PEARSON EDEXCEL A-LEVEL ECONOMICS A · 9EC0

ECONOMICS



MARK SCHEME

4.2 POVERTY AND INEQUALITY

SCORE	PERCENTAGE
/260	%

STEMUP

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Mark Scheme

Q1.

Question Number	Answer	Mark
(a)	**Knowledge 2, Application 2, Analysis 1** **Knowledge:** 2 marks for identification of how intervention might work e.g. • Raising/lowering interest rates (1) which affects exchange rates/hot money flows (1) • Buying/selling foreign currencies (1) which affects their exchange rate (1) • Buying/selling domestic currencies (1) which affects their exchange rate (1) • Quantitative easing/changing the money supply might be used (1) • Sets a ceiling and floor (1) **Application:** 2 marks for data references e.g. • Use of Figure 1 to show interest rate changes: e.g. central bank rose rates to 6.25 percentage points in 2018 (1) which caused the lira to appreciate 11% (1) lira has lost a third of its value against the dollar in 2018 (1) • Use of text to give example of Turkish government buying and selling: e.g. the country is highly indebted on foreign currency (1) • This might be shown by an exchange rate diagram (1)	

	Analysis: 1 mark for explanation e.g. • Process by which the intervention affects exchange rate/interest rate e.g. the government buys US dollars to decrease the price of Turkish lira (1) by increasing the supply of lira on the forex market (1) or raises interest rate in increase the price of Turkish lira (1) **NB a diagram can be seen as application or analysis, if used in a valid context.**	**(5)**

Question Number	Answer	Mark
(b)	**Knowledge 2, Application 2, Analysis 2, Evaluation 2** **Knowledge/ implicit understanding:** 2 marks (1+1) for each reason and explanation e.g. a lower exchange rate can: • Reduces financial risks • To bring stability/security in the economy • Harms borrowers who have borrowed in foreign currency • Causes inflation as import costs rise • Worsens the terms of trade • Worsens living standards • Short term J-curve effects on current account of the Balance of Payments **Application:** (2 marks: 1+1 or 2) • Turkish inflation 25% • Lira has lost a third of its value of US dollar 2018 (1) • Turkey is highly indebted in foreign currency (1) • Government takes measures against excessive appreciation or depreciation of the Turkish lira to reduce financial stability risks (1) • The financial market faces difficulties in trying to restore *foreign investors'* confidence (1)	

	Analysis: 2 marks (1+1) for linked development of each point e.g. • A weaker currency can lead to cost push inflation as import prices rise • A weaker currency worsens the terms of trade as export prices fall relative to import prices • There will be less investment if there is a loss of foreign investors' confidence/AD shift **Evaluation** (2 marks: two points 1+1 or 2). Points might include: • Inflation is very high (25%) so this should be main reason not to allow a fall in the exchange rate • Inflation is showing signs of reversing so a fall in the exchange rate may be less problematic • Problems caused by inflation might be outweighed by the other benefits such as export-led growth/improved competitiveness • Benefits of weak exchange rate, e.g. exports cheap, • Other benefits of weak currency e.g. stimulus of economy, increased competitiveness, higher employment and FDI	**(8)**

Question Number	Indicative content	Mark
(c)	**Knowledge 2, Application 2, Analysis 4** **Knowledge/implicit understanding:** Policies identified might include: • Indirect tax/charges • Ban or other regulation • Free bags/nets or other state provision • Fines • Behavioural economics policy **Application:** • Tax or charge on each item. Might be illustrated through a specific tax diagram or similar. • Ban in some parts of Turkey for specific types (carcinogenic black bags). Might be supported by a limit on supply diagram. • Fines for consumers and retailers in some parts of Turkey • Free bags/nets or other state provision in e.g. 20 000 in Corlu near Istanbul • 950 tonnes of plastic waste **Analysis:** • Explanation of process linking the intervention to the reduction in use of bags. • This might be shown through a diagram(s).	**(8)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	3–5	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response; chains of reasoning are developed but the answer may lack balance.
Level 3	6–8	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

Question Number	Indicative content	Mark
(c) continued	**Evaluation 4** • Charges work in other countries, e.g. UK • Emerging economies/countries might have more problems facing the cost of interventions e.g. inequality issue, poverty • The problem is much wider than plastic/single use bags, and the interventions will only affect a few on-street purchases • Likely to succeed because it taps into the social conscience of consumers and even a small charge may have a dramatic impact as in the UK • The tax/charge makes up a small proportion of income so many have minimal impact. PED is very inelastic/close to zero • Unintended consequences: e.g. multiple-use/ bags for life often contain more plastic and unless used many times can be more environmentally damaging • First paragraph suggests they are everywhere so given habitual behaviour people may continue to use them despite charges/ tax • opportunity cost of giving away 20 000 bags in a month – is this socially efficient?	**(4)**

Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evaluative comments supported by relevant reasoning and appropriate reference to the context. Evaluation recognises different viewpoints and is critical of the evidence provided and/or the assumptions underlying the analysis enabling informed judgements to be made.

