

**Economics Questions By Topic:** 

Conflicts & Trade-Offs Between
Objectives & Policies (2.6.4)
Mark Scheme

**A-Level Edexcel Theme 2** 

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# **Table Of Contents**

Section B	<b></b>	Page	1
Section C	· · · · · · · · · · · · · · · · · · ·	Page '	16

# **SECTION B**

Question Number	Indicative	e content	Mark
1	Kn	owledge 4, Application 2, Analysis 2,	
	quantitat	ank would use monetary policy (interest rates and ive easing) to control inflation: ther monetary policy in response to rising inflation by create a conflict with objective of low employment- Phillips curve the interest rates in response to rising inflation by create rising inequality if savers benefit and rowers suffer the interest rates in response to rising inflation by cause the sterling exchange rate to rise which in worsen the balance of payments on current count the interest rates likely to reduce the interest rates and th	(8)
Level	monetar Mark	y policy Descriptor	
Level	TIGIK	Descriptor	
	0	A completely inaccurate response.	
Level 1	1-2	Displays isolated or imprecise knowledge and under of terms, concepts, theories and models. Use of generic or irrelevant information or example Descriptive approach which has no chains of reason links between causes and consequences.	s.
Level 2	3-5	Displays elements of knowledge and understanding economic principles, concepts and theories.  Applies economic ideas and relates them to economic problems in context, although does not focus on the elements of the question.  A narrow response; chains of reasoning are developed the answer may lack balance.	nic e broad
Level 3	6-8	Demonstrates accurate knowledge and understandic concepts, principles and models.  Ability to link knowledge and understanding in contrelevant and focused examples which are fully integer integer in the conomic ideas are carefully selected and applied appropriately to economic issues and problems. The demonstrates logical and coherent chains of reasons.	ext using grated.



Question Number	Indicative	e content	Mark
1 continued	macroeco  UK  un  rea  If i  ine  Cu  ine	Evaluation 4  By not be a conflict between some conomic objectives:  If economy has had both low inflation and low employment recently so is the Phillips curve ally still valid?  Incomes keep pace with inflation then equality won't be an issue ting QE reduces asset prices thereby reducing equality spends on significance of change in monetary licy	(4)
Level	Mark	Descriptor	
	0	No evaluative comments.	
Level 1	1-2	Identification of generic evaluative comments without supporting evidence/reference to context. No evide logical chain of reasoning.	
Level 2	3–4	Evaluative comments supported by relevant reason appropriate reference to context.  Evaluation recognises different viewpoints and/or is the evidence.	_



Knowledge 4, Application 4, Analysis 6,  KAA:  Understanding of economic growth objective Implicit or explicit identification of the UK's macroeconomic objectives Relevant diagram, e.g. AD/AS diagram showing rightward shift in AD and/or AS curve  Potential conflicts include: Inflation rising as full capacity is approached – bottlenecks may arise where some restrictions in the supply chain cause cost and wage pressures Balance of payments position may deteriorate as incomes rise and more imports are demanded as UK has a high marginal propensity to import Growth should result in higher average living standards, but may not deliver a more fair or equitable distribution of income and wealth as rich tend to get rich faster than the poor do Increased growth tends to lead to high external costs / deterioration of the environment from congestion and pollution  Evaluation 6  Significance of the stage in trade cycle which the country is in, and implications for elasticity of AS If it is supply side growth (rather than demandicide) then fower conflicts with other biactives	
<ul> <li>Understanding of economic growth objective</li> <li>Implicit or explicit identification of the UK's macroeconomic objectives</li> <li>Relevant diagram, e.g. AD/AS diagram showing rightward shift in AD and/or AS curve</li> <li>Potential conflicts include:         <ul> <li>Inflation rising as full capacity is approached – bottlenecks may arise where some restrictions in the supply chain cause cost and wage pressures</li> <li>Balance of payments position may deteriorate as incomes rise and more imports are demanded as UK has a high marginal propensity to import</li> <li>Growth should result in higher average living standards, but may not deliver a more fair or equitable distribution of income and wealth as rich tend to get rich faster than the poor do</li> <li>Increased growth tends to lead to high external costs / deterioration of the environment from congestion and pollution</li> <li>Evaluation 6</li> <li>Significance of the stage in trade cycle which the country is in, and implications for elasticity of AS</li></ul></li></ul>	
<ul> <li>Inflation rising as full capacity is approached – bottlenecks may arise where some restrictions in the supply chain cause cost and wage pressures</li> <li>Balance of payments position may deteriorate as incomes rise and more imports are demanded as UK has a high marginal propensity to import</li> <li>Growth should result in higher average living standards, but may not deliver a more fair or equitable distribution of income and wealth as rich tend to get rich faster than the poor do</li> <li>Increased growth tends to lead to high external costs / deterioration of the environment from congestion and pollution</li> <li>Evaluation 6</li> <li>Significance of the stage in trade cycle which the country is in, and implications for elasticity of AS</li> <li>If it is supply side growth (rather than demand-</li> </ul>	
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country is in, and implications for elasticity of AS  If it is supply side growth (rather than demand-	
side) then fewer conflicts with other objectives  Initial state of inflation: reference to Figure 1  The rate of actual growth in comparison to the growth of the productive capacity  Proximity to full employment level of output  Full employment/fiscal position should not conflict with economic growth  Increase in AS tends to happen in the longer run  Extent of domestic economy's capacity to meet rising demand (i.e. if economy can supply wants)  Extent of country's international competitiveness  Extent of effectiveness of environmental policies  Balance of payments position may improve if it is export-led growth / if generated through increase in productivity (such as through investment)  Growth may lead to higher government revenues and scope to improve polluting old technologies  Developed economies may use green technology	



