

ECONOMICS

Paper 9772/01

**Multiple Choice, Short Answers and
Data Response**

Key messages

- Candidates are advised to carefully read the set questions and stimulus materials, and tailor their answer accordingly. This is particularly relevant to the 'depth' required for **Section B** answers.

General comments

High-scoring answers skilfully applied economic principles to the unfamiliar context of the Cuban economic reform, and some of the Data Response answers surpassed the expectation of the original mark scheme. Paper 1 is a demanding examination that requires a good grasp of underlying principles, detailed technical knowledge and the ability to apply knowledge. Most candidates produced comprehensive answers. Some candidates would gain higher marks by more evenly distributing their time to each answer, to ensure their response is sufficiently detailed.

Section A

The multiple choice questions appeared to be a challenging part of the paper.

Section B

Generally speaking, this section was answered better than in previous years. Many candidates produced competent answers across all four questions.

Comments on specific questions

Question 1

- (a) There was considerable divergence in the precision of answers. To gain both marks, candidates were expected to mention the value of output and an appropriate time period. A specific definition, although given by better candidates, was not required. When defining specific economic terms, candidates need to do so with precision.
- (b) (i) The best answers specified that net property income referred to repatriated profit rather than simply the revenues earned by firms located overseas. Answers could often have been more concise, and longer answers often indicated that candidates did not fully understand the meaning of the term.
- (ii) If candidates had provided a good answer to (b) (i), this question was well-answered with reference to examples: the profit of firms located overseas, rental income on foreign holiday homes and so on. Equally, some candidates who had not answered (b) (i) well could still access this question.

Question 2

- (a) Full marks were awarded to answers which identified that the unemployed were currently without a job but willing to work, and were able to start work in the near future. Fewer marks were awarded to answers which recalled the formal ILO definition.

- (b)(i) This question was mostly well answered, although some candidates did not mention that the total labour force included both those in employment and those defined as unemployed by the Labour Force survey method.
- (ii) Direct answers were more likely to achieve full marks. These answers may have stated that it is viewed as more accurate than alternatives, such as the Claimant Count; that it allows for easier international comparability.

Question 3

- (a) The answers to this question were generally concise and of high quality. There was some confusion concerning expenditure reducing and expenditure switching policies.
- (b) This question was generally well-answered. Most candidates explained the J-curve and Marshall-Lerner condition. High-scoring answers linked these concepts to the reasons why the quantity of exports and imports demanded might be slow to change, identifying fixed contracts and search costs to identify new, cheaper suppliers or being clear about the elasticity implications of the Marshall-Lerner condition.

Question 4

- (a) Most candidates were aware of what was required for a country to have a comparative advantage, and illustrated this with reference to appropriate mathematical example. Lower-scoring answers sometimes confused absolute and comparative advantage.
- (b) For many, this was an easy two marks. Marks were awarded for a broad range of relevant factors. Fewer marks were awarded to answers which demonstrated some confusion between absolute and comparative advantage and relative opportunity costs.

Section C

Question 5

Section C aims to test candidates' ability to read articles, pick out the salient parts, manipulate and interpret data, and to apply economic principles to unfamiliar situations presented to them. This year's question, regarding economic reform in Cuba, was indicative of these aims. High-scoring answers directly answered the question and accurately applied economic principles.

- (a) Most candidates scored two marks on this question.
- (b) Three marks were awarded to answers which demonstrated elementary calculations of percentages for 2007 and 2012. Some candidates suggested that the move from 2.8% of the workforce to 7.6% of the workforce represented a change of more than 300%. They should be aware that a percentage of a percentage is a largely meaningless value. Candidates were rewarded if they argued that an increase in the proportion of entrepreneurs was likely to increase productivity; equally, answers that suggested the productivity would fall in the short-run were fully rewarded. Some lower-scoring answers confused productivity with the total level of production.
- (c) Most candidates drew and explained the impact of an effective price ceiling, and thus gained three or four marks. Answers which achieved five marks explained how, on the removal of the price ceiling, that excess demand would disappear and a new free market equilibrium would be established.

A maximum of two marks were awarded to answers which less fully addressed the requirements of the question, and thus drew and explained price floors.

- (d) Candidates who made full use of the extract received higher marks. Better answers briefly discussed a range of the disadvantages, or extensively discussed the extent of one disadvantage. Given the nature of the disadvantages listed, it was inevitable that there was some overlap, and this was handled skilfully by the better responses.

