relevant, but not crucial. Stronger candidates should grasp that a Single Market is a deeper type of integration than a Free Trade Area, involving not just free movement of goods, but also capital and labour. Since the topic of a ‘Free Trade Area’ is not explicitly mentioned in the specification, do not expect any more knowledge of NAFTA than is given in the data. The essential point is that NAFTA is a looser form of organisation than the EU. A single market ultimately implies harmonisation, for example with respect to product specifications, health and safety legislation, and monopoly/competition policy. The EU also has other programmes which would not necessarily be found in a Free Trade Area, for example concerning the environment, transport networks, and (as highlighted in the data) mechanisms for transferring funds to less developed sub-national regions. Weaker candidates will merely copy lists of features from the data; stronger approaches could demonstrate understanding, for instance by showing that they can see links between some of these features and UK performance, for example in attracting inward investment.

Application

Candidates can be expected to supply evidence of this by such means as re-interpreting the data and presenting it to the MD so that trends are viewed from the angle of the company. Stronger candidates might make predictions about the future course of European integration and comment on UK policy in the light of possible trends. Mention of the ‘euro’ has deliberately been avoided, and candidates do not need to examine this issue in order to achieve high marks. However, candidates who argue that a single market tends to imply movement towards a single currency should be rewarded, particularly if they convincingly argue that fear of the single currency might be related to arguments in favour of a looser Free Trade Agreement.

Analysis and Evaluation

While all aspects of the data can be analysed by candidates, the numerical material in Extract F provides some particular potential for analysis. Candidates might, for example, comment that individual regions of the UK all appear to be dependent on membership of the EU, whether for ‘aid’ or ‘trade’. However, the basis of the figures can be questioned. For instance, how do we tell whether jobs depend on EU membership? Why are the trade figures restricted to goods, given the modern importance of the service economy? Is there such a thing as ‘EU funding’, or are the funds merely national funds re-directed through Brussels according to EU priorities? Very perceptive candidates might note some possible ambiguities (e.g. “Europe” standing for “EU”; lack of clarity as to whether exports to EU include the rest of UK).

Specific evidence is most likely to be present when candidates start to make their recommendations and support their conclusions. However, if evaluative skills are demonstrated elsewhere in the report the candidate should be rewarded. For example, very strong candidates might realise that Extracts B-F are all written by interested parties making a case.

Overall Assessment

Generally, stronger candidates should be writing closely to the scenario and giving specific analysis of the consequences of reversing the process of economic integration that the UK has shared with the continental countries since 1973. Stronger candidates will explicitly or implicitly make linkages with the advantages of the single market, with its opportunities for economies of scale and specialisation. Give credit for candidates who attempt to conform to the scenario when making these linkages. In addressing issues from the firm’s standpoint, stronger candidates are likely to put the firm in the context of the wider economy. For example, they could say that the policy proposal is against the firm’s interests but in the national interest (or vice versa!) and give reasons.

Assessment Criteria

Examiners are to mark the report using the following assessment criteria, which are divided into five sections.

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| K | Knowledge and Understanding (AO1) | 10 marks |
| AP | Application (AO2) | 20 marks |
| AN | Analysis (AO3) | 20 marks |
| E | Evaluation (AO4) | 30 marks |
| C | Quality of Written Communication | 4 marks |
| Total | | 84 marks |

Knowledge and Understanding (K)

Candidates are expected to demonstrate knowledge and understanding of economic concepts and theories which are relevant to the problem/issue being investigated.

| | | |
|-----------------|--|--|
| Level 5: | 8-10 marks <i>Mid-Point: 9</i> | An accurate, comprehensive and appropriate use of a range of relevant knowledge and understanding of economic concepts or theories. |
| Level 4: | 5-7 marks <i>Mid-Point: 6</i> | Use of relevant knowledge and understanding of economic concepts or theories. |
| Level 3: | 3-4 marks <i>Mid-Point: 4</i> | Some knowledge and understanding of economic concepts or theories but these are used inappropriately or may not be relevant to the problem or issue. |
| Level 2: | 1-2 marks <i>Mid-Point: 2</i> | Limited knowledge or understanding of economic concepts or theories. |
| Level 1: | 0 marks | No knowledge or understanding of economic concepts or theories is demonstrated. |

Application (AP)

Candidates are expected to demonstrate their ability to apply economic concepts and theories to the problem/issue being investigated.