Knowledge, application and analysis			
Level	Mark	Descriptor	
	0	A completely inaccurate response.	
Level 1	1-3	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models.  Use of generic or irrelevant information or examples.  Descriptive approach which has no chains of reasoning or links between causes and consequences.	
Level 2	4-6	Displays elements of knowledge and understanding of economic principles, concepts and theories.  Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question.  A narrow response or superficial, two stage chains of reasoning only.	
Level 3	7-10	Demonstrates accurate knowledge and understanding of the concepts, principles and models.  Ability to apply economic concepts and relate them directly to the broad elements of the question with evidence integrated into the answer.  Analysis is clear and coherent, although it may lack balance. Chains of reasoning are developed but the answer may lack balance.	
Level 4	11-14	Demonstrates precise knowledge and understanding of the concepts, principles and models.  Ability to link knowledge and understanding in context using appropriate examples. Analysis is relevant and focused with evidence fully and reliably integrated.  Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.	

Evaluation	Evaluation			
Level	Mark	Descriptor		
	0	No evaluative comments.		
Level 1	1-2	Identification of generic evaluative comments without supporting evidence/reference to context.  No evidence of a logical chain of reasoning.		
Level 2	3-4	Evidence of evaluation of alternative approaches which is unbalanced leading to unsubstantiated judgements. Evaluative comments with supporting evidence/reference to context and a partially developed chain of reasoning.		
Level 3	5-6	Evaluative comments supported by relevant reasoning and appropriate reference to context.  Evaluation is balanced and considers the broad elements of the question, leading to a substantiated judgement.		



Question Number	Indicative content	Mark
3	<ul> <li>Knowledge 4, Application 4, Analysis 6,</li> <li>Implicit or explicit identification of the various UK's macroeconomic objectives</li> <li>Understanding of inflation</li> <li>May reduce growth owing to costs of inflation</li> <li>Reduction in purchasing power and real incomes</li> <li>Equality e.g. effect on those who have fixed incomes (are not protected by inflation) who are often the poorest</li> <li>May make the national debt smaller in real terms making it cheaper to finance and pay back</li> <li>Reduction in competitiveness of British goods which worsens the current account of the balance of payments deficit and reduces international competitiveness</li> <li>Unemployment may rise through increased levels of inefficiency and stagflation / using a Phillips curve</li> <li>Higher inflation associated with increasing AD may have detrimental impact on environment</li> <li>Possible beneficial effect on the environment as economic growth slows</li> <li>Loss of both business and consumer confidence</li> <li>The self-reinforcing effect on inflation through expectations: higher inflation as consumers get used to higher levels of inflation, they demand high wages to protect buying power of incomes</li> <li>NB KAA can be awarded for positive impacts on the objectives and evaluation as the negative impacts or vice versa</li> </ul>	(14)



Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1-3	Displays isolated or imprecise knowledge and understanding of terms, concepts, theories and models. Use of generic or irrelevant information or examples. Descriptive approach which has no chains of reasoning or links between causes and consequences.
Level 2	4-6	Displays elements of knowledge and understanding of economic principles, concepts and theories.  Applies economic ideas and relates them to economic problems in context, although does not focus on the broad elements of the question.  A narrow response or superficial, two stage chains of reasoning only.
Level 3	7–10	Demonstrates accurate knowledge and understanding of the concepts, principles and models.  Ability to apply economic concepts and relate them directly to the broad elements of the question with evidence integrated into the answer.  Analysis is clear and coherent, although it may lack balance. Chains of reasoning are developed but the answer may lack balance.
Level 4	11-14	Demonstrates precise knowledge and understanding of the concepts, principles and models.  Ability to link knowledge and understanding in context using appropriate examples. Analysis is relevant and focused with evidence fully and reliably integrated.  Economic ideas are carefully selected and applied appropriately to economic issues and problems. The answer demonstrates logical and coherent chains of reasoning.



Question	Indicative	e content	Mark
Number			
3 continued	pu be AD Int wa litt If the Im Im res	epends on the cause, (e.g. cost push or demand II) duration and magnitude of inflation – may discussed in recent context of the UK / using AS diagram flation might not translate through to higher ages and unemployment if the workforce has alle power growth is low, slightly higher inflation is worth a risk to avoid deflation or depression apact depends on the relative inflation rates apact of high inflation might depend on policy sponse - interest rates may have to be raised ther factors may have a larger effect: exchange the sible beneficial effect on the environment	(6)
Level	Mark	Descriptor	
	0	No evaluative comments.	
Level 1	1-2	Identification of generic evaluative comments without supporting evidence/reference to context.  No evidence of a logical chain of reasoning.	out
Level 2	3-4	Evidence of evaluation of alternative approaches when unbalanced leading to unsubstantiated judgements. Evaluative comments with supporting evidence/referenteets and a partially developed chain of reasoning	erence to
Level 3	5-6	Evaluative comments supported by relevant reason appropriate reference to context.  Evaluation is balanced and considers the broad eler the question, leading to a substantiated judgement	nents of



Question	Indicative content	Mark
Number	Indicative content	HUIK
*4	<ul> <li>Up to 6 marks</li> <li>Identification of fiscal policy as being demand-side macroeconomic policy (reward implicit understanding) (2)</li> <li>Identification of monetary policy as being demand-side macroeconomic policy (reward implicit understanding) (2)</li> <li>Identification of two macroeconomic objectives (1+1):         <ul> <li>Economic Growth</li> <li>Control of inflation</li> <li>Reduction in unemployment</li> <li>Making the distribution of income more equal</li> <li>Accept reduction of the national debt or balancing the budget</li> <li>Restoration of equilibrium in the balance of payments</li> <li>Protection of the environment</li> </ul> </li> <li>AD/AS diagram showing shift in AD curve consistent with analysis (4 marks); correct shift in line (1), lines labelled (1), axes labelled (price level and real GDP/output/income) (1), equilibria labelled (both original and new) (1).</li> </ul>	(30)
	Explanation of how the policies might conflict with UK macroeconomic objectives- 12 marks (3 x 4 marks; 2 x 6 marks); 1 mark for only an identification of a point, 2 marks for identification and very brief explanation, up to further 4 marks for analysis/development of the point	
	<ul> <li>Fiscal</li> <li>Increasing government spending increasing employment and/or growth. Potential conflict with inflation and a balanced budget.</li> <li>Reduction in taxation rates through borrowing or policy financed through lowering immediate tax burden increasing AD, increasing employment and/or growth. Potential conflict with inflation and a balanced budget.</li> <li>Fiscal contraction through reducing government spending. Potential conflict with growth and employment.</li> <li>Increasing taxation reducing inflation and/or improving government budget. Potential conflict with growth and employment.</li> </ul>	
	<ul> <li>Monetary</li> <li>Reduction in interest rates (or increase in money supply) increasing borrowing, reducing debt payments, increasing employment and growth. Potential conflict with inflation.</li> <li>Reduction in interest rates (or increase in money supply) weakening exchange rate and improving competitiveness, increasing employment and growth and improving the current account. Potential conflict with inflation.</li> </ul>	
	Reward other valid explanations	
	<ul> <li>Evaluation 12 marks (3 x 4 marks, OR 2 x 6 marks, OR 6 + 4 + 2 marks)</li> <li>Comments might include reference to         <ul> <li>If government increases spending on health/education AS will also increase so inflation might not occur</li> <li>If increased government spending increases growth this should increase tax revenues</li> <li>Lower interest rates might lead to increased investment causing AS to increase, reducing inflationary pressures</li> </ul> </li> </ul>	