Question Number	Indicative content	Mark
(d)	**Knowledge 4, Application 4, Analysis 8, Evaluation 9** 16 marks for KAA, for effects of increased interest rates. Microeconomic effects may include: • Fixed costs to firms will rise. May cause shut down/loss of competitiveness • Fall in consumer demand as consumption expenditure falls - likely reduction in AR for normal goods • Other costs to consumers/firms/a government e.g. increased burden of debt and loan repayments/servicing costs • Fall in investment by firms - reducing dynamic efficiency in the economy as less funds for R&D • Impact on Turkish housing market Macroeconomic effects may include: • Link between higher interest rates and lower investment and lower consumption- reducing AD: inward shift of AD (or slowing outward shift) with multiplier effects with macroeconomic impacts e.g. unemployment • Rise in the value of the lira – worsening of current account of the Balance of Payments – possibly with effects on other countries • Redistribution of income e.g. from borrowers to savers/lenders, from asset holders to renters • Cost of financing public deficit/debt (may refer to opportunity cost) may mean less government spending elsewhere, e.g. limited ability to spend on education **NB for a Level 4 response there must be micro and macro effect (s). Income distribution, investment changes and competitiveness, for example, can be used as either micro or macroeconomics.**	

	9 marks for evaluation – points might include: • Interest rate might not be the most significant cost for firms • Contractionary monetary policies already very tight. Depends on the interest rates in other markets • Inflation has peaked and there are signs that it will fall so the rise in interest rates is not necessary • Trade-off between objectives or prioritisation e.g. lower inflation at the cost of higher unemployment might be shown with critical use of a Phillips Curve • Depends on interest rates in other markets- do we mean lending rates in other countries. • Turkey's private sector is resilient - they may refer to this explaining that shut down is less likely • Impact on housing market will depend on whether people own homes and are mortgaged or whether they rent, or whether mortgage is fixed or variable rate • Magnitude the interest rate change - Figure 1 suggests large increases and therefore significant impact/large changes are unable to have much further effect	**(25)**

Knowledge, application and analysis		
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Displays ability to apply knowledge in context but will focus on small range of elements. Demonstrates understanding by identifying relevant information. Demonstrates knowledge and understanding of terms, concepts, theories and models.
Level 2	5–8	Shows ability to apply economic ideas and relate them to economic problems in context. Displays knowledge and understanding of economic principles, concepts and theories to make limited analysis or narrow analysis.
Level 3	9–12	Analysis is clear and coherent with evidence well integrated, although may focus on some of the broad elements of the question more than others. Shows ability to apply economic ideas and relate them directly to the broad elements in the question.
Level 4	13–16	Analysis is relevant, clear and coherent with evidence fully and reliably integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems covering both microeconomic and macroeconomic effects. A clear understanding of economic principles, concepts, theories and arguments.

Evaluation		
Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–3	Identification of evaluative comments without explanation.
Level 2	4–6	Evaluative comments with limited explanations. Evidence of evaluation of alternative approaches which is generic or unbalanced leading to limited judgements.
Level 3	7–9	Evaluative comments supported by relevant reasoning and appropriate reference to the context. Evaluation recognises different viewpoints and is critical of the evidence provided and/or the assumptions underlying the analysis enabling informed judgements to be made.

Question Number	Indicative content	Mark
(e)	**Knowledge 4, Application 4, Analysis 8, Evaluation 9** 16 marks for KAA, for effects of increased infrastructure spending Microeconomic effects may include: • Wages higher • Improved infrastructure affects firms e.g. businesses' fixed or variable costs fall as transport costs fall • Investment seen to boost business confidence, lead to further investment and spending within firms • External benefits/external costs associated with the project - especially given the size, number of runways and amount of traffic outlined in Extract C. • External economies of scale • Accept answers based on impact on costs and/or revenues if the building occurs in the private sector, with appropriate diagram Macroeconomic effects may include: • Redistribution of incomes • Outward shift of AD/injection (I or G) into circular flow (or further outward shift in AD) with multiplier effects, with macroeconomic impacts e.g. employment and incomes rising • AS shift right with a movement in capacity of the productive economy shown (Keynesian or Classical AS) • Fiscal loosening – effects of increased budget deficit if funded without increase in tax • Effects of a rise in tax, if linked to government decision to raise tax to fund the projects	

	NB for a Level 4 response there must be micro and macro effect (s). Some factors could be seen as micro or macroeconomics, such as a rise in tax, increased FDI, redistribution and confidence. Up to 9 marks for evaluation. Points might include: • Opportunity cost of spending on infrastructure e.g. schools, or higher taxes, • Crowding out – financial or resource • Might be a white elephant project • Depends on relations with EU/other countries as to whether the airport will reach full capacity • Depends on the size of the multiplier effect • Depends on the state of the financial sector • True costs not accounted for - externalities ignored • Large projects require a lot of coordination and getting behind schedule putting lives at risk. • Difficulty in placing value on external benefits and costs associated with the project	**(25)**

Knowledge, application and analysis		
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Displays ability to apply knowledge in context but will focus on small range of elements. Demonstrates understanding by identifying relevant information. Demonstrates knowledge and understanding of terms, concepts, theories and models.
Level 2	5–8	Shows ability to apply economic ideas and relate them to economic problems in context. Displays knowledge and understanding of economic principles, concepts and theories to make limited analysis or narrow analysis.
Level 3	9–12	Analysis is clear and coherent with evidence well integrated, although may focus on some of the broad elements of the question more than others. Shows ability to apply economic ideas and relate them directly to the broad elements in the question.
Level 4	13–16	Analysis is relevant, clear and coherent with evidence fully and reliably integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems covering both microeconomic and macroeconomic effects. A clear understanding of economic principles, concepts, theories and arguments.