The best evaluation here took two forms: an assessment of how a stated disadvantage is not actually that serious in comparison to some of the disadvantages of a free market economy; an assessment of how one disadvantage is more serious than another.

- (e) This question was the most ‘open’ of the extended answers, and deliberately so. High-scoring answers followed the injunction to ‘evaluate the effects on the labour market of movements towards a free market’.

Some good answers firstly identified the pre-reform labour market as a monopsony – with the State as the dominant employer – and suggested that transition would make the labour market more competitive – increasing both employment and the equilibrium wage. This was often supported by accurate use of a diagram.

Other fruitful lines of argument built on the question stem: looking at the implications of ‘teachers, accountants and doctors...now working as waiters in Havana’. This involved a consideration of the implications of this for private sector wages, as well as the productivity and wages of the public sector.

A few lower-scoring answers discussed the broader macroeconomic effects of such a move.

Most candidates successfully pursued and evaluated a variety of analytical lines of inquiry, and correctly applied economic principles to an unfamiliar context.

ECONOMICS

Paper 9772/02
Essays

General comments

There were no rubric infringements, and all candidates answered the required questions. The length of the paper did not seem to present problems, and no candidates appearing to struggle to produce a final essay of adequate length.

The general standard of scripts was quite high, especially when candidates carefully considered the requirements of the question, and effectively used the key words to tailor their answer.

Higher-scoring answers were concise and included knowledge which was relevant to the question.

Higher marks were also awarded to answers which included an accurate ACE diagram, with clearly labelled axes, curves and equilibria.

Comments on specific questions

Section A

Question 1

This question was generally answered well, and most candidates demonstrated a reasonably good understanding of the various concepts of elasticity of demand. Many candidates discussed what the various elasticities might show, but did not fully develop their point. A few candidates highlighted the fact that with cross price and income elasticities of demand, the figure is a reflection of a shift in the demand curve, and no one extended this to talk about how the elasticity of supply for this particular good would also have an impact on these two elasticities.

Many candidates appreciated the link between own price elasticity of demand and implications of a change in price on total revenue, and better answers used this to discuss possible links to aims of a firm – namely, that if they were revenue maximisers, they would want to be producing where own price elasticity of demand = (-) 1.

Several candidates were less sure of the concept of cross price elasticity of demand, and discussed how, for example, if goods were close substitutes, the cross price elasticity of demand would tell a firm what would happen to its quantity demanded if IT were to change the price of its good - clearly failing to see that this referred to the own price elasticity of demand with one of its major determinants being the number of substitutes, given the 'ceteris paribus' assumption on which a demand curve is constructed.

Many candidates showed a demand curve that had regions where both elasticities were apparent, yet they wrongly labelled it as either 'elastic' or 'inelastic' demand curves, instead of 'relatively elastic/inelastic'.

Question 2

This was the most popular question, and there were many excellent answers. At the top end, candidates embraced the wording of the question and considered for whom monopolistic competition might be 'the ideal market form'. With such questions, it is important that candidates explain why the statement in the question has been made, even if the candidate then goes on totally to refute the claim made. Clearly the phrase 'exploit consumers' provided candidate with an opportunity to explore the long run situation for monopolistic competition and many candidates successfully explained why just normal profits were possible in this time scale. The relevant efficiencies allowed for excellent analysis between monopolistic competition and various other market forms and there was some excellent work produced.

Better answers included a complete evaluation. Some candidates included an excellent analysis, but often lost marks by not including a conclusion. Inaccuracies in a few diagrams - often with regard to the MC curve cutting the AC curve nowhere near the minimum point of the AC curve - affected the overall answer.

Question 3

This was the second most popular question, and it produced the widest spread of marks. Whilst market failure is a major part of the syllabus, this question targeted the problems caused by inequalities in the distribution of income. Some candidates were unsure of this topic, and thus did not select sufficiently relevant knowledge in their answers. High-scoring answers considered some of the problems caused by inequalities in the distribution of income, and then looked at other market failures and discussed whether these failings might be of more concern to a government ended up scoring very high marks indeed.

