GCSE

Economics

J205/01: Introduction to economics

General Certificate of Secondary Education

Mark Scheme for June 2025

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

MARKING INSTRUCTIONS

PREPARATION FOR MARKING
RM ASSESSOR

1. Make sure that you have accessed and completed the relevant training packages for on-screen marking: *RM Assessor Online Training*; *OCR Essential Guide to Marking*.

2. Make sure that you have read and understood the mark scheme and the question paper for this unit. These are posted on the RM Cambridge Assessment Support Portal http://www.rm.com/support/ca

3. Log-in to RM Assessor and mark the **required number** of practice responses (“scripts”) and the **number of required** standardisation responses.

   YOU MUST MARK 5 PRACTICE AND 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

MARKING

1. Mark strictly to the mark scheme.

2. Marks awarded must relate directly to the marking criteria.

3. The schedule of dates is very important. It is essential that you meet the RM Assessor 50% and 100% deadlines. If you experience problems, you must contact your Team Leader (Supervisor) without delay.

4. If you are in any doubt about applying the mark scheme, consult your Team Leader by telephone or the RM Assessor messaging system, or by email.

5. **Crossed Out Responses**
   Where a candidate has crossed out a response and provided a clear alternative then the crossed-out response is not marked. Where no alternative response has been provided, examiners may give candidates the benefit of the doubt and mark the crossed-out response where legible.

   Multiple Choice Question Responses
   When a multiple-choice question has only a single, correct response and a candidate provides two responses (even if one of these responses is correct), then no mark should be awarded (as it is not possible to determine which was the first response selected by the candidate).
   When a question requires candidates to select more than one option/multiple options, then local marking arrangements need to ensure consistency of approach.

Contradictory Responses
When a candidate provides contradictory responses, then no mark should be awarded, even if one of the answers is correct.

Short Answer Questions (requiring only a list by way of a response, usually worth only **one mark per response**)
Where candidates are required to provide a set number of short answer responses then only the set number of responses should be marked. The response space should be marked from left to right on each line and then line by line until the required number of responses have been considered. The remaining responses should not then be marked. Examiners will have to apply judgement as to whether a 'second response' on a line is a development of the 'first response', rather than a separate, discrete response. *(The underlying assumption is that the candidate is attempting to hedge their bets and therefore getting undue benefit rather than engaging with the question and giving the most relevant/correct responses.)*

Short Answer Questions (requiring a more developed response, worth **two or more marks**)
If the candidates are required to provide a description of, say, three items or factors and four items or factors are provided, then mark on a similar basis – that is downwards (as it is unlikely in this situation that a candidate will provide more than one response in each section of the response space.)

Longer Answer Questions (requiring a developed response)
Where candidates have provided two (or more) responses to a medium or high tariff question which only required a single (developed) response and not crossed out the first response, then only the first response should be marked. Examiners will need to apply professional judgement as to whether the second (or a subsequent) response is a 'new start' or simply a poorly expressed continuation of the first response.

6. Always check the pages (and additional objects if present) at the end of the response in case any answers have been continued there. If the candidate has continued an answer there, then add a tick to confirm that the work has been seen.

7. Award No Response (NR) if:
   - there is nothing written in the answer space

   Award Zero '0' if:
   - anything is written in the answer space and is not worthy of credit (this includes text and symbols).

   Team Leaders must confirm the correct use of the NR button with their markers before live marking commences and should check this when reviewing scripts.

8. The RM Assessor **comments box** is used by your team leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.**
   If you have any questions or comments for your team leader, use the phone, the RM Assessor messaging system, or e-mail. **Do not refer to any confidential content in email.**

9. Assistant Examiners will send a brief report on the performance of candidates to their Team Leader (Supervisor) via email by the end of the marking period. The report should contain notes on particular strengths displayed as well as common errors or weaknesses. Constructive criticism of the question paper/mark scheme is also appreciated.

10. For answers marked by levels of response:
    a. **To determine the level** – start at the highest level and work down until you reach the level that matches the answer
    b. **To determine the mark within the level**, consider the following

Descriptor	Award mark
On the borderline of this level and the one below	At bottom of level
Just enough achievement on balance for this level	Above bottom and either below middle or at middle of level (depending on number of marks available)
Meets the criteria but with some slight inconsistency	Above middle and either below top of level or at middle of level (depending on number of marks available)
Consistently meets the criteria for this level	At top of level

11. **Annotations**

These are the annotations, (including abbreviations), including those used in RM Assessor.
Annotate **every** response, even if no credit is given. All non-levels Qs, the number of ticks must match the mark awarded.
For levels Qs the highest level must be annotated e.g. L3.
Use ticks on levels answers if this aids your marking.
The number of ticks must never exceed the number of marks awarded.