Evaluation		
Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–3	Identification of evaluative comments without explanation.
Level 2	4–6	Evaluative comments with limited explanations. Evidence of evaluation of alternative approaches which is generic or unbalanced leading to limited judgements.
Level 3	7–9	Evaluative comments supported by relevant reasoning and appropriate reference to the context. Evaluation recognises different viewpoints and is critical of the evidence provided and/or the assumptions underlying the analysis enabling informed judgements to be made.

Q2.

Question Number	Answer	Mark
(a)	**Application 3, Analysis 1** **Application**: 3 marks for: e.g. • Gini coefficient/inequality fell (1) from 0.36 in 2007 to 0.34 in 2010 (1) • Global Financial Crisis began in 2008 (1) • Changes in taxation and/or government policies (1) **Analysis:** 1 mark for inferences from data, e.g. • Inequality fell due to falling incomes at top of the distribution (top quintiles) (1) • Inequality fell due to increases in benefits at very bottom (quintile). (1) • Inequality constant due to wage/benefit freezes (1).	**(4)**

Question Number	Answer	Mark
(b)	A	**(1)**

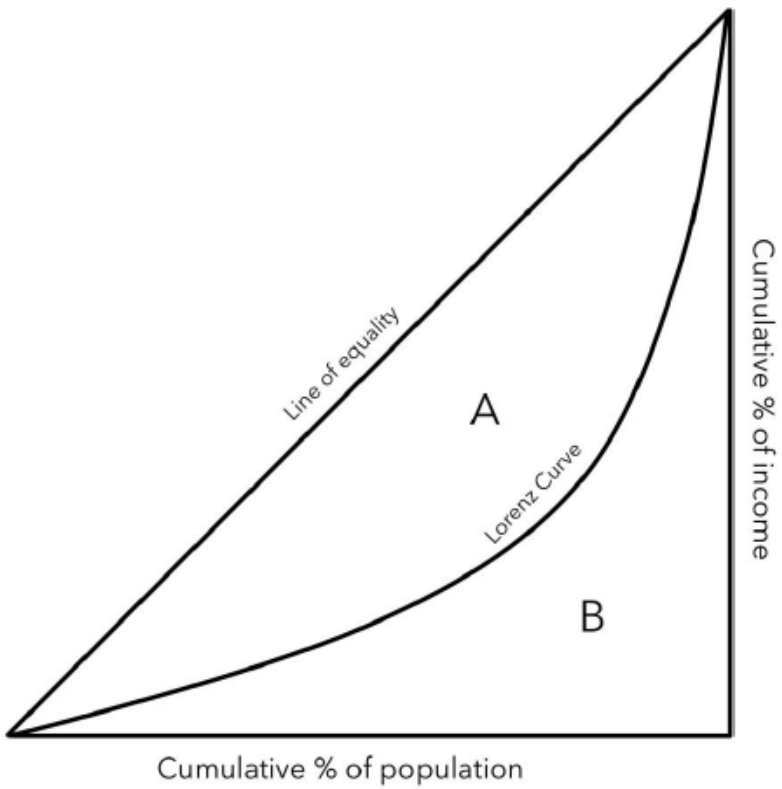
Q3.

Question Number	Indicative content	Mark
	Knowledge 4, Application 4, Analysis 8, Evaluation 9 Understanding of income inequality. Likely causes include: • increased globalisation/trade liberalisation/off-shoring • automation of manufacturing/changing technology • development of the emerging economies, e.g. China/India • financial crisis of 2008/2009 • increased incomes of those already at the top of the income distribution (ownership of assets/wealth distribution/ economic growth) • de-regulation • increased returns to education/entrepreneurial risk taking. Possible evaluation points include: • different reasons have been the most important in different countries, or at different times • it depends on what the economy specialises in, e.g. those that specialised in manufacturing have been more affected by the development of emerging economies, those that specialise in tourism have been more affected by the financial crisis • financial crisis is only a relevant factor for a limited period of time • prioritisation of factors. **NB For a Level 4 response, candidates must refer to a developed country in their answer, and explain why income equality has increased, not simply why there is income inequality.**	**(25)**

Knowledge, application and analysis		
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	5–8	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response or superficial, two stage chains of reasoning only.
Level 3	9–12	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to apply economic concepts and relate them directly to the broad elements of the question with evidence integrated into the answer. Analysis is clear and coherent, although it may lack balance. Chains of reasoning are developed but the answer may lack balance.
Level 4	13–16	Demonstrates precise knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using appropriate examples. Analysis is relevant and focused with evidence fully and reliably integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

Evaluation		
Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–3	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	4–6	Evidence of evaluation of alternative approaches which is unbalanced, leading to unsubstantiated judgements. Evaluative comments with supporting evidence/reference to context and a partially developed chain of reasoning.
Level 3	7–9	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and is critical of the evidence provided and/or the assumptions underlying the analysis enabling informed judgements to be made.

Q4.