Candidates are advised to avoid generalised statements which are not supported by evidence. Several candidates discussed the possible negative externalities that might be caused by poorer people in terms of the effects of lower access to health and education, which certainly warranted merit. However, this was often shown through a 'standard' negative externalities diagram with the 'over-consumption' of the good/service due to the free market price being too low. Whilst the concept of externalities was certainly pertinent, there is no 'good or service' and no 'price that is too low'.

Section B

Question 4

This was the most popular question in this section, and it produced a wide range in the quality of the answers. Higher-scoring answers attempted to address all three issues of the incentives to work, save and invest. Some candidates were less able to distinguish between savings and investment, and did not realise that the question required a discussion of analysis of corporation taxes and investments, including FDI. Several candidates were unsure of the principles behind progressive taxation as operated within the UK. Many candidates wrote that individuals will not wish to earn more money as they will move into a higher tax bracket and hence end up with less money than before they earned the extra money. Many answers suggested that candidates were unsure of the difference between the marginal rate of taxation and the average rate of taxation.

Question 5

This was a popular question, and there was a wide range in the quality of the answers. Many candidates firstly defined the terms 'free floating exchange rate' and 'current account deficit on the 'balance of payments'. Better answers then explained the mechanism by which such a deficit should cause a depreciation in the exchange rate and hence an improvement in the competitiveness of exports, and a fall in the competitiveness of imports, and how this should, probably after a time lag, result in the eradication of the deficit, other things being equal. The highest scoring answers discussed whether exchange rates ever do freely float, and also discussed the need for the Marshall-Lerner condition to be satisfied for a depreciation to be the right course of action. Lower-scoring answers did not discuss how the free floating exchange rate would have any effect on the deficit, were not sufficiently selective with knowledge when answering the question, or did not fully address the question.

In terms of evaluation, higher-scoring answers focused on the phrase 'never a major problem' and looked at both the word 'never' and also at whether such a deficit was indeed a *major* problem.

Question 6

Most candidates demonstrated a reasonable knowledge of the terms used in the question. Many candidates quoted the pre-2011 components of the HDI rather than the current figures, although they were not penalised for this. Higher-scoring answers provided some excellent evaluation based on this distinction. Several candidates talked about Lorenz curves and Gini coefficients, often implying that the HDI figure included such a measurement of income inequality, and in several cases, lower-scoring answers mentioned the GDP figures for a country, rather than GDP per head. The highest-scoring answers focused on how the HDI uses GNI per head and how the difference between GNI and GDP affects the analysis. A few candidates did not realise that the question distinguished between *citizens* in LEDCs as opposed to '*governments*' in MEDCs.

ECONOMICS

Paper 9772/03
Investigation

Key messages

- To do well on this paper, candidates need to show the ability to answer the specific question set, interweaving evidence of independent investigation. The single, most key, differentiator was those candidates who attempted to grapple with the specific context of the question that was asked, rather than operating on autopilot.
- The most common error amongst the weakest candidates was to ignore the specific question and tweak it to reflect a previous question they had revised. Specific comments are made below on each question in this regard.
- Candidates **must** structure their response around the specific quote or statement presented to them – those candidates who did well really engaged with the quote/statement presented to them, and were able to both analyse it and critique it.
- The weakest candidates are still not reaching a reasoned judgement at the end of their answer. They are not offering any conclusion of any kind, let alone relating back to the specific question set, whilst others merely repeat prior points in a summary, rather than adding any judgement to their conclusion. A conclusion should be more than just a summary of previous points. It may involve a final concluding judgement and justification on which side of the argument has the greatest weight in their opinion, or why any judgement is difficult and challenging the premise of the question.

General comments

At the top end of this paper, there were some superb scripts, with the general quality being good, with more maximum marks awarded than ever before. Even at the bottom end, there was not as long a tail in the lowest marks. This is encouraging and shows Centres are learning from each Exam session and Examiner Reports/Mark schemes. The paper continued to reward high quality candidates that thought independently and wrote excellent responses that were *specifically tailored to the specific question they were answering*.

At the weaker end, although it was felt the tail was not as long as previous years, there were two main issues that still reared their heads – firstly, candidates ignored the specific question set and engineered their own one; and secondly they made lots of assertions that were not backed up with evidence from their independent investigation.