Annotation	Meaning
✓	Tick
✗	Cross
?	Unclear
AN	Analysis
APP	Application
BOD	Benefit of the doubt
EVAL	Evaluation

Annotation	Meaning
K	Knowledge & Understanding
L1	Level one
L2	Level two
L3	Level three
NAQ	Not answered question
OFR	Own figure rule
TV	Too vague

Highlighting is also available to highlight any particular points on the script.

BP to be inserted on every blank page

SEEN to be inserted in every question space where NR is the mark.

12. **Subject Specific Marking Instructions**

Levels of response / Level descriptors	Knowledge and understanding	Application	Analysis	Evaluation
Good	**Good** knowledge and understanding of the theory stated or referred to in the question. All the terms/theoretical concepts are explicitly or implicitly understood.	**Good** application of knowledge to a given scenario. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is good understanding of all the relevant elements of the scenario.	**Good** analysis of the effect of xxxx. There is correct analysis in the form of developed links. These links are developed through a chain of reasoning which addresses the question. Any relevant diagram(s) are predominantly correct and linked to the analysis.	**Good** evaluation with a fully supported judgement that is developed from a weighing up arguments/both sides/comparing alternatives.
Reasonable	**Reasonable** knowledge and understanding of the theory stated or referred to in the question. Most of the terms/theoretical concepts are explicitly or implicitly understood.	**Reasonable** application of knowledge to a given scenario. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is understanding of some the relevant elements of the scenario.	**Reasonable** analysis of the effect on xxxx. There is correct analysis largely in the form of single effects. These address the question but are not developed into a clear chain of reasoning. The relevant diagram(s), if present, may be improperly labelled or not linked to the analysis.	**Reasonable** evaluation of xxx considering arguments/both sides/comparing alternatives. There may be a judgement, but this will not be fully supported.
Limited	**Limited** knowledge and understanding of the theory stated or referred to in the question. Some of the terms/theoretical concepts are explicitly or implicitly understood.	**Limited** application of knowledge to a given scenario. There is an attempt to use/adapt/change the terms/theoretical concepts in the context.	**Limited** analysis of the effect on xxxx. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis.	**Limited** evaluation of xxx that may include an incomplete consideration of arguments/both sides/comparing alternatives with unsupported statements.

SECTION A

Question	Key	AO	Quantitative skills
1	**C**	1b	
2	**D**	1a	
3	**A**	2	
4	**B**	2	
5	**C**	1b	
6	**C**	1b	
7	**A**	1b	
8	**C**	2	Yes
9	**A**	1a	
10	**D**	2	
11	**C**	2	
12	**B**	1b	
13	**A**	2	
14	**B**	1b	
15	**C**	1a	
16	**D**	1b	
17	**A**	1b	
18	**D**	2	
19	**B**	1b	
20	**A**	1b	

SECTION B

Question		Answer	Mark	Guidance
21	(a)	**Explain why improving local roads is an external economy of scale.** **Answers might include:** • External economies are those that a firm benefit from, due to a growth in the size of the industry or its location • They are outside of a firm's control • They are available to all firms in the industry • Has not had to pay for it, but it brings advantages • Will allow it to transport goods faster (so cheaper) • More people are able to purchase goods **ARA**	**2** AO 1b	Award 1 mark for a basic statement of an idea of extern al economies of scale. Award 1 additional mark for some elaboration related to a road or a business.
21	(b)	**Explain one other way banks can help Letusprovide Ltd to grow.** **Answers might include:** • Provide overdrafts • Offer advice • Offer services e.g. insurance • Pay interest on deposits/savings • Foreign Exchange services • Issues credit/debit cards **ARA**	**2** AO2	Award 1 mark for a way. Award 1 additional mark for some development of this statement re growth. NB: A list of possible ways is only worth 1 mark. NB: No reward for: a simple reference to 'borrowing' – excluded in the question; or for investment; or for cutting interest rates to help expenditure.