Question Number	Answer	Mark
(a)	**Knowledge 2, Application 2, Analysis 1** **Knowledge/Understanding:** Up to 2 marks for e.g. • Gini coefficient is A/(A+B) (1) • Correct labelling of axes on Lorenz curve as % cumulative share of income & % households by income distribution (or similar wording) (1) **Application:** Up to 2 marks for e.g. • UK's Gini coefficient is 0.34 (1) • Correct drawing of Lorenz curve on diagram (labelled/referred to in text) (1) **Analysis:** Up to 1 mark for e.g. • Further away from the line of perfect equality, the more unequal a country/region is (1) • The higher the Gini coefficient value, the more unequal a country/region is (1)	
	Diagram (1+1) e.g.:  **NB If no Lorenz Curve diagram award maximum of 3 marks**	**(5)**

Question Number	Answer	Mark
(b)	**Knowledge 2, Application 2, Analysis 2, Evaluation 2** **Knowledge/Understanding:** Relevant reasons identified (1+1), e.g. • Level/quality of education • Level/quality of healthcare • Level of infrastructure spending • Unequal access to job opportunities across the UK • Progressive nature of taxation • Degree of employment protection • Strength of trade unions • Differing wage rates • Globalisation **Analysis:** Linked development of each factor (1+1), e.g. in the UK: • Less education means the workforce may be less skilled & therefore receive lower average pay (1) • Relative lack of healthcare means people spend more time absent from work with illnesses and therefore reduces productivity (1) • Relative lack of infrastructure makes it harder for people to get to work/will discourage firms from investing in the region (1) • Jobs in London/South-East may be more skilled and therefore higher paying when compared to jobs in the North-East (1)	
	Application: 2 marks (1+1 or 2), e.g. • Gross disposable household income was £19 000-£21 000 in London (1) • Gross disposable household income was £13 000 - £13 999 in North East (1) • UK's Gini coefficient is 0.34 **Evaluation:** 2 marks for two evaluative comments OR 2 marks for identification and linked development of one comment Evaluative comments (1+1 or 2), e.g. • Infrastructure investment in the North of England is increasing so this may change in the future • Education levels across the UK are improving • Higher education may not lead to higher incomes- depends on degree/qualifications • Relative significance of different reasons • It is hard to be definite about specific reasons as it is a combination of factors that causes inequality	**(8)**

Question Number	Indicative Content	Mark
(c)	**Knowledge 2, Application 2, Analysis 2,** • Higher incomes mean people have more money to spend on purchasing goods & services that increase their standard of living • Higher incomes mean people will feel less anxious about their ability to repay debts • People can afford larger repayments on mortgages & loans for durable goods • Higher income may lead to wealth creation, e.g. able to save for future/retirement • People earning over £40 000 are happier than people earning £10 000 to £40 000 (figure 2) **NB Allow the argument that a higher income does not increase happiness as KAA and that it does as EV** **NB:** **To achieve full KAA marks there needs to be at least one reference to Figure 2**	**(6)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no link between causes and consequences.
Level 2	3–4	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response or the answer may lack balance.
Level 3	5–6	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are applied appropriately to the broad elements of the question.

Question Number	Indicative Content	Mark
(c) continued	**Evaluation 4** • There are other things that affect subjective happiness apart from money- e.g. family & friends • Amount of leisure time may be more important to people's happiness rather than their level of income • People on higher incomes may be in more stressful jobs • The happiest people are those earning less than £10 000 (figure 2) • Reliability of survey data in determining happiness **NB Allow the argument that a higher income does not increase happiness as KAA and that it does as EV**	**(4)**

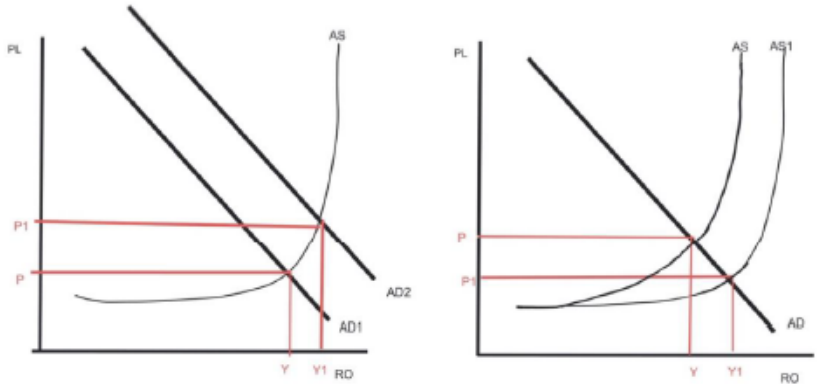
Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and/or is critical of the evidence.

Question Number	Indicative Content	Mark
(d)	**Knowledge 2, Application 2, Analysis 4** Methods might include e.g.: Either from Extract C: • Increasing tax on houses: Housing is a large part of the UK economy and many people may feel this is in need of an update to reflect changing house prices since 1991. This could also provide a good opportunity to increase overall revenue from the tax • A one-off wealth tax: This would raise a very large amount of money, £260 billion, and would focus on those with the most wealth. Only one-off so shouldn't have any long-term impacts • Increasing corporation tax: The UK has a very low rate of corporation tax, so it would make sense to raise it without risking too many firms leaving the UK whilst still raising extra revenue yearly going forward- e.g. £17.2 billion in 2025-26 Or other possible methods e.g.: • Cutting corporation tax to incentivise firms to increase investments in UK/attract FDI leads to increase in tax revenue for the government. Perhaps with reference to Laffer curve. • Cutting income tax to incentivise workers to work harder/less incentive to avoid tax leads to increase in tax revenue for the government. Perhaps with reference to Laffer curve. **NB:** **To achieve level 3 at least one reference must be made to Extract C somewhere in the whole answer**	**(8)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	3–5	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response; chains of reasoning are developed but the answer may lack balance.
Level 3	6–8	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

Question Number	Indicative Content	Mark
(d) continued	**Evaluation 4** • Higher tax rates may not lead to higher revenue, perhaps with reference to Laffer curve/tax evasion/tax avoidance/disincentive effect • Updating tax on houses could see some people experiencing a significant rise in the tax they have to pay which may be unaffordable for them • A one-off tax won't help generate tax revenue long-term • Increase in regressive taxes could worsen inequality • Disincentive to invest having a long term impact on LRAS	**(4)**

Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and/or is critical of the evidence.