The best candidates on the other hand showed an impressive array of independent research to support their points, rather than making general assertions in the direction of the context or argument they were discussing - for example: weak candidates asserted that the MDG's had varied success, but strong candidates had empirical evidence on the MDGs to support their point. Similarly, weak candidates made the assertion that recent economic experience had differed between countries and so Keynes would disagree with some of the quote, whilst stronger candidates were able to support this with international examples such as the UK, US, China and Venezuela. Paper 3 is specifically looking for evidence of in depth independent investigation (differentiating it from Paper 2 in some respects).

That said, it is not supposed to be a data-dump of everything they have come across – using their research to support an answer that relates to the **specific** question set is a key differentiator. Furthermore, there is a subtle but important distinction between specific examples that are used to inform wider arguments and make points related to the wider question and anecdotal examples that as stand-alone facts are interesting but do little to inform our understanding of the question. It was clear from some responses that whilst the candidates were good economists, and knew areas of their topics well, they were determined to interpret the question in a way that suited them regurgitating a pre-rehearsed answer. This prevented entry into Level 3 for TAA. **However, strong candidates brought all their arguments back to the relevant context of the specific question set** – for example linking MDG experience to *future* development strategy.

The questions on this paper made an assertion which it asked the candidate to assess. The best candidates looked at the specific points in that assertion, whilst the weaker candidates broadly ignored the specificities of the assertion and wrote an over-arching themed essay which simply looked at some of the recent issues, with just a nod towards the quotes/statements. Once again, it was disappointing to see so many candidates not take the guidance from the quote offered – the intention was to make every question more accessible by offering a lead in the wording of the quotes and help to structure their answer – it is thus worth reiterating here (again) that if a candidate is asked to evaluate a particular statement or quote, it is a requirement to address the statement head-on.

Candidates lost valuable time writing about non-relevant (though correct) issues about the general topic areas, and only later got on to the specifics of the question. The weakest responses re-hashed a previous year's essay title – this was most prevalent in the China essay.

It was pleasing to see that candidates and Centres were, on the whole, better than last year on not making sweeping generalisations, showing some critical awareness of the current context, but there were still statements that were unsupported with evidence, which limited candidates.

The best responses were able to interweave economic models with the independent investigation – those that did this scored very highly – whilst weaker candidates wrote a more descriptive essay, lacking economic theory or independent investigation.

Across the different questions the main error was to ignore the specific question set and to write on auto-pilot for much of the essay, with little reference to the specific context asked.

Comments on specific questions

Question 1 Transport and the Environment

Key weakness on this question: Few candidates addressed the opportunities for evaluation and analysis offered by the quote – indeed, many ignored the direct quote. A further issue was an inability to go beyond the obvious negative externalities/opp cost arguments that one would expect from a Paper 2 essay.

This question was not as popular as it has been in the past, being behind China and the MDGs.

Candidates could have answered this question in a number of ways, with the quote offering potential for evaluation – given the vagueness of it. For example focussing on what was meant by the word 'right' – from whose perspective and under what time frame? Only the strongest candidates managed to step back and analyse the quote itself – including its provenance.

Weak responses focused on a Paper 2 style response, being embedded almost exclusively in economic theory, with unsubstantiated assertions and a lack of independent research to support their analysis. Assertions made about the UK 'needing' to invest in airports, with no justification scores poorly; whereas stronger candidates can justify their assertions with, for example, evidence on the London's role as a hub and capacity constraints.

Weak evaluation consisted of a regurgitation of pre-rehearsed ideas, whereas stronger evaluation used evidence from their research to support their evaluative comments – and crucially related it back to the extent to which the quote was valid. For example, specific knowledge on aviation capacity constraints in the UK and the need for a more integrated transport system.

Almost all candidates were able to discuss negative externalities of aviation expansion, but only the best managed to go beyond this to look at other issues such as things like cost-benefit analysis, international competitiveness of the UK economy, and regional inequality issues.

Candidates were able to support their arguments by looking at alternative solutions to the UK's transport problems (e.g. HS2, or road issues), but they had to do this within the context of the question on aviation – as long as they directed their reasoning within the context of the quote, it was valid. Some, however, ignored the quote given and decided to just regurgitate pre-rehearsed answers on alternative energy fuels (reminiscent of last year's question).

The best responses were able to introduce macroeconomic issues as well as microeconomic, whereas some responses focused purely on the latter, reflecting a narrow range of understanding of the issues, and of a lack of ability to adopt a more holistic approach to economics.

