



ASSESSMENT and
QUALIFICATIONS
ALLIANCE

Mark scheme

June 2003

GCE

Economics

Unit EC4W

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EC4W**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 entitled: 'The regional problem in the EU, and the policy response'.

Your report should:

- discuss what is meant by 'the regional problem' in the EU;
- explain why regional policy is no longer decided solely by national governments;
- assess the likely economic impact of EU regional policy and evaluate its effectiveness;
- conclude by recommending whether the EU should allocate more of its budget to regional policy (i.e. structural funds), 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. *(84 marks)*

SPECIFIC INSTRUCTION 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: the regional dimension of the EU; the regional problem in the EU context and economic development of regions in the EU.

Evidence of knowledge and understanding may be shown by the candidate who considers the general features of EU regional policy. Candidates can show knowledge of the different indicators of regional development used in the data (e.g. GDP per head, employment, unemployment, and poverty). Understanding would be demonstrated by evidence of the candidate's ability to comment on possible linkages between these indicators.

Application

Candidates can supply evidence of this by such means as re-interpreting the data and presenting it to the conference so that trends are viewed from the perspective of an economist. Economic principles that are not mentioned in the data, but which could be used to interpret the data, include the multiplier and supply-side theory, particularly those aspects that focus on investment in human capital (education and training). There are clues in the data that might encourage stronger candidates to make predictions about the future course of European regional policy when the EU is expanded to 27 members, so that the current 'below average' regions are likely to be much nearer EU averages.

Analysis and Evaluation

While all aspects of the data can be analysed by candidates, the numerical material in Extracts C-F provides some particular potential for analysis. Candidates might, for example, comment on the fact that UK Objective 1 regions in the previous program either improved their position only slightly or even worsened their position during the Objective 1 program (Extract C). Extracts D and A (paragraph 1) indicate that since 1958 EU regional policy has not moved Calabria up the league tables.

There is some potential for challenging assumptions in Extract D: for instance, the stated aim of reducing disparities in GDP per head does not appear to necessarily correlate with employment/unemployment levels. There is also the question of ‘what exactly is a region’ with the extract comparing areas with markedly different population sizes. Is like being compared with like? The position of the UK in poverty league tables (Extract E) is worthy of comment. In Extract F, it is clear that structural funding is the single item of budget expenditure likely to rise in future, but it is still lower than CAP, even though the latter is under pressure.

Candidates who are very alert and have good economic awareness might note that although it is high profile, when computed as spending per head of population, Objective 1 is actually a very small amount of money in government spending terms. At best, it can only have a marginal effect on a region, and careful targeting is essential (Extract A and B refer to ‘partnerships’, and a ‘strategic approach’). It might also be noted that the new structural funding programs stress employability rather than employment; their supply-side benefits take time to be built up, and can be neutralised very quickly by a demand-side shock, such as a sudden large business closure.

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.

Overall Assessment

Weaker candidates will simply copy chunks out of the data. This approach would suggest lower level performance. However, if the data is appropriately selected and re-ordered to be relevant to an aspect highlighted in the scenario, this should tend to put a candidate’s work in the middle levels. To move higher, the candidate should go beyond the selection and re-ordering of material from the case study.

Generally, stronger candidates should be writing closely to the scenario and giving specific analysis of the consequences of a proactive regional policy, which is ‘bottom up’, assessing local needs, rather than ‘top down’.

Assessment Criteria

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

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.

Analysis (AN)

		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.

Evaluation (E)

		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.

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.