Question		Answer	Mark	Guidance
21	(c)	**Analyse the effect of a reduction in interest rates on Letusprovide Ltd.** **NB** There are: 1 Knowledge mark [K]; 2 Application marks [App]; and 3 Analysis marks [An] available, but **no** Evaluation marks **NB**: A diagram is **not** required, but should be credited with K and An if provided up to a total of 2 marks. **Knowledge might include:** • Explanation of what interest rates are e.g. the cost of borrowing and/or reward for saving • Loans/overdrafts are cheaper/pay back less **Application might include:** • Allow the business to borrow [£10 000] more cheaply. • Interest rates fell from 6% to 5% • Help them to grow the business. **Analysis might include:** • Lower opportunity cost of investing rather than saving • Consumers may demand more food products • Invest more leading to increase in output • Invest in internal economies of scale • Lower the firm's costs/prices they charge • Interest rate cut may not be enough so little/no effect • Consumers lack confidence so no rise in demand • Investment depends on return compared to interest rates • Earn less interest so have less for investment **ARA**	**6** 1x AO1a 2x AO2 3x AO3a	*All level descriptors describe the **TOP** of the level – please read guidance at the beginning of the mark scheme regarding best fit approach.* **Level 3 (5-6 marks)** (AO1a – 1 mark, AO2 – 2 marks, AO3a – 3 marks = 6 marks) **Reasonable** knowledge and understanding. All of the terms/theoretical concepts are explicitly or implicitly understood. **Reasonable** application of the effect of a fall in interest rates on businesses. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is understanding of some of the relevant elements of the scenario. **Good** analysis of the likely effect of a fall in interest rates on businesses. There is correct analysis in the form of developed links. These links are developed through a chain of reasoning which addresses the question. Any relevant diagram(s) are predominantly correct and linked to the analysis. **Level 2 (3-4 marks)** (AO1a – 1 mark, AO2 – 1 mark, AO3a – 2 marks = 4 marks) **Reasonable** knowledge and understanding. Most of the terms/theoretical concepts are explicitly or implicitly understood. **Limited** application of knowledge to the likely effect of a fall in interest rates on businesses. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Reasonable** analysis of the effect of a fall in interest rates on businesses. There is correct analysis, largely in

Question		Answer	Mark	Guidance
				the form of single effects. These address the question but are not developed into a clear chain of reasoning. The relevant diagram(s), if present, may be improperly labelled or not linked to the analysis. **Level 1 (1-2 marks)** (AO1a – 1 mark, AO2 – 0 marks, AO3a – 1 mark = 2 marks) **Reasonable** knowledge and understanding. Some of the terms/theoretical concepts are explicitly or implicitly understood. **No** application of knowledge to the likely effect of a fall in interest rates on businesses. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Limited** analysis of the likely effect of a fall in interest rates on businesses. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis or have ignored the Extract. **0 marks** Response is not worthy of credit. **N.B. Any other relevant points and/or evidence of learners' understanding of the connections between the various topics of both components to be credited.**

Question		Answer	Mark	Guidance
21	(d)(i)	**Calculate the saving that Letusprovide Ltd will make if it borrows £10 000 at a 5% rate of interest instead of 6%.** 6% of £10000 = $\frac{6}{100}$ x 10000 = £600 5% of £10000 = $\frac{5}{100}$ x £10000 = £500 [1 mark] Difference = £600 - £500 = **£100** [1 mark] Alternative method 6%-5%=1% [1 mark] $\frac{1}{100}$ x £10000 = **£100** [1 mark]	**2** AO 2	Award 2 marks for the correct answer (with or without workings). OFR applies for a maximum of 1 mark.
21	(d)(ii)	**State two reasons why businesses compete.** **Answers might include:** • To enter a market • To survive in a market • To increase revenue/sales/reputation/recognition • To make a profit/profit maximisation • To increase market share/gain customers/build loyalty • Become a monopoly/force competitors out **ARA**	**2** AO 1a	Award 1 mark for each correct reason, up to a maximum of 2 marks. Be careful of repetition If more than 2 reasons are given, the first 3 can be accepted NB no marks for just stating: market share, revenue, profit, etc.

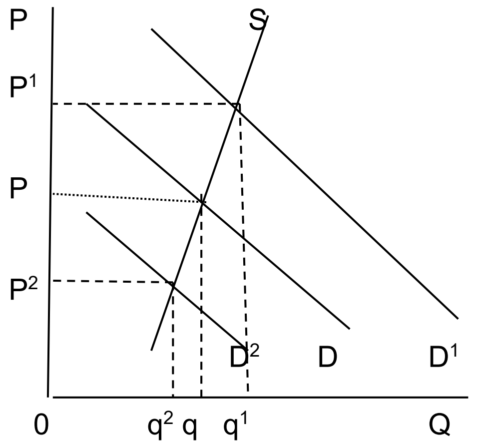
Question		Answer	Mark	Guidance
21	(d)(iii)*	**Evaluate the extent to which competition is beneficial for consumers.** **NB** There are: 1 Application mark [App]; 2 Analysis marks [An]; and 3 Evaluation marks [Eval] available. There are **no Knowledge** marks. NB The question is about the **consumer** and **not** Letusprovide Ltd or producers. **Application might include:** • Fair competition/not unfair • More choice [implied] • Smaller firms might not be able to gain the same economies of scale as large firms. **Analysis might include:** • Fall in prices/prices more competitive • Improved quality of products • Improved consumer service • Innovation/invention • Greater choice [developed] • Greater consumer sovereignty • Improved standard of living. **Evaluation might include:** • Advertising/marketing may persuade consumers to buy products they do not need • Low prices may disguise hidden costs [c.f. low-cost airlines] • Lower quality/cut corners • May lead to dangerous products. • Will consider whether disadvantages of competition might outweigh the benefits for consumers.	**6** 1xAO2 2xAO3a 3xAO3b	*All level descriptors describe the **TOP** of the level – please read guidance at the beginning of the mark scheme regarding best fit approach.* **Level 3 (5-6 marks)** (AO2 – 1 mark, AO3a – 2 marks, AO3b – 3 marks = 6 marks) **Good** application of knowledge of the effects of competition on consumers. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is good understanding of all the relevant elements of the scenario. **Reasonable** analysis of the effects of competition on consumers. There is correct analysis of the effects of competition on consumers, largely in the form of single effects. These address the question but are not developed into a clear chain of reasoning. The relevant diagram(s), if present, may be improperly labelled or not linked to the analysis. **Good** evaluation of the extent to which competition is beneficial for consumers with a fully supported judgement that is developed from a weighing up arguments/both sides/comparing alternatives. *There is a well-developed and detailed line of reasoning which is coherent and logically structured. The information presented is entirely relevant and substantiated.* **Level 2 (3-4 marks)** (AO2 – 1 mark, AO3a – 1 mark, AO3b – 2 marks = 4 marks) **Good** application of knowledge of the effects of competition on consumers. The terms/theoretical