The key to the question (and explicitly mentioned in the quote) was whether it was the right thing for Britain and only the best responses focused their answer around this, whereas many answered a weak generic Paper 2 style response about airports and issues with pollution.

The best responses considered regional issues as well as a dynamic time frame – all considered within the context of different stakeholders. Weaker responses offered prosaic, generic arguments.

There were interesting challenges to the question from some candidates who proposed that Airport expansion was the right thing for Britain, but that it should not be in the South-East but in the North East; or that airport expansion was not the right thing for Britain overall, but the right thing for London – such original thinking that was clearly focused around the specific quote is encouraged and was rewarded well.

A surprisingly few number of candidates understood that the quote was very generic and different stakeholders (politicians, economists, consumers, firms, workers) would have disagreement on its validity. It was thought that this would offer accessible evaluation opportunity for candidates but it was missed by many – possibly because candidates are reading the quotes superficially and not with a critical eye.

There was no compulsion to agree with the question, and the best responses gave a justified answer (for example by discussing why HS2 is a better alternative) as a reason why airport expansion is not the right thing. This Paper continues to reward independent thinkers who can bring together their research to justify a particularly relevant and original perspective – but put in reference to the specific context identified.

Given this question was asking candidates to agree or disagree with the quote, weaker candidates' evaluation consisted of Paper 2 style evaluation – generic issues such as time lags. When in fact, there was more pertinent evaluation about the issues of uncertainty, how to value airport expansion, discount rates etc. Paper 3 is looking for more than just standard textbook evaluation, and more context specific awareness.

Question 2 China and the Global Economy

Key weakness on this question: Not addressing the specific quote about global influence and answering a different question to the one proposed (often treating it as purely a growth essay), or one with a narrow focus.

This was the most popular question and at the top end, responses were well structured and demonstrated a clear awareness of the nature of global influence.

A key distinguishing feature was the willingness of candidates to address the issue of global influence and not to conflate growth and influence without explaining the link. The best responses focused specifically on whether China's global influence was going to rise inevitably and whether it was desirable. Weaker responses interpreted global influence as *purely* meaning whether China's growth would slow (with, at best, a cursory nod towards influence). Whilst clearly future growth will affect influence, often weak candidates did very little to look at influence and in the weakest cases, ignored the word influence altogether. Good candidates explained the link between growth and influence, and exhibited critical awareness by exploring whether even a slowing growth rate from a country with a sixth of the world's population necessarily means less global influence in the future.

Weak candidates regurgitated pre-rehearsed essays on whether Chinese growth was going to end – often even structuring it very similar to mark schemes from previous years (discussing the four factors of production and supply side constraints). Whilst there was some relevance, the candidate was exhibiting a failure to analyse it from the perspective of the statement offered in this particular Paper. ***It is important to stress to candidates that they must answer the specific question in front of them, not a pre-rehearsed answer.***

Candidates who explored what global influence meant, for example candidates who understood different sources of global influence (from trade, to commodities, to FDI, to international debt, to FX reserves etc) did relatively well on Theory, Application and Analysis – and it was necessary to explore more than just China's influence via trade to get a top Level mark. Even amongst candidates who understood China's global influence, only good candidates could provide evidence of research to support their points – discussing that

China has ‘millions’ in FX reserves or has done ‘lots of FDI into Africa’ is too vague for a Paper 3 response – in both cases, we expected something more specific to support points **and** to link it to rising global **influence**.

Once again, it is worth stressing that superficial short one sentence evaluative comments will score poorly – particularly assertions that are unsupported with evidence. Whilst there was valid evaluation to be gained from arguing that China’s global influence differed in different scenarios, weak candidates failed to develop this with concrete examples, whilst stronger candidates gave specific evidence of independent research for example in Angola vs Zambia vs UK, Brazil and Australia – discussing for which stakeholders it was more (un) desirable.

The weakest candidates decided to write almost a whole essay on how China could re-balance their economy, and made no attempt to even begin to discuss the issue of global influence. This was not the question set – and showed evidence of a pre-rehearsed answer that candidates wanted to write down – and scored poorly.

The best candidates kept the focus on the specific quote given to them about the inevitability and desirability of China’s global influence. Many candidates evaluated whether China’s *growth* would slow down, rather than evaluating whether China’s *influence* will slow – a subtle but important difference – often conflating the two. For example good candidates linked it through to their experience/role in the WTO/IMF (some had done impressive independent research on the number of votes China has vs the US on international institutions) or impact on commodity markets or the internationalisation of the renminbi. This latter evaluation was much more focused on the specific question set.

