



ASSESSMENT and
QUALIFICATIONS
ALLIANCE

Mark scheme

June 2002

GCE

Economics

Unit EC4W

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EC4W

Advanced Subsidiary Economics**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.

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

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

You are to write a report dated July 2001 which discusses the economic consequences of the UK's decision **not** to join the euro for at least 5 years.

Your report should:

- outline the arguments for and against joining the euro which were being discussed before the government's decision;
- discuss the extent to which the UK economy was converging with other economies in the Euro Zone;
- assess the consequences of non-membership;
- conclude by recommending whether or not the government should reconsider its decision, giving reasons to justify your recommendation.

You will be given credit for demonstrating your ability to analyse and make effective use of the data provided, and for your use of economic principles.

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 'straight-jacket' 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

The 'twist' in the scenario is that instead of examining the arguments for and against joining, candidates are expected to look ahead and consider the consequences of Britain NOT joining the euro. The candidate who ignores this aspect of the scenario will not score zero, although he/she is likely to provide a relatively weak treatment. The response should be treated on its merits and awarded marks as appropriate.

Evidence of knowledge and understanding may be shown by the candidate who considers the general consequences of staying out of the euro. Weaker candidates will merely copy lists of advantages and disadvantages from the data; stronger approaches could demonstrate understanding, for instance by showing that they can see links between some of these consequences and UK policy.

Application

Candidates can supply evidence of this by such means as re-interpreting the data and presenting it to the minister so that trends are viewed from the UK angle. Stronger candidates will act as 'futurologists', extrapolating future trends from the data and commenting on UK policy in the light of these trends.

Analysis

While all aspects of the data can be analysed by candidates, the visual material in Extract C provides some particular potential for analysis. Candidates might, for example, comment on the fact that considerable convergence between the UK and the euro zone already appears to have taken place. Interest rates are an exception. The strongest candidates might question whether complete convergence can realistically be expected prior to monetary union, and might argue that it actually is a consequence of union (as in the case of, say, Spain and Portugal).

Evaluation

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 A and B each contain assertions that are open to challenge. Extract A, for example, uses the USA as a role model, then in another breath rejects the USA as a closer trading partner. Extract B is more political than economic and fails to distinguish between short-term costs and long-term benefits.

General

Generally, stronger candidates should be relating monetary union to the single market with its opportunities for economies of scale and specialisation, and to the need for stability in order to encourage long-term investment. Give credit for candidates who attempt to conform to the scenario when making these linkages.

Note that candidates are directed towards ‘economic’ rather than ‘political’ consequences. Candidates who write at great length about ‘sovereignty’, for example, are likely to be attempting to hide their lack of economic perspective; however, take care not to be insistent on so-called ‘positive’ economics, since ‘political’ benefits, such as stronger influence in international decision-making, have economic consequences.

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	<u>4 marks</u>
	Total	<u>84 marks</u>

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.

<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 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 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.