| | | |
|-----------------|--|---|
| Level 5: | 16-20 marks <i>Mid-Point: 18</i> | An accurate, clear and sophisticated use of a relevant range of economic concepts and theories which are used to demonstrate an impressive grasp of the problem or issue. |
| Level 4: | 11-15 marks <i>Mid-Point: 13</i> | Selection of appropriate economic concepts and theories which are appropriately applied to the problem or issue. |
| Level 3: | 6-10 marks <i>Mid-Point: 8</i> | Some use of economic concepts and theories which are superficially or partially applied to the problem or issue. |
| Level 2: | 1-5 marks <i>Mid-Point: 3</i> | Limited attempt to apply economic concepts and theories and these are applied inappropriately or may not be relevant to the problem or issue. |
| Level 1: | 0 marks | No attempt to apply economic concepts and theories. |

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| <u>Analysis (AN)</u> | | Candidates should be able to present and analyse relevant economic data that relates to the problem/issue being investigated. |
| Level 5: | 16-20 marks <i>Mid-Point: 18</i> | An appropriate range of relevant economic data is logically analysed to produce outcomes that relate directly to the problem/issue. Results are presented clearly using a range of formats as appropriate. |
| Level 4: | 11-15 marks <i>Mid-Point: 13</i> | A range of economic data is presented and analysed with some relevance to the problem or issue. Results are presented clearly with a reasonable attempt at using appropriate formats. |
| Level 3: | 6-10 marks <i>Mid-Point: 8</i> | Some attempt is made to present and analyse economic data which is limited in scope but has some relevance to the problem or issue. |
| Level 2: | 1-5 marks <i>Mid-Point: 3</i> | A very limited attempt is made to present and analyse economic data which has little relevance to the problem or issue. |
| Level 1: | 0 marks | No attempt to present and analyse economic data. |
| <u>Evaluation (E)</u> | | Candidates should be able to demonstrate a critical approach to economic models and methods of enquiry. They should demonstrate the ability to produce reasoned conclusions clearly and concisely and to assess the strengths and weaknesses of economic arguments and the value and limitations of the data used. |
| Level 6: | 25-30 marks <i>Mid-Point: 28</i> | Conclusions are reached with accurate and valid reasoning showing originality and insight, combined with a thorough and critical evaluation of the validity of the data, arguments and findings. |
| Level 5: | 19-24 marks <i>Mid-Point: 22</i> | Conclusions are reached with accurate reasoning with sound, critical examination of the validity of the data, arguments and findings. |
| Level 4: | 13-18 marks <i>Mid-Point: 16</i> | Conclusions are reached with reasoned explanation and/or with some critical examination of the validity of the data and/or arguments and/or findings. |
| Level 3: | 7-12 marks <i>Mid-Point: 10</i> | Conclusions are reached with some reasoned explanation and/or with some examination of the validity of the data and/or arguments and/or findings. |
| Level 2: | 1-6 marks <i>Mid-Point: 4</i> | A limited attempt is made to draw conclusions and to make reasoned judgements, but these are largely generalised and unsupported. |
| Level 1: | 0 marks | No attempt is made to draw conclusions. |

Quality of Written Communication marking criteria (C)

The following marks are to be awarded to candidates for the Quality of Written Communication they have demonstrated when writing the report.

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| 4 marks | Complex ideas have been expressed clearly and fluently. Sentences and paragraphs have followed on from one another smoothly and logically. Arguments are consistently relevant and have been well structured. There are few, if any, errors of grammar, punctuation and spelling. There is extensive use of specialist vocabulary which is applied adeptly and with precision. |
| 3 marks | Moderately complex ideas have been expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are generally relevant and have been well structured. There may be occasional errors of grammar, punctuation and spelling. A wide range of specialist vocabulary is used with facility. |
| 2 marks | Straightforward ideas have been expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments have strayed sometimes from the point or have been weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas. There is a good range of specialist vocabulary which is applied appropriately. |
| 1 mark | Simple ideas have been expressed clearly but arguments may be of doubtful relevance or obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive and may suggest a weakness in these areas. Some use of specialist vocabulary is made but this is not always applied appropriately. |
| 0 marks | Ideas have been expressed poorly and sentences and paragraphs have not been connected. There are errors of grammar, punctuation and spelling, showing a weakness in these areas. There is very limited use of specialist vocabulary. |