The quote was deliberately vague and general about the global economy and it was pleasing to see candidates latch on to this and disaggregate ‘desirability’ and ‘inevitability’ between different LEDC and MEDC countries, rather than generalising. Only the best however managed to discuss more nuanced arguments about desirability for different stakeholders within countries e.g. how China could help represent LEDCs and a give a voice to weaker countries, in global trade or poverty policy discussions.

Once again, weaker candidates spent over a page and a half discussing the history of China’s growth – ‘Since 1978, Deng Xiaoping...’ – It is worth repeating to candidates that they should start addressing the question as soon as possible, rather than going on a meandering introduction about China’s economic history, that lasts two pages, with no reference to global influence. The best essays got into the crux of the specific essay quickly.

We were pleased to see that candidates’ critical awareness about China was better than in previous years – with candidates understanding that China’s exchange rate was no longer fixed and had appreciated significantly in recent years; or that it was well on the way to making the move up the value chain in terms of the goods it produces; or the Third Plenum reforms that were opening the Chinese economy up. Unfortunately, only good candidates managed to make use of these observations in a manner that linked their argument to global influence – whilst weaker candidates just linked these through to economic growth. A surprisingly few number of candidates managed to show critical awareness that China’s GDP may be high but it is still a relatively poor country when ranked by GDP/capita or HDI and there is much work to be done before it usurps the U.S as a global leader.

It is worth reiterating again here that this is a paper that is titled Independent Investigations and we are looking for evidence of this skill - Assertions made must be supported with evidence of independent research.

Use of diagrams was relatively poor this year for example, to show the effect of China’s growth on cost-push inflation / commodities for the global economy, or allowing export-led growth for LEDCs. A word of warning here for candidates – when discussing China and the global economy, it is important that candidates label diagrams clearly and make it clear to the Examiner which economy the diagram is drawn for – China/LEDC/EU/Africa/Zambia – given the nature of the essay topic, it was not always clear. Some candidates had an incorrect understanding of how to show China’s influence on global commodity prices – often confusing micro and macro diagrams.

As always, quite a few candidates drew diagrams that were not used or explained at all in the context of their answer – such a diagram attracts little credit.

Candidates were better this year on not taking a mainstream media bias and extrapolating it into a generalisation for the whole country. This was pleasing to see and was rewarded as good critical awareness.

Most candidates recognised the need to reach a conclusion at the end, but many were unable to add anything new in their final paragraphs and resorted to listing the key points that had already been made. A reminder to Centres that the conclusion should be the final judgement – candidates should take a step back from what they have written and make a final assessment of the topic – but it must be done in a rigorous way. Many conclusions opened up other areas for discussion that had the potential to be excellent but were left unexplored. The conclusion is not to simply highlight a couple of one line evaluative ideas - for example, the issue whether China's global influence rises depends on many factors such as whether other countries do well. This is an important evaluation point and should be developed, for example, with reference to the BRICs or MINTs or TTIP/TPP trade agreements. Incidentally, many candidates only referred back to global influence when writing the conclusion – perhaps finally looking back at the actual question set and suddenly trying to link everything back. Re-reading the question every 15 minutes would be a good suggestion, to ensure candidates keep their focus.

Weaker candidates wandered onto a discussion of reform to China's growth model with no link to the global influence effect in the statement – which felt a lot like a regurgitation of a previous essay on China – with some essays going off on a tangent, discussing Gini coefficient and reform to the Hukuo system but not showing the skill of selective use of data and research to support their points tailored to the specific question on global influence. Even discussion of China's pollution was often not linked back to global influence, but instead merely stating that it causes growth problems for China.

Some of the weakest accepted the premise of the question as gospel, that China's rise was inevitable – showing a lack of critical awareness about rivals to China e.g. BRICs/MINTs; or the uncertainty over a hard landing or the middle income trap. Even if they were to conclude this, one would expect candidates to show some critical awareness with reference to risks.

Some candidates focused too much of their essay on how China's government could continue its growth – while relevant, it is worth stressing to candidates that the question was first and foremost specifically about global influence – ignoring this part of the question was always going to limit the mark.