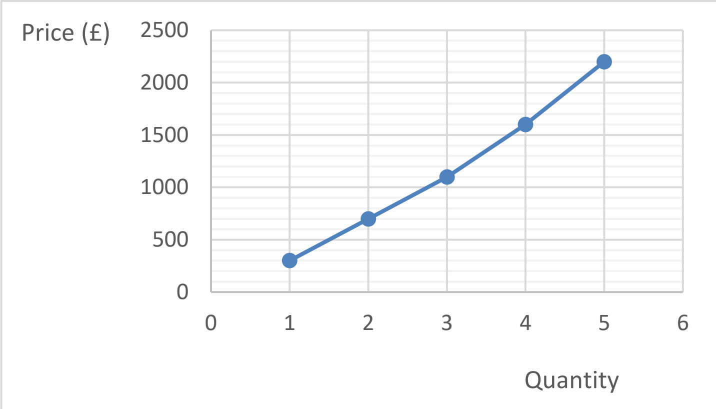
Question		Answer	Mark	Guidance
		• Will the increased choice exceed the potential higher costs? • Will competition prove destructive so that some businesses are forced out of the industry? • Increased competitive activity may create other hazards, such as more traffic on the road causing environmental issues. • Monopolies may be better for consumers than competition **NB the extent to which must be addressed for more than 2 Evaluation marks** **ARA**		concepts are used/adapted/changed in the context of the given scenario. There is good understanding of all the relevant elements of the scenario. **Limited** analysis of the effects of competition on consumers. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis. **Reasonable** evaluation of the extent to which competition is beneficial for consumers considering arguments/both sides/comparing alternatives. There may be a judgement, but this will not be fully supported. *There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.* **Level 1 (1-2 marks)** (AO2 – 0 marks, AO3a – 1 mark, AO3b – 1 mark = 2 marks) **No** application of the effects of competition on consumers. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Limited** analysis of the effects of competition on consumers. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis. **Limited** evaluation of the extent to which competition is beneficial for consumers that may include an incomplete consideration of arguments/both sides/comparing alternatives with unsupported statements

Question		Answer	Mark	Guidance
				Information presented is basic and may be ambiguous or unstructured. The information is supported by limited evidence. **0 marks** Response is not worthy of credit. **N.B. Any other relevant points and/or evidence of learners' understanding of the connections between the various topics of both components to be credited.**

Question		Answer	Mark	Guidance
22	(a)	**Explain what is meant by 'their supply is price inelastic'.** • The percentage change in quantity supplied is less than the percentage change in price **or** the percentage change in price is greater than the percentage change in quantity supplied. • PES is between 0 and 1. **ARA**	**2** AO 1a	Award 2 marks for a clear explanation Award 1 mark for a statement with some validity. **NB** the question says 'their' so as it is not perfectly inelastic an answer in terms of perfectly inelastic is worth just 1 mark
22	(b)	**Explain the role of the market in determining equilibrium price and quantity.** **Answers might include:** • The market is assumed to always move towards the equilibrium price and quantity/bringing buyers and sellers together to determine price • It is where supply equals demand • It helps to set the market clearing price • Too much supply will force price down; too much demand will force prices up (and vice-versa) • Changes in supply or demand will cause prices to establish a new equilibrium point. **ARA**	**2** AO 1b	Award 1 mark for a basic statement such as where S=D Award 1 more mark for an explanation of this statement. NB the question asks for the role of the market and **not** a pure definition