Question Number	Indicative content	Mark
(e)	**Knowledge 3, Application 3, Analysis 3** • People can access jobs further away from where they live, reducing unemployment • Improved ability to transport goods around the country and/or abroad quicker/cheaper • Greater injections into the circular flow leading to a multiplier effect • Helping to reduce inequality across the country by focusing spending on poorer areas of the country, e.g., new train station in Wales, leading to new businesses, jobs, etc. • Diagram showing an increase in AD and/or AS, e.g.:  **NB A correct AD/AS diagram is needed for KAA level 3** **Reference to Extract B is needed for KAA level 3**	**(9)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–3	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	4–6	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response; chains of reasoning are developed but the answer may lack balance.
Level 3	7–9	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

Question Number	Indicative content	Mark
(e) continued	**Evaluation 6** • Significance of impact- will a few new train stations will make that much difference to economic growth? • Depends on the quality of the new infrastructure provided • Depends on if the infrastructure is in the right location to help improve connectivity • Opportunity cost- perhaps spending on education or healthcare would have a larger impact? • Time lag- large infrastructure projects take a long time from initial planning to being completed • Impact on public finances and national debt • Crowding out • Depends on the value of the multiplier	**(6)**

Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evidence of evaluation of alternative approaches which is unbalanced. Evaluative comments with supporting evidence/reference to context and a partially-developed chain of reasoning.
Level 3	5–6	Evaluative comments supported by relevant chain of reasoning and appropriate reference to context. Evaluation recognises different viewpoints and/or is critical of the evidence.

Q5.

Question Number	Answer	Mark
(a)	**Knowledge 2, Application 2, Analysis 1** **NB an answer which sees highly concentrated as having a large number of firms will not earn knowledge or analysis marks** **Knowledge and analysis:** 3 marks for e.g. • Identification of **high** concentration - high market share of some firms (1) few large firms dominate (1) uncompetitive (1) • Identification of market structure - there is a *legal* monopoly (Walkers) **OR** oligopoly **OR** duopoly (1) • Firms can set prices (1) control output (1) / monopoly power (1) • Interdependent (1) • High barriers to entry/exit (1) low contestability (1) **Application:** 2 marks for data references e.g. • Walkers have over 50% of market share (1) • Use of concentration ratio e.g. 2 firm CR 78.0% (2), 3 firm CR 82.2% (2) • Extract A refers to ban making market more competitive (1) implying prices are currently uncompetitive/high (1) • Extract A – high levels of advertising (1) • common features: they tend to be dominated by a small number of firms that sell multiple brands and that heavily advertise their products (1) **NB Concentration ratio calculation can be awarded as analysis or application** **Award a maximum of 1 application mark if there is no reference to Figure 1 or Extract A**	**(5)**

Question Number	Answer	Mark
(b)	**Knowledge 2, Application 2, Analysis 2, Evaluation 2** **Knowledge/ implicit understanding: (1+1)** marks for reason e.g. • Educational/skills/wage differences • Changing patterns of trade/globalisation • Government policy/austerity/universal credit • Income generated from inheritance • Payments generated from debt • Race, gender, age, geographical issues • Changes in direct tax • Stage of the economic cycle/Financial Crisis 2008 • House prices (must relate to income not wealth) • Weakened power of trade unions • Level of unemployment/underemployment • Irrational behaviour/information gaps/myopia **Application (1+1 or 2):** • Any valid application to **causing inequality** in the UK or other developed country, e.g. unaffordable house prices in the UK mean the younger generation has little income after rent (1); cut in the top rate of income tax, rise in NICs, change in tax thresholds; university fees at £9250 a year is widening the income gap if fewer low income households go to university (1); pensions rising below average incomes (1); educational differences such as an economics degree has a higher impact on future earnings than other degrees (1)	

	Analysis (1+1): • Linked development of the **two** points made **Evaluation (1+1 or 2)**. Points might include discussion of: • The role of transfer payments/minimum wages in narrowing/failing to narrow inequality • Changes rather than levels of income inequality, absolute vs relative issues • Relationship with wealth e.g. as a more significant inequality issue • Relative significance of different factors e.g. direct taxes more proportional than indirect taxes (regressive) • Time lags e.g. education has effects as yet unfolded, government policy might change, Brexit has not yet happened. **NB Do not allow indirect taxes or subsidies as KAA** **NB Use of Gini coefficient or Lorenz curves could be used as application or analysis**	**(8)**

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Question Number	Indicative content	Mark
(c)	**Knowledge 2, Application 2, Analysis 4** • Firms are interdependent so they will respond in the face of what other firms might do • Firms may not reach the same outcome as if they operated alone • Firms are cutting prices because they want to expand market share/steal other firms' markets • All firms responding in this way means that firms make less profit overall • Effects of advertising ban may make market more contestable, with possible effects on entrant • Price cuts could be a form of limit pricing, i.e. reducing contestability (effects on possible entrants may be shown) • **Game theory** e.g. a payoff matrix or kinked demand curve to illustrate behaviour, for example cartel-like or collusive behaviour, price leadership **NB to access Level 3 there must be correct use of game theory and application to the data.**	**(8)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	3–5	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response; chains of reasoning are developed but the answer may lack balance.
Level 3	6–8	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

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Question Number	Indicative content	Mark
(c) continued	**Evaluation 4** • Firms such as Walkers have significant market share and brand loyalty, even if competition lower price they may not switch • Use of context to show that firms are cutting prices because of a regulation and not because of the actions of other firms. No sign of interdependence. • Size of market shrinking overall so behaviour more aggressive • Firms setting low prices in a long run equilibrium might not the best option for the firms or other stakeholders. • Advertising ban affects children mainly - so price competition less needed for older target audiences that can still be targeted. • Reference to only 10% loss in sales compared to 15% - still a large impact on firms (Extract A).	**(4)**

Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and/or is critical of the evidence.