- Relative merits of policies which justifies prioritisation
- · Other things being equal
- Tax cuts ineffective if used to increase savings or repay debts
- Cuts in Bank of England's interest rate ineffective if banks unwilling to lend or if banks do not reduce interest rates to customers
- Reduced impact of interest rate cuts as they near zero
- Long term debt payments to repay will reduce future living standards
- Time lag for full effect such as with interest rates (18-24 months)
- Depends on the elasticity of the AS
- Depends on magnitude of multiplier (i.e. increased savings ratio because of lack of confidence leading to lower multiplier)
- Magnitude of the changes
- Apparent conflict between expansionary monetary policy and attempts to have austerity in fiscal policy

# Quality of written communications will be assessed in this question based on the candidate's ability:

- To present an argument and conclude on the basis of that argument
- · To organise information clearly and coherently
- To use economic vocabulary appropriately
- To use grammar, spelling and punctuation appropriately

Level	Mark	Descriptor
Level 4	25-30	2 or 3 convincing conflicts with at least two evaluative points (an evaluation points is worth up to a maximum of 6 marks
Level 3	19-24	2 or 3 convincing conflicts with at least one evaluative point (mark cap to 18
		if no evaluation)
Level 2	7-18	2 or 3 convincing conflicts with no evaluative point; 1 or 2 less-convincing
		conflicts with some evaluation
Level 1	1-6	Identification of relevant points with or without brief evaluative keywords



Question	Answer	Mark
Number *5	KAA 18 marks	
	Identification of 3 macroeconomic objectives 6 marks (3 x 2 marks)  • Economic Growth  • Reduction in unemployment  • Making the distribution of income more equal  • Accept reduction of the national debt or balancing the budget  • Restoration of equilibrium in the balance of payments  • Protection of the environment  • Control of inflation	
	<ul> <li>Explanation of how the macroeconomic objective might be affected 12 marks (3 x 4 marks);</li> <li>May reduce growth owing to costs of inflation</li> <li>Unemployment may rise through increased inefficiency and stagflation</li> <li>Reduction in purchasing power and real incomes</li> <li>A higher rate of inflation associated with increasing AD may have a detrimental impact on the environment</li> <li>Effect on those who have fixed incomes (not protected by inflation) who are often the poorest</li> <li>May make the national debt smaller in real terms</li> <li>Reduction in competitiveness of British goods worsens balance of payments deficit</li> <li>Possible beneficial effect on the environment as growth slows</li> <li>Self reinforcing effect on inflation through expectations- higher inflation as consumers get used to higher levels of inflation they will demand higher wages to protect buying power of their incomes</li> <li>Loss of business and consumer confidence</li> </ul>	
	<ul> <li>Evaluation 12 marks (2 x 6 marks or 3 x 4 marks);</li> <li>Comments might include reference to</li> <li>Inflation currently not that high so impact on objectives not very large</li> <li>Growth already low so slightly higher inflation is worth the risk to avoid deflation or depression</li> <li>Possible beneficial effect on the environment as growth slows</li> <li>Inflation may not translate through to higher wages and unemployment as workforce have little union power</li> <li>Impact deepens on relative inflation rates</li> <li>National debt being made smaller may be limited by the depreciation of the exchange rate brought on by sustained inflation</li> <li>Other factors may have a larger effect the exchange rates or other macro objectives (ceteris paribus)</li> <li>Explanation of it being more costly to bring inflation down -interest rates may have to be higher for longer (or QE reversed more rapidly) in order to convince the workforce that the government's policy to reduce inflation is credible</li> </ul>	
	Ouality of written communications will be assessed in this question based on the candidate's ability:  • To present an argument and conclude on the basis of that argument  • To organise information clearly and coherently  • To use economic vocabulary appropriately  • To use grammar, spelling and punctuation appropriately	(30)