Question		Answer	Mark	Guidance
22	(c)	**Using a diagram, analyse the possible consequences of a movement along ALASA's supply curve.** **NB** There are: 1 Knowledge mark [K]; 2 Application marks [App]; and 3 Analysis marks [An] available, but **no** Evaluation marks **NB**: A diagram is required to gain 5 or 6 marks i.e. the diagram is worth 2 marks with 1 for Knowledge and 1 for Analysis. NB: This question is not about profit or revenue **Knowledge might include:** • Correctly drawn and labelled axes and initial supply [and demand] curve/s • Outward shift in demand would lead to higher prices/greater revenue/income and vice versa **Application might include:** • Increase in the quantity required if price rises and decrease if price falls. • Supply is price inelastic • If consumers want more musicians they must expect to pay an increasing rate, to justify higher transport and practice costs. **Analysis might include:** • Shift in the demand curve correctly drawn or indicated and labelled on the diagram [only 1 shift is required] • Clear explanation of what the diagram shows • Higher/lower pay for the musicians depending on price movement	**6** 1x AO1a 2x AO2 3x AO3a	*All level descriptors describe the **TOP** of the level – please read guidance at the beginning of the mark scheme regarding best fit approach.* **Level 3 (5-6 marks)** (AO1a – 1 mark, AO2 – 2 marks, AO3a – 3 marks = 6 marks) **Reasonable** knowledge and understanding. All of the terms/theoretical concepts are explicitly or implicitly understood. **Reasonable** application of the effect of the possible consequences of a movement along the supply curve. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is understanding of some of the relevant elements of the scenario. **Good** analysis of the possible consequences of a movement along the supply curve. There is correct analysis in the form of developed links. These links are developed through a chain of reasoning which addresses the question. Any relevant diagram(s) are predominantly correct and linked to the analysis. **Level 2 (3-4 marks)** (AO1a – 1 mark, AO2 – 1 mark, AO3a – 2 marks = 4 marks) **Reasonable** knowledge and understanding. Most of the terms/theoretical concepts are explicitly or implicitly understood. **Limited** application of knowledge to the possible consequences of a movement along the supply curve. There is an attempt to use/adapt/change the terms/theoretical concepts in the context.

Question		Answer	Mark	Guidance
		• Higher price/demand may encourage greater competition as more musicians enter the market • Fall in price might force them out of the market • Reference to PES **ARA** **Diagram: 1K + 1 An available.**  **NB only one change** in the demand curve need be shown. Supply curve must **not** be perfectly elastic. **NB** If the answer refers only to ticket sales/concerts then a candidate can achieve L2 4 marks, i.e. K + App + 2An		**Reasonable** analysis of the possible consequences of a movement along the supply curve. There is correct analysis, largely in the form of single effects. These address the question but are not developed into a clear chain of reasoning. The relevant diagram(s), if present, may be improperly labelled or not linked to the analysis. **Level 1 (1-2 marks)** (AO1a – 1 mark, AO2 – 0 marks, AO3a – 1 mark = 2 marks) **Reasonable** knowledge and understanding. Some of the terms/theoretical concepts are explicitly or implicitly understood. **No** application of knowledge to the possible consequences of a movement along the supply curve. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Limited** analysis of the possible consequences of a movement along the supply curve. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis or have ignored the Extract. **0 marks** Response is not worthy of credit. **N.B. Any other relevant points and/or evidence of learners' understanding of the connections between the various topics of both components to be credited.**

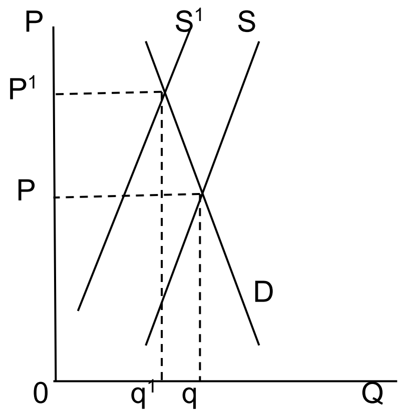
Question		Answer	Mark	Guidance
22	**(d)(i)**	**Using the information in Extract 2, draw the supply curve for ALASA.** 	**2** AO2	Award 2 marks for a correctly drawn line (no need to label the line) Award 1 mark for a line with at least <u>three</u> correct points plotted. Maximum 1 mark if the points are correct, but are **not** joined up including a straight line joining the first and last points only The information in Extract 2 must be used for marks to be gained. Ignore any extensions which may be drawn.
22	**(d)(ii)**	**Calculate ALASA's total revenue from two musicians being hired for two separate concerts after the price reduction.** £700 – £50 = £650 [1] x 2 = **<u>£1300</u>** [1]	**2** AO2	Award 2 marks for the correct answer (with or without workings). The first figure must come from the table in Extract 2 OFR applies for a maximum of 1 mark.