It is worth stressing to candidates and Centres that when a statement is offered by the stem of the question, candidates can challenge its assumptions for example what time frame determines 'inevitable', and the assumption that China has no rival to its crown. Few candidates did this and a disappointing number ignored it almost entirely and created their own question with a lack of selective use of their research. A few strong candidates questioned the assumption that China wants influence or discussed the point that inevitability cannot solely be determined by what China does but depends on the reactions of other actors. The global economy is an interdependent system

There was a general feeling that candidates knew a lot about China and if they had taken a few minutes to analyse the specific question, they could have actually written good responses. But instead they just went on auto-pilot, which was disappointing. They had clearly learnt lots of figures and ideas, and were determined to get them into their essay.

That said, at the top end candidates exhibited the skills required for this Paper exceptionally well, having a clear and thorough focus on China's global influence and their impact on a range of facets, with an impressive display of independent research to support their assertions, analysis and evaluation.

Question 3 Millennium Development Goals

Key weakness on this question: Not addressing the '*future* economic development strategy' part of the question, and stopping at a review of the past MDG criticisms.

This was the second year this topic area had been examined and it was more popular than the transport question for the first time.

Good candidates were specific in their use of data and made strong links between the existing MDGs and their achievements to date but only strong candidates used reviews/criticisms of the MDGs to suggest alternatives. It was pleasing to see candidates/Centres had learnt from previous feedback and stayed away from making broad generalisations across whole continents, but showed an understanding of a case-by-case approach with different LEDCs.

The question mentioned 'global' development strategy. Only the strongest candidates felt confident enough to be able to conclude by challenging the question on whether a global economic strategy was needed at all,

or it was time to let free markets and/or domestic government policy to set the agenda. The confidence to challenge the premise of the question in such a way was the sign of a high quality script.

Many candidates accepted that having targets was good, but some challenged this notion, saying that targets are too often reflecting 'average' attainments, and hide huge inequality within a country – and the individual on a farm in Nigeria who cannot get access to safe drinking water is still not helped by an aggregate target at the national level, even if it is achieved. Thinking beyond the obvious points and showing that a candidate understands the nuances around an argument is a good skill to exhibit.

The answers were generally good, in particular, showing a good ability to tailor their independent research to the specific question set about whether MDGs should be extended. But whilst weaker candidates focused purely on the success rate of the current MDGS as their main reasoning as to their future viability; stronger candidates showed more critical awareness of the nature of future development strategy – for example the rising threat of global inequality or issue of corruption; or even more critically that the development landscape had moved on from the 1990s backdrop.

Most candidates managed to avoid just rote regurgitation of the MDG goals and their achievements – but only the strongest were forward looking, and managed to discuss what the future of development strategy may look like (e.g. issues such as the Sustainable Development Goals). It is not clear why but this essay was answered much more clearly focused on the specific question set than Question 2.

A good example of the difference between an assertion and a justified statement was: different countries need different approaches because there is no one size fits all policy. Whilst valid, it lacks any depth or critical awareness. Whereas stronger candidates used their knowledge of the Millennium Development Villages project to discuss the importance of context specific policies.

Strong candidates challenged the accuracy/reliability of measuring the MDGs and thus their usefulness for targeting future development strategy – whereas weak candidates merely identified that they were difficult to measure but not then showing critical awareness (many statistics are difficult to measure – that does not mean we should not try to measure them). Strong candidates here used this limitation of the MDGs to offer an MDG+ / SDG / future set of goals that had more accountability, transparency and legitimacy to them.

Basic responses pointed out the limitations of extending the MDGs (e.g. failure to achieve previous targets), but the best responses understood more nuanced issues, such as the fact that they focused too much on aims but with a lack of action plan – no advice on how to achieve them, so the next stage needs to be more intelligently designed.

The best responses gave some excellent case study examples to support their views, for example Chile's track record vs Pakistan's. But importantly did not just give a factual recall or data dump of their knowledge, but used this data to discuss the shape of future development strategy.

The use of China as an example of a country that has successfully helped MDG1 to be achieved, although without explicitly targeting it, but instead via economic growth, was used by many candidates as to whether the MDGs deserved to be celebrated and thus extended.

Good answers incorporated development growth models, including Endogenous Growth and Rostow's model, as a platform from which to assess future development growth strategy. This was integrated well into the essay by strong candidates, who stayed away from writing a purely factual recall style essay and incorporate good economic theory into their essay.