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Question Number	Indicative content	Mark
(d)	**Knowledge 4, Application 4, Analysis 8, Evaluation 9** 16 marks for KAA, for effects of increased spending on education to promote heathy eating in the UK. Microeconomic effects may include: • Effects of increased demand for healthy foods/consumer surplus/increased prices (may include supply and demand diagram) or fall in price of HFSS foods • Positive externalities in consumption are internalised (may include divergent MSB and MPB diagram and corresponding movement toward social optimum at MSB=MSC) • Impact on firms which make unhealthy products – increased costs if they diversify/reduced demand e.g. use of healthier ingredients with higher costs. This might be shown on a cost/revenue diagram. • Increased profits for healthy food producers e.g. shown on a costs/revenue diagram • labour market issues, e.g. workforce becomes healthier, and reduced obesity might make workers more productive (increase marginal product) • Opportunity cost of spending on education Macroeconomic effects may include: • Effects on price level and output as G increases, with multiplier effects. May be shown by shift out in AD with effects on price level and real output. • Healthier workforce shifts out the LRAS, with impact of lower prices and higher output • Fiscal implications – crowding out, effect on balancing budget	

	NB for a Level 4 response there must be micro and macro effect (s). Opportunity cost/shift in PPF/labour markets/competitiveness etc. can be used as micro or macro. 9 marks for evaluation – questioning might include: • Expansionary fiscal policies not necessarily happening. It might mean expenditure elsewhere is cut (opportunity cost arguments) • Trade-off between objectives e.g. increased spending might cause inflation, depends on the state of the fiscal balance, multiplier etc. • Questioning whether education is effective, or whether other policies are needed, e.g. tax, banning advertisements • Education might be counter-productive/role of state might be questioned e.g. government failure, crowding out effect	**(25)**

Knowledge, application and analysis		
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	5–8	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response or superficial, two stage chains of reasoning only.
Level 3	9–12	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to apply economic concepts and relate them directly to the broad elements of the question with evidence integrated into the answer. Analysis is clear and coherent, although it may lack balance. Chains of reasoning are developed but the answer may lack balance.
Level 4	13–16	Demonstrates precise knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using appropriate examples. Analysis is relevant and focused with evidence fully and reliably integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems covering both microeconomic and macroeconomic factors. The answer demonstrates logical and coherent chains of reasoning.

Evaluation		
Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–3	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	4–6	Evidence of evaluation of alternative approaches which is unbalanced leading to unsubstantiated judgements. Evaluative comments with supporting evidence/reference to context and a partially-developed chain of reasoning.
Level 3	7–9	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and is critical of the evidence provided and/or the assumptions underlying the analysis enabling informed judgements to be made.

Question Number	Indicative content	Mark
(e)	**Knowledge 4, Application 4, Analysis 8 Evaluation 9** 16 marks for KAA, for effects of increase in tax on HFSS foods. Microeconomic effects may include: • Rational economics implies people will change consumption patterns. Consumer preferences will change away from HFSS foods e.g. as consumers switched to cheaper brands and crossed the border to Sweden and Germany to do their shopping (Extract C). • An ad valorem or specific tax diagram might be used to illustrate the effects on prices/quantity in each market, and the incidence of tax • Cross elasticity of demand – evidence (e.g. Extract C) that a rise in price may cause a rise in demand for healthy food. • Welfare changes, e.g. loss of consumer, producer surplus/higher prices and deadweight welfare loss. This might be shown with an externalities diagram, e.g. positive in consumption of healthier foods. • Impact on firms, e.g. loss in profits on HFSS as costs rise/demand falls. This might be illustrated using a costs/revenue diagram; increased profits for healthier options. • Impact on labour market. Healthier workers, or effects of cut in real wages as costs of living increase. Changing employment opportunities. e.g. reduced employment for HFSS manufacturers and increased employment for healthy foods firms.	