Question		Answer	Mark	Guidance
22	(d)(iii)*	**Evaluate the importance for consumers of ALASA having a price inelastic supply.** **NB** There are: 1 Application mark [App]; 2 Analysis marks [An]; and 3 Evaluation marks [Eval] available. There are **no Knowledge** marks. **NB** PES refers to the number of musicians NOT to tickets/concerts **Application might include:** • Understanding of inelastic supply e.g. - Price changes more/larger %, than quantity - Consumers have to pay much more to get another musician [without any figures] **Analysis might include:** • Will have to pay more to get more musicians – cost of 5 is much greater than cost of just 1 x 5 • May not be able to get more than 5 • To bring in more musicians may be very costly • A negative effect on consumers' ability to buy other products/standard of living **Evaluation might include:** • Consumers may opt to not hire any of the musicians or only 2 of them: reduction in consumer satisfaction • If ALASA work more/longer then PES becomes more elastic • Consumers may opt to hire other musicians • Effect will depend on how much consumers want to hear these 5 musicians i.e. PES may be unimportant • There may be other factors which are more important than PES such as conditions of demand	**6** 1xAO2 2xAO3a 3xAO3b	*All level descriptors describe the **TOP** of the level – please read guidance at the beginning of the mark scheme regarding best fit approach.* **Level 3 (5-6 marks)** (AO2 – 1 mark, AO3a – 2 marks, AO3b – 3 marks = 6 marks) **Good** application of knowledge of the effects of inelastic supply on consumers. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is good understanding of all the relevant elements of the scenario. **Reasonable** analysis of the effects of PES on consumers. There is correct analysis of the effects of price inelastic supply on consumers, largely in the form of single effects. These address the question but are not developed into a clear chain of reasoning. The relevant diagram(s), if present, may be improperly labelled or not linked to the analysis. **Good** evaluation of the effects of price inelastic supply on consumers with a fully supported judgement that is developed from a weighing up arguments/both sides/comparing alternatives. *There is a well-developed and detailed line of reasoning which is coherent and logically structured. The information presented is entirely relevant and substantiated.* **Level 2 (3-4 marks)** (AO2 – 1 mark, AO3a – 1 mark, AO3b – 2 marks = 4 marks) **Good** application of knowledge of the effects of price inelastic supply on consumers. The terms/theoretical

Question		Answer	Mark	Guidance
		NB importance for consumers of ALASA must be addressed for more than 2 Evaluation mark **ARA**		concepts are used/adapted/changed in the context of the given scenario. There is good understanding of all the relevant elements of the scenario. **Limited** analysis of the effects of price inelastic supply on consumers. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis. **Reasonable** evaluation of the effects of price inelastic supply on consumers considering arguments/both sides/comparing alternatives. There may be a judgement, but this will not be fully supported. *There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.* **Level 1 (1-2 marks)** (AO2 – 0 marks, AO3a – 1 mark, AO3b – 1 mark = 2 marks) **No** application of the effects of price inelastic supply on consumers. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Limited** analysis of the effects of price inelastic supply on consumers. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis. **Limited** evaluation of the effects of price inelastic supply on consumers that may include an incomplete consideration of arguments/both sides/comparing alternatives with unsupported statements.

Question		Answer	Mark	Guidance
				Information presented is basic and may be ambiguous or unstructured. The information is supported by limited evidence. **0 marks** Response is not worthy of credit. **N.B. Any other relevant points and/or evidence of learners' understanding of the connections between the various topics of both components to be credited.**

Question		Answer	Mark	Guidance
23	(a)	**Explain what is meant by the primary sector.** • The direct use of natural resources/raw materials, such as the extraction of basic materials and goods from land and sea • For example, agriculture, fishing, forestry, mining, and quarrying	2 AO1a	Award 2 marks for a clear explanation which may include some examples. Award 1 mark for a basic statement such as 'the direct use of natural resources **or** an example.
23	(b)	**Explain how the Asian Hornet can affect the producer's role in the economy.** **Answers might include:** • Reduce the output they supply • May deter people from being (primary) producers • May lead them to raise prices **ARA**	2 AO1b	Award 1 mark for a basic statement, e.g. including an explanation of the role of the producer Award 1 additional mark for development of this statement. No credit for change in revenue. NB the question is about producers' role **not** workers.
23	(c)	**Using a diagram, analyse the effect of the spread of the Asian Hornet on the equilibrium price and quantity of food.** **NB** There are: 1 Knowledge mark [K]; 2 Application marks [App]; and 3 Analysis marks [An] available, but **no** Evaluation marks **NB**: A diagram is required to gain 5 or 6 marks i.e. the diagram is worth 2 marks with 1 for Knowledge and 1 for Analysis **Knowledge might include** • Correctly drawn and labelled axes and initial supply and demand curves: • Price of food will rise • Quantity of available food will fall	6 1x AO1a 2x AO2 3x AO3a	*All level descriptors describe the **TOP** of the level – please read guidance at the beginning of the mark scheme regarding best fit approach.* **Level 3 (5-6 marks)** (AO1a – 1 mark, AO2 – 2 marks, AO3a – 3 marks = 6 marks) **Reasonable** knowledge and understanding. All of the terms/theoretical concepts are explicitly or implicitly understood. **Reasonable** application of the effect on the equilibrium price and quantity of food of the spread of the Asian Hornet. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is understanding of some of the relevant elements of the scenario.