Level	Mark	Descriptor
Level 4	25-30	2 or 3 convincing effects with at least two evaluative points (an evaluation
		point is worth up to a maximum of 6 marks)
Level 3	19-24	2 or 3 convincing effects with at least one evaluative point (mark cap to 18 if
		no evaluation)
Level 2	7-18	2 or 3 convincing effects with no evaluative point; 1 or 2 less-convincing
		effects with some evaluation
Level 1	1-6	Identification of relevant effects with or without brief evaluative keywords



Question	Answer	Mark
Number		
6(a)	Inverse or negative relationship or trade off or if one is high the other is low, (2 marks)	(6)
	Explanation of the reason why this might be the case (2 x 2 or 1 x 4 marks) such as	
	<ul> <li>when nearing full employment or capacity the economy begins to overheat and prices rise (or cost push inflation from wage-price spiral)</li> </ul>	
	<ul> <li>Keynesian AS curve is upward sloping</li> <li>use of an AD/AS diagram or Phillips curve (up to 2 marks for diagrams)</li> </ul>	
	<ul> <li>Phillips Curve explained</li> <li>reverse analysis i.e. if unemployment is rising, then workers have less bargaining power and earnings growth will be slower</li> <li>incentive effect</li> </ul>	
	Alternatively, there is no relationship (2 marks) Explanation of the reason why this might be the case (2 x 2 or 1	
	<ul> <li>x 4 marks) such as</li> <li>If no relationship explain that the Phillips curve is unrealistic</li> <li>Any plausible analysis</li> </ul>	

ed, explain identification	(4)
rks) such as	
e random or don't follow a 993 to 1999 from 1993 to 1999 relationship e.g. 1993 to question is about	
r	om 1993 to 1999 elationship e.g. 1993 to



Question	Answer	Mark
Number		
*7	KAA 18 marks	
	Objectives and/or diagram up to 6 marks for:	
	Definition of macroeconomic objectives as the main aims of the government to achieve improved economic welfare (for all the population) (2 marks)  Output  Definition of macroeconomic objectives as the main aims of the government to achieve improved economic welfare (for all the population) (2 marks)	
	<ul> <li>Definition of Growth as an increase in either real and/or potential output (GDP) (2 marks)</li> </ul>	
	<ul> <li>Identification of any 2 other macroeconomic objectives that are adversely affected (2 marks maximum) such as</li> <li>Control of inflation (or price stability)</li> </ul>	
	<ul> <li>A fair or equitable distribution of income and wealth</li> <li>An external policy objective such as satisfactory balance of payments (e.g. restoration of equilibrium or reduction of the</li> </ul>	
	deficit) o Protection of the environment	
	<ul> <li>4 marks for any appropriate diagram: made up from: axes labelled (1 mark), equilibria labelled (1 mark), line(s) labelled (1 mark) and correct shift (1 mark).</li> </ul>	
	Explanation of at least two effects (up to a maximum of 12 marks); of which, up to 6 marks each for two effects explained in depth, or up to 4 marks for three effects explained clearly.	
	Inflation rising as full capacity is approached	
	<ul> <li>Balance of payments position may deteriorate as incomes rise and more imports are demanded</li> </ul>	
	<ul> <li>Growth should result in a higher average standard of living, but may not deliver a more fair or equitable distribution of income and wealth as the rich tend to get rich faster than the poor do</li> </ul>	
	<ul> <li>Increased growth tends to lead to a deterioration of the environment from congestion and pollution</li> </ul>	
	Examples of recent evidence should be credited	
	<ul> <li>Evaluation 12 marks (3 x 4 marks or 2 x 6 marks)</li> <li>significance of stage in trade cycle which the country is in and implications for elasticity of AS curve;</li> </ul>	



- If it is supply side growth (rather than demand-side) then fewer conflicts with other objectives
- Initial state and stability of inflation/deflation
- The rate of actually growth in comparison to the growth of the productive capacity
- Proximity to full employment (full output)
- Full employment (or low unemployment) shouldn't conflict
- Short run unemployment from introduction of new technology
- An increase in AS tends to happen in the longer run
- Extent of domestic economy's capacity to meet rising demand (i.e. if economy can supply most wants)
- Extent of the country's international competitiveness
- Redistributive policies of the political part in power
- Extent of the effectiveness of environmental policies
- Extent to which the growth is in tertiary sector or in primary and secondary sectors
- Balance of payments position may improve if it is export-led growth
- Balance of payments position may improve if growth if generated through an increase in productivity (such as through investment) resulting in a shift in AS to the right
- Growth may lead to higher government revenues and scope to improve public transport as well as tax polluting old technologies
- Developed economies may employ green technology

#### Quality of written communications will be assessed in this question based on the candidate's ability:

- To present an argument and conclude on the basis of that argument
- To organise information clearly and coherently
- To use economic vocabulary appropriately
- To use grammar, spelling and punctuation appropriately

Level	Mark	Descriptor
Level 4	25-30	2 or 3 convincing effects with at least two evaluative points (an evaluation point is worth up to a maximum of 6 marks)
Level 3	19-24	2 or 3 convincing effects with at least one evaluative point (mark cap to 18 if no evaluation)
Level 2	7-18	2 or 3 convincing effects with no evaluative point; 1 or 2 less- convincing effects with some evaluation
Level 1	1-6	Identification of relevant effects with or without brief evaluative keywords



Question Number	Answer	Mark
8	Knowledge, application and analysis (18 marks), of which:  • definition (2 marks): demand side policies refer to monetary and fiscal policy	
	<ul> <li>diagram (or equivalent) (4 marks) showing an increase to the right of AD</li> </ul>	
	<ul> <li>identification and link to two macroeconomic objectives (4 marks)</li> </ul>	
	<ul> <li>analysis (12 marks) of the effect of conflicts in macroeconomic objectives - award three factors (3 marks each); or two factors (6 marks each).</li> </ul>	
	<ul> <li>Factors might include:</li> <li>Phillips curve short run trade off</li> <li>expansionary policy causes growth but inflationary pressures occur</li> </ul>	
	<ul> <li>expansionary policies might increase employment but worsen the impact on the environment</li> <li>rises in interest rates can control inflation but worsen the distribution of income</li> </ul>	
	<ul> <li>cuts in interest rates can encourage growth but there is likely to be a worsening of the current account</li> <li>tight monetary policy can cause the value of the currency to rise increasing living standards but there is a worsening effect on the current</li> </ul>	
	account of the balance of payments.  Conflicts might include:  inflation and growth  inflation and employment  inflation and balance of payments issues  growth and environment  growth and income redistribution  growth and balance of payments issues	
	- or any other combination.	
	Evaluation (12 marks) - award three points up to 4 marks each or two well-developed points up to 6 marks each. Points might include:  • depends on elasticities, for example LRAS when AD shifts  • short run versus long run arguments, for example unemployment is a lagging indication  • prioritisation of objectives with justification	
	<ul> <li>other things are not equal - confidence, availability of credit or inter-bank lending rates might be a more important influence on consumer spending than the repo rate</li> <li>policies themselves might conflict</li> <li>unreliable or missing information.</li> </ul>	(30)

# **END OF SECTION B**



# **SECTION C**

Question Number	Indicative content	Mark
9	Knowledge 4, Application 4, Analysis 8, Evaluation 9	
	There may be a trade-off between environmental protection and other macroeconomic objectives, e.g.:	
	<ul> <li>Higher economic growth: this leads to more energy usage, much of this energy is still powered by non-renewable sources such as gas (especially in the UK) or coal (e.g. Germany)</li> <li>Inflation: measures to protect the environment (e.g. packaging modifications, recycling costs) may increase costs for firms, pushing up prices &amp; causing inflation</li> <li>Income inequality: Replacing non-renewable energy requires huge capital expenditure which may increase energy costs for poorer people, especially in developing countries</li> <li>Unemployment: Employees in polluting industries may lose their jobs if firms are forced to close due to government policies to reduce pollution</li> </ul>	
	<ul> <li>Increased economic growth means governments have more money to invest in environmentally-friendly solutions such as better public transport</li> <li>Firms may take this opportunity to increase their efficiency, e.g. new more environmentally friendly machinery may also be more efficient. Firms can make money from recycling products/using recycled products in production may be cheaper</li> <li>In the long term renewable energy will be cheaper for consumers and isn't subject to fluctuating world oil &amp; gas prices</li> <li>Many new jobs have been created in sectors such as renewable energy, research into carbon capture, and recycling</li> </ul>	
		(25)



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

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

# **END OF SECTION C**