	Macroeconomic effects may include: • Redistribution (micro or macro issue): indirect taxes of this sort are regressive, disproportionately affecting the elderly and the poor. Taxes on HFSS foods moderate consumers, as well as the obese overeaters they are intended to target. • Cost push inflation – a one-off rise in prices. This might be shown by an upwards/leftwards movement of AS • Effects on incomes/net exports – may be linked to a fall in AD, e.g. in Denmark the policy helped push up food prices in a year in which real wages fell by 0.8%. • Governments might gain revenue which can be used elsewhere in the economy / lose revenue – Laffer curve (Extract C) **NB for a Level 4 response there must be micro and macro effect (s). Opportunity cost/shift in PPF/labour markets/productivity/competitiveness etc. can be**	

	used as micro or macro. Up to 9 marks for evaluation. Points might include: • Depends if firms respond by cutting prices (Extract B) • The tax makes people buy other unhealthier food (in Extract C) e.g. increases price and people may substitute to cheaper even unhealthier or low-quality alternatives that are more affordable • Tax is not an efficient deterrent to obesity. The policy had a very limited impact on the consumption of HFSS in the data foods: 80% of Danes did not change their shopping habits at all (Ext C). Not only is demand for food relatively inelastic, prices often fluctuate, and consumers become immune to changes • Depends on magnitude- the proportion of income may be low • The price elasticity of demand will determine the incidence of the tax - inelastic larger consumer incidence and elastic larger producer incidence. • Depends on how funds are used - e.g. to promote healthy eating through subsidies and education • The intervention may mean free markets work less well – theory of unintended consequences • Other unintended consequences e.g. counterfeit, smuggling	**(25)**

Knowledge, application and analysis		
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	5–8	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response or superficial, two stage chains of reasoning only.
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Level 4	13–16	Demonstrates precise knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using appropriate examples. Analysis is relevant and focused with evidence fully and reliably integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems covering both microeconomic and macroeconomic factors. The answer demonstrates logical and coherent chains of reasoning.

Evaluation		
Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–3	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	4–6	Evidence of evaluation of alternative approaches which is unbalanced leading to unsubstantiated judgements. Evaluative comments with supporting evidence/reference to context and a partially-developed chain of reasoning.
Level 3	7–9	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and is critical of the evidence provided and/or the assumptions underlying the analysis enabling informed judgements to be made.

Q6.

Question Number	Indicative content	Mark
	Knowledge 4, Application 4, Analysis 8, Evaluation 9 Likely causes include: • High levels of corruption leading to government inefficiency/failure to act in best interests of general population • Lack of redistributive fiscal policy • High indirect taxes which tend to be regressive • Inequality in access to or quality of education/healthcare for different people in a country • Rural/urban divide with people in urban areas having a much greater variety of job opportunities and higher wages than in rural areas • Weak trade unions reduce power of workers to insist on higher wages • High levels of inheritance that is not significantly taxed being passed on to future generations • Ownership of financial assets concentrated amongst the wealthy, with a lack of public share ownership Evaluative comments may include e.g.: • Significance/magnitude of specific causes • Causes may be solved over time as the economy grows and income levels rise • Significance of competing causes could be discussed • Consider whether there is a link between the two types of inequality **N.B. For a level 4 response, candidates must make reference to causes of both income and wealth inequality**	**(25)**

Knowledge, application and analysis		
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	5–8	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response or superficial, two stage chains of reasoning only.
Level 3	9–12	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to apply economic concepts and relate them directly to the broad elements of the question with evidence integrated into the answer. Analysis is clear and coherent, although it may lack balance. Chains of reasoning are developed but the answer may lack balance.
Level 4	13–16	Demonstrates precise knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using appropriate examples. Analysis is relevant and focused with evidence fully and reliably integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

Evaluation		
Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–3	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	4–6	Evidence of evaluation of alternative approaches which is unbalanced leading to unsubstantiated judgements. Evaluative comments with supporting evidence/reference to context and a partially developed chain of reasoning.
Level 3	7–9	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and is critical of the evidence provided and/or the assumptions underlying the analysis enabling informed judgements to be made.

Q7.

Question Number	Answer	Mark
(a)	**Knowledge 2** **Knowledge** 1+1 mark e.g. Definition of income (1) and/or wealth (1) • Income is a flow (1) whereas wealth is a stock (1) • Income can create wealth (1) and/or wealth can create income (1) • Income comes from salaries/wages/dividends/profits/interest/rent (1) whereas wealth is the value of assets (1)	**(2)**

Question Number	Answer	Mark
(b)	**Knowledge 1, Analysis 1** **Knowledge/understanding:** Identification of one reason (1), e.g. • Rise in asset prices • Lack of education • Lack of healthcare • Inheritance entrenches inequality • Rise of MNCs • Lack of government intervention to reduce inequality • Government policy e.g. regressive taxes, corruption • External shocks **Analysis:** Linked development relating to wealth (1), e.g. • Poor education means people lack the skills to take on higher-paying jobs which could lead to wealth creation	**(2)**

Question Number	Answer	Mark
(c)	**The only correct answer is B** ***A*** *is not correct because that would affect imports/exports, not income inequality* ***C*** *is not correct because that would increase the Gini coefficient* ***D*** *is not correct because that would increase the Gini coefficient*	**(1)**

Q8.

Question Number	Answer	Mark
(a)	**Knowledge 2, Application 2, Analysis 1** **Knowledge/Understanding:** Up to 2 marks for e.g. • Absolute poverty: Lacking basic necessities to survive (1) • Relative poverty: Relatively poor compared to rest of your country (1) **Application:** Up to 2 marks for e.g. (1+1 OR 2) • Absolute poverty: World Bank definition: $1.90 a day (1) PPP values (1) • Relative poverty: 60%/50% (1) below median household income in your country (1) • Reference to Figure 1 or Extract A/B (1+1) **Analysis:** Up to 1 mark for e.g. • Absolute poverty can decline at the same time as relative poverty is increasing (1) • There may be relative poverty in a country but not necessarily absolute poverty (1)	**(5)**