Question		Answer	Mark	Guidance
		Application might include: • It destroys honeybees and many other insects which pollinate plants, • Causes a fall in the level of production of most fruit and vegetable crops, • Can reduce quantity of food producers due to stings **Analysis might include:** • Correctly drawn and labelled shift in the supply curve • Clear explanation of what the diagram shows • Increase in price • Decrease in quantity supplied • As food tends to be inelastic in both supply and demand price will rise more than the fall in quantity Demand will exceed supply **ARA** **Diagram: 1K + 1 An available.**  NB		**Good** analysis of the possible effects on the equilibrium price and quantity of food of the spread of the Asian Hornet**.** There is correct analysis in the form of developed links. These links are developed through a chain of reasoning which addresses the question. Any relevant diagram(s) are predominantly correct and linked to the analysis. **Level 2 (3-4 marks)** (AO1a – 1 mark, AO2 – 1 mark, AO3a – 2 marks = 4 marks) **Reasonable** knowledge and understanding. Most of the terms/theoretical concepts are explicitly or implicitly understood. **Limited** application of knowledge to the effects on the equilibrium price and quantity of food of the spread of the Asian Hornet. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Reasonable** analysis of the effects on the equilibrium price and quantity of food of the spread of the Asian Hornet. There is correct analysis, largely in the form of single effects. These address the question but are not developed into a clear chain of reasoning. The relevant diagram(s), if present, may be improperly labelled or not linked to the analysis. **Level 1 (1-2 marks)** (AO1a – 1 mark, AO2 – 0 marks, AO3a – 1 mark = 2 marks) **Reasonable** knowledge and understanding. Some of the terms/theoretical concepts are explicitly or implicitly understood.

Question		Answer	Mark	Guidance
				No application of knowledge to the effects on the equilibrium price and quantity of food of the spread of the Asian Hornet. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Limited** analysis of the possible effects on the equilibrium price and quantity of food of the spread of the Asian Hornet. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis or have ignored the Extract. **0 marks** Response is not worthy of credit. **N.B. Any other relevant points and/or evidence of learners' understanding of the connections between the various topics of both components to be credited.**

Question		Answer	Mark	Guidance
23	(d)(i)	**Using the information in Extract 3, calculate the average cost of destroying the Asian Hornet in France, Italy, and the UK.** £10.5m + £8m + £7.6m = £26.1m / 3 (1) = **£8.7m** (1)	**2** AO2	Award 2 marks for the correct answer (with or without workings). £8 700 000 is also correct. Award 1 mark for £26.1m <u>or</u> £8.7 (no units). OFR applies for a maximum of 1 mark.
23	(d)(ii)	**Explain how the Asian Hornet can affect the interdependence of the factor and product markets.** **Answers might include:** • Interdependence is the effect/response of one market on/to the other • Producers will need fewer workers • Consumers are often workers so have less income • Consumers buy fewer products from the producers • Agricultural products are the components of many manufactured goods so prices may increase. • If workers get stung then fewer workers so less production **ARA**	**2** AO2	Award 1 mark for a basic statement. Award 1 additional mark for development of this statement, showing the interdependence.