When using literature, some candidates did not show critical awareness that any author or theory represents one of a number of competing viewpoints. E.g. where Sachs' views were quoted, weaker candidates did not provide any reflection on his validity, whilst stronger candidates showed a counterbalance.

Strong candidates felt confident enough to challenge the question: the question assumes that we want a development strategy. Few candidates questioned the assumption that having a central 'plan' or 'strategy' is needed - there is a strong strand in the literature that argues against grand strategies.

The MDGs were a UN policy agreed by national governments. One candidate discussed who should run future development strategy e.g. NGOs, governments, CSO - would they be better? This kind of independent innovative approach is rewarded well on this paper.

Pleasingly, as opposed to last year, candidates were more selective with their use of quotes of development economists – hopefully learning from the Examiners' Report.

A reminder to Centres that the MDGs is more than just the LEDCs and Africa.

Question 4 Economic Thinkers and their relevance today

Key weakness on this question: A lack of understanding of the grey areas between the views of the thinkers (vs the textbook rhetoric).

This was the second year this topic area was examined and was the least popular question this year.

Unlike last year, responses were (on the whole) more refined, with few candidates purely regurgitating the views of the thinkers. However, links from the views of the thinkers to the specific quotes being examined in the question was a key differentiator. The quotes had specific phrases that could have been latched onto e.g. 'the lives of ordinary people', or 'recent economic experience'. Only the strongest candidates attempted to look at the specific quotes.

It was pleasing to see that candidates tended not to give a Paper 2 style response to market failures vs government intervention, as we had a tendency to see last year.

However, a surprising number failed to show any critical awareness about current knowledge of the application of these thinkers – a reminder that the question topic is 'Economic Thinkers *and their relevance today*'.

Good candidates kept grappling with (or at least trying to grapple with) where the thinkers would stand on the quotes offered – this was, after all, the specific question. But only the best were able to show they understood the grey areas and overlap in the thinkers' views (for example, the point that Smith was not all about unfettered free markets but understood that monopolies could harm societies (recent OFGEM discussion in UK); or that Keynes understood the role of free markets in investment decisions; or even Marx who conceded some ground too on the role of free markets to promote productive activities, if only at the expense of labourers). For example, Keynes would not advocate expansionary fiscal policy if the economy were at full employment, but only if ('in the long run, we are all dead') a negative output gap persisted. It was pleasing to see that Marx' School of thought was used in a more critically aware manner this year than last – and candidates did not reject it out of hand as a pointless theory but were more subtle with their critiques.

Furthermore, only the strongest were brave enough to argue that it was not a simple case of Marx and Smith agreeing with one quote and Smith the other. In fact, there were various aspects of the quotes that each thinker could arguably have (dis)agreed with. This kind of innovative, and independent, perspective is rewarded well and candidates are encouraged to be brave.

A warning to candidates to not go on auto-pilot and simply discuss the thinkers, but answer the specific question on the disagreement identified in the statements – this means referring to the quotes in their answer. Since the question was asking about the quotes, only the strongest discussed the notion of mixed economies in their answer, to reject the validity of any one, unique thinker's views being valid.

The best responses understood the nuances between the three thinkers and were able to show critical awareness of the subtleties between the three – many candidates generalised the three thinkers' views into neat boxes, but in reality their views were more complicated than is commonly understood – e.g. the difference between Keynes and Keynesianism; and it was refreshing for the best candidates to show this critical awareness.

Stronger candidates were able to look at the question in a global, international context – especially when looking for examples of recent experience that supported their judgements. Given the nature of the topic, candidates are encouraged to use real world examples to support their points, rather than purely the history of economic thought – for example, good candidates discussed real world examples where free markets had harmed the lives of ordinary people (the financial crisis in 2008) but also examples where it clearly had not (e.g. China, who adopted a Keynesian response to the same crisis). Some candidates used the failure of the former Communist Eastern European states as an example of why Friedman's quote was valid, but few displayed any critical awareness over this – there have been a variety of winners and losers under both the communist regime and the more liberal regimes.

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The above notwithstanding, there were answers of a good standard too. The candidates had grasped the ideas of the thinkers reasonably well and made a good attempt at applying them to present issues. It requires bravery to not tell us all of the theories and quotes they have learned, but greater selectivity is the key here to address the specific question.