



General Certificate of Education

Economics 6141

**EC4W: Working as an Economist: The
European Union**

Mark Scheme

2008 examination - June series

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' 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 to download from the AQA Website: www.aqa.org.uk

Copyright © 2008 AQA and its licensors. All rights reserved.

COPYRIGHT

AQA retains the copyright on all its publications. However, registered centres for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to centres to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Set and published by the Assessment and Qualifications Alliance.

Advanced Level Economics**June 2008****EC4W****Mark Scheme****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: 'How should the UK now act towards the euro?'

Your report should:

- suggest economic reasons why the UK did not adopt the euro at its launch;
- discuss why the euro might be unpopular among some consumers and workers;
- assess the impact of **both** the recent strength **and** stability of the euro on the macroeconomic performance of the Eurozone's economies;
- make a recommendation as to whether the UK should now join with the countries of New Europe in adopting the euro. Justify your recommendation.

Use economic concepts and principles where appropriate. 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 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.

Points that could be raised by candidates include the following (it is stressed again that the suggestions put forward here are by no means exhaustive).

- ***suggest economic reasons why the UK did not adopt the euro at its launch;***

This is intended to be a relatively easy aspect to address. There is information in **Extracts A** and **B** which should help here (**k**, **an**).

- ***discuss why the euro might be unpopular among some consumers and workers;***

Extracts C and **E** suggest that popularity among consumers differs between Old and New Europe (**k**, **an**). There are references in **Extract E** to the euro causing inflation (**an**). **Extract C** refers to an advantage to consumers when travelling within Europe (**an**), and this positive aspect gives an opportunity to question the 'unpopularity' of the euro (**e**). Perceptive candidates might pick up on the word 'some', and might pick up from **Extract C** that the euro might be popular among some consumers, such as returning travellers (**an**). Candidates could, of course, use some arguments here which are not specifically covered in the data, such as the need for consumers and producers to make the transition from historic currencies, and the short term costs involved (**k**). Also, it is not clear whether the opinions expressed in **Extract E** are based on rational economic considerations as opposed to simple prejudice or conservatism among consumers.

- ***assess the impact of both the recent strength and stability of the euro on the macroeconomic performance of the Eurozone's economies;***

A good starting point would be to identify the 'traditional' aims of macro policy (**k**), and then to outline briefly how current policy works, with the independent central bank, in this case the ECB (mentioned in **Extract D**) setting interest rates to achieve an inflation target (**ap**). Candidates could comment on the accusation of hawkishness (**e**). **Extracts A** and **B** allude to possible conflicts of objectives, e.g. growth and/ or employment versus inflation (**an, ap**). Inflation is also mentioned in **Extract E** (**an**). There is some potential for diagram work here, e.g. shifting AS curves to the right or long-run trend growth lines upwards to show the effect of productivity growth.

Extracts C, D and I are meant to be useful here (**an**). A distinction can be made between strength and stability, and perceptive students might note that while the latter is unequivocally helpful for business planning and expectations, strength can have costs or benefits, depending on, for example, whether a firm is exporting or importing. The relationship between strength and trade is touched on from the French point of view in **Extract E** (**an**). **Extract H** appears to confirm some stability (**an**), although the time scale shown (6 months) is only short term (**e**).

- ***make a recommendation as to whether the UK should now join with the countries of New Europe in adopting the euro. Justify your recommendation.***

Extracts F and **G** would make good starting points here (**an**). The fact that Hain's statement was followed by a long period of silence on the part of UK policy makers speaks volumes, and could be used for sophisticated evaluation. Dunwoody's statement (**Extract F**) can be contrasted with the findings in **Extract H** (**e**). **Extract H** would appear to corroborate the findings about convergence in **Extract G** (**ap, e**). A little brain exercise in comparing parts (1) and (2) of **Extract I** should lead to the conclusion that the euro and pound have been tracking each other (**ap**). By comparing the timing of major peaks and troughs in the two graphs it is also possible to suggest that the pound has been following the euro rather than vice versa. **Extract I** can be taken as evidence against convergence (**e**). The discussion could then move towards some standard pro- and anti- euro arguments (**k**), but those which refer to suitable parts of the data (**an**) would be the more impressive. Highly sophisticated candidates might argue for or against the possibility that post-Blair Britain has more in common with the marketised and reformed countries of 'new' Europe than it does with the likes of France and Germany.

An overall judgement/ justification should also be evaluative (**e**), and apart from seeking the usual possibilities for bias, candidates wishing to boost their evaluation (**e**) marks through challenging the data could mention that the scenario is set in 2008, while all the data is from 2007 or earlier, and the scenario is necessarily a little vague on what happened in the run-up to the autumn of 2008. They could suggest some further data that might have been included, or which they would seek if called upon to write a follow-up report (**e**).

Overall Assessment

Stronger candidates should be writing closely to the scenario. 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.

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
		<hr/>
Total		84 marks
		<hr/>

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>
Level 4:	5-7 marks <i>Mid-Point: 6</i>
Level 3:	3-4 marks <i>Mid-Point: 4</i>
Level 2:	1-2 marks <i>Mid-Point: 2</i>
Level 1:	0 marks

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>
Level 4:	11-15 marks <i>Mid-Point: 13</i>
Level 3:	6-10 marks <i>Mid-Point: 8</i>
Level 2:	1-5 marks <i>Mid-Point: 3</i>
Level 1:	0 marks

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>
Level 4:	11-15 marks <i>Mid-Point: 13</i>
Level 3:	6-10 marks <i>Mid-Point: 8</i>
Level 2:	1-5 marks <i>Mid-Point: 3</i>
Level 1:	0 marks

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 and 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 and/or arguments and/or 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.