Question		Answer	Mark	Guidance
23	(d)(iii)*	**Evaluate the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK.** **NB** There are: 1 Application mark [App]; 2 Analysis marks [An]; and 3 Evaluation marks [Eval] available. There are **no Knowledge** marks. **Social sustainability** – the impact of development or growth that promotes an improvement in quality of life for all, now and into the future. **Application might include:** • The hornet's sting can cause a severe reaction and in extreme cases leads to death. • The annual cost of destroying the nests to get rid of the Asian Hornet is estimated to be £7.6 million for the UK. [must be UK] • Destroys honeybees and many other insects which pollinate plants, • fall in the level of production of most fruit and vegetable crops, **Analysis might include:** **Negative effects:** • Fall in quality of life - especially in the countryside • Decline in economic sustainability/higher prices • Decline in quality of life and wellbeing • Decline in environmental sustainability • Fewer renewable resources • Cost of losses and dealing with it including opportunity cost **Evaluation:**	**6** 1xAO2 2xAO3a 3xAO3b	*All level descriptors describe the* ***TOP*** *of the level – please read guidance at the beginning of the mark scheme regarding best fit approach.* **Level 3 (5-6 marks)** (AO2 – 1 mark, AO3a – 2 marks, AO3b – 3 marks = 6 marks) **Good** application of knowledge of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is good understanding of all the relevant elements of the scenario. **Reasonable** analysis of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK. There is correct analysis of the effects of competition on consumers, largely in the form of single effects. These address the question but are not developed into a clear chain of reasoning. The relevant diagram(s), if present, may be improperly labelled or not linked to the analysis. **Good** evaluation of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK with a fully supported judgement that is developed from a weighing up arguments/both sides/comparing alternatives. *There is a well-developed and detailed line of reasoning which is coherent and logically structured. The information presented is entirely relevant and substantiated.* **Level 2 (3-4 marks)** (AO2 – 1 mark, AO3a – 1 mark, AO3b – 2 marks = 4 marks)

Question		Answer	Mark	Guidance
		• Depends on whether the Asian Hornet gets a foothold in the UK • Depends on actions by UK Government, including the size of the opportunity cost of expenditure and its impact and/or sources of finance for this spending • May depend on whether firms are capital or labour intensive • Could be positive as control might lead to other benefits e.g. overall better pest control/innovations in farming/1 etc. • May lead to more imports , but not if France etc • Comparison with France etc. **NB**: '**the extent to which'** and **'social sustainability' must be directly addressed for more than 2 Evaluation mark.**		**Good** application of knowledge of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK. The terms/theoretical concepts are used/adapted/changed in the context of the given scenario. There is good understanding of all the relevant elements of the scenario. **Limited** analysis of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK. There is an attempt at analysis which may include a single effect that has some link to the question. Diagrams (if present) are unlikely to be correct and not linked to the analysis. **Reasonable** evaluation of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK considering arguments/both sides/comparing alternatives. There may be a judgement, but this will not be fully supported. *There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.* **Level 1 (1-2 marks)** (AO2 – 0 marks, AO3a – 1 mark, AO3b – 1 mark = 2 marks) **No** application of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK. There is an attempt to use/adapt/change the terms/theoretical concepts in the context. **Limited** analysis of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK. There is an attempt at analysis which may include a single effect that has some link to the question.

Question		Answer	Mark	Guidance
				Diagrams (if present) are unlikely to be correct and not 9999999999linked to the analysis. **Limited** evaluation of the extent to which the Asian Hornet will have a negative effect on the social sustainability of the UK that may include an incomplete consideration of arguments/both sides/comparing alternatives with unsupported statements *Information presented is basic and may be ambiguous or unstructured. The information is supported by limited evidence.* **0 marks** Response is not worthy of credit. **N.B. Any other relevant points and/or evidence of learners' understanding of the connections between the various topics of both components to be credited.**

ASSESSMENT OBJECTIVE GRID

Question	AO1a	AO1b	AO2	AO3a	AO3b	Total	Quantitative skills
Questions 1–20	3	10	7	-	-	**20**	2

Q21 Marks:	AO1a	AO1b	AO2	AO3a	AO3b	Total	Quantitative Skills
(a)		2				2	
(b)			2			2	
(c)	1		2	3		6	
(d) (i)			2			2	2
(d) (ii)	2					2	
(d) (iii)			1	2	3	6	
Total	**3**	**2**	**7**	**5**	**3**	**20**	**2**

Q22 Marks:	AO1a	AO1b	AO2	AO3a	AO3b	Total	Quantitative Skills
(a)	2					2	
(b)		2				2	
(c)	1		2	3		6	
(d) (i)			2			2	2
(d) (ii)			2			2	2
(d) (iii)			1	2	3	6	
Total:	**3**	**2**	**7**	**5**	**3**	**20**	**4**

Q23 Marks:	AO1a	AO1b	AO2	AO3a	AO3b	Total	Quantitative Skills
(a)	2					2	
(b)		2				2	
(c)	1		2	3		6	
(d) (i)			2			2	2
(d) (ii)			2			2	
(d) (iii)			1	2	3	6	
Total:	**3**	**2**	**7**	**5**	**3**	**20**	**2**
Section A total:	**3**	**10**	**7**	**-**	**-**	**20**	**2**
Section B total:	**9**	**6**	**21**	**15**	**9**	**60**	**8**
PAPER TOTAL	**12**	**16**	**28**	**15**	**9**	**80**	**10**

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