
GCSE ECONOMICS

413011/Unit 11 Personal Economics
Report on the Examination

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Unit 11: Personal Economics**General**

The quality of answers in this examination series was generally high and the standard set by earlier papers was broadly maintained in this session. The number of poor quality scripts was once again very low and overall, few students scored low marks on the paper. Students appeared to be well prepared for the paper. There was an improvement in the average performance on this paper which was in the context of a challenging paper. As a result, centres are to be commended for preparing their students effectively for this examination.

As stated on last year's report, centres have prepared students to meet the challenges posed by the higher mark Questions (1e, 2c and 3c) very well. Information provided in each of the three scenarios appeared to be understood and was utilised in the answers of the higher mark questions.

The number of students who had 'prepared' their evaluation for questions in advance was, again, in decline. Use of generic evaluation comments rarely gain credit and often reinforces the idea that evaluation will be limited to a lower level mark. It is pleasing to see that the number of students using clear and effective evaluation and judgement in their answers has risen. Poor and limited evaluation is now found in a minority of answers. This would confirm the belief that it is probably worth spending time with students in developing their ability to make evaluative judgements in their answer. One very pleasing development is that the number of answers with evaluative comments at the end of an answer which contradicted comments made earlier in the same answer are now well and truly a rare occurrence.

It is worth reiterating the pathways that can lead to the higher level judgement. Higher marks for evaluation can be arrived at from a number of routes. These would include, but would not always be limited, to any of the following:

- making a clear judgement as to which side of any argument was stronger and why
- highlighting what is the key factor in making the decision and justifying why this is the key factor
- relating the decision back to the character(s) used within the scenario.

Judgement need not be complicated but should be a genuine attempt to come to a decision backed up with justification.

As in line with previous exam sessions timing did not appear to be an issue and performance was generally consistent across the three questions.

Question 1

- (a) This was very well answered with the majority of students achieving both marks. Very few students did not have any idea of what the personal life cycle meant as a term.
- (b) A significant minority of students relied on reproducing the data from the table without making any observations on these figures and thus failed to score well. Better answers processed the data in some way (such as calculating the difference between expenditures), commented on the relative difference in the size of spending between the two groups or suggested possible reasons for the difference in spending.
- (c) This question was well answered with many students choosing from a variety of possible strategies, such as improving her employability by taking on training courses and looking for another job before she lost her current one. Once identified, the method was usually explained well. A minority of students described two different methods of saving. Nearly half of all students scored full marks on this answer.
- (d) Most students concentrated on two ways in which Troya might reduce her levels of spending and did not really consider other budgetary adjustments, such as reduced savings. Most answers made use of the data provided in table 1 to support their suggestions for reductions in spending. Often distinctions were made between categories of spending that would be easier to reduce because they were wants rather than needs.

Effective answers often looked at ways in which savings could be made within categories, such as by switching to a discount supermarket, or by turning off the heating/lighting in rooms where this was not needed.

A small (but noticeable) number of students thought it would make budgetary sense to take out a loan prior to Troya becoming unemployed to provide her with extra money, apparently forgetting about future repayments.

- (e) A common approach was to go through the advantages and disadvantages of each of the three borrowing methods, using Table 2 as