Question Number	Answer	Mark
(b)	**Knowledge 2, Application 2, Analysis 2, Evaluation 2** **Knowledge/Understanding:** Relevant factors identified (1+1), e.g. • Level of education • Level of healthcare • Level of infrastructure • Level of trade • Capital flows • Civil war • Drought • Poor governance • Liberalisation of trade/tariff cuts **Analysis:** Linked development of each factor (1+1), e.g. in Sub-Saharan Africa • Relative lack of education means a less skilled and therefore less productive workforce (1) • Relative lack of healthcare means people spend more time absent from work with illnesses and therefore reduces productivity (1) • Relative lack of infrastructure makes it more difficult and therefore expensive to move goods around the country to markets (1)	

	Application: 2 marks (1+1) for reference to the data/candidates' own knowledge, e.g. • Extract B: two thirds of 780 million illiterate adults are women • Extract B: poor people- more malnutrition, lower odds of receiving health care • Absolute poverty has declined far more rapidly in East Asia than Sub-Saharan Africa **Evaluation:** 2 marks for two evaluative comments OR 2 marks for identification and linked development of one comment Evaluative comments (1+1), e.g. • Significance of different factors • Improvements will only occur in the long term	**(8)**

Question Number	Indicative Content	Mark
(c)	**Knowledge 2, Application 2, Analysis 4** Possible policies might include e.g.: • Fiscal policy: increase people's disposable incomes, increase employment and so reduce downsides of low wages and unemployment due to foreign competition. A more redistributive tax/welfare system to reduce inequality/poverty caused by globalisation. • Expansionary monetary policy: cut in interest rates, rise in availability of credit, allows businesses to borrow for investment to help combat increased foreign competition. • Supply side policies, e.g. improved education, healthcare, infrastructure, etc.: Improvements in these will boost productivity and this boost GDP as well as meaning firms would be more likely to be able to pay higher wages. Higher productivity would enable firms to better compete with foreign competition in the form of lower prices. Candidates may discuss in the context of developed or developing countries **NB To access Level 3 there must be reference to two valid macroeconomic policies, apart from protectionism**	**(8)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	3–5	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response; chains of reasoning are developed but the answer may lack balance.
Level 3	6–8	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

Question Number	Indicative Content	Mark
(c) continued	**Evaluation 4** • Impact of expansionary fiscal policy on budget deficit • If business confidence is low, expansionary monetary policy may not lead to increased borrowing for investment • Supply side policies may not be effective in the short run or have public sector cost implications • Effectiveness of policies, e.g. lack of consumer confidence	**(4)**

Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/ reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and/or is critical of the evidence.

Question Number	Indicative Content	Mark
(d)	**Knowledge 2, Application 2, Analysis 2,** • Incentive to work hard in order to receive higher reward will help increase economic growth which can result in reduced absolute poverty • More innovation due to the profit motive for firms and inventors leads to more competitive industry and faster economic growth • Lower taxes or less redistribution may encourage entrepreneurs to relocate to the country • Reference to rising living standards in a largely market based economy, e.g. UK, US **NB Arguments for or against the benefits of inequality can be taken as KAA or evaluation**	**(6)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no link between causes and consequences.
Level 2	3–4	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response or the answer may lack balance.
Level 3	5–6	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are applied appropriately to the broad elements of the question.

Question Number	Indicative Content	Mark
(d) continued	**Evaluation 4** • Inequality reduces consumer confidence so less consumption, increase in saving. Aggregate demand may fall as a result. • Excessive inequality can lead to more crime, poorer healthcare, etc. • Low pay can act as a disincentive to seek employment and economic growth suffers as a result. **NB Arguments for or against the benefits of inequality can be taken as KAA or evaluation**	**(4)**

Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evaluative comments supported by relevant reasoning and appropriate reference to context. Evaluation recognises different viewpoints and/or is critical of the evidence.

Question Number	Indicative content	Mark
(e)	**Knowledge 3, Application 3, Analysis 3** The role of the financial sector in the growth and development in developing countries includes: • facilitating saving so banks have more funds for lending, facilitating investment and therefore growth • promoting lending to enable more investment in the economy • exchanging currencies- enabling firms to imports parts and materials- often more cheaply- and also enabling them to export - helping to increase size of their market • providing a market for equities • Harrod-Domar model • Microfinance • Central banks/international organisations **NB For a Level 3 response candidates must refer specifically to growth/development in a developing country/countries/regions**	**(9)**

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–3	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	4–6	Displays elements of knowledge and understanding of economic principles, concepts and theories. Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question. A narrow response; chains of reasoning are developed but the answer may lack balance.
Level 3	7–9	Demonstrates accurate knowledge and understanding of the concepts, principles and models. Ability to link knowledge and understanding in context using relevant and focused examples which are fully integrated. Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.

Question Number	Indicative content	Mark
(e) continued	**Evaluation 6** • Clear rule of law required for financial sector to develop • Risk of corruption • Risk of market failure in financial marketss • Lack of financial literacy in developing countries may limit potential • Other factors may play a larger role, e.g. healthcare, infrastructure, education	**(6)**

Level	Mark	Descriptor
	0	No evaluative comments.
Level 1	1–2	Identification of generic evaluative comments without supporting evidence/reference to context. No evidence of a logical chain of reasoning.
Level 2	3–4	Evidence of evaluation of alternative approaches which is unbalanced. Evaluative comments with supporting evidence/reference to context and a partially-developed chain of reasoning.
Level 3	5–6	Evaluative comments supported by relevant chain of reasoning and appropriate reference to context. Evaluation recognises different viewpoints and/or is critical of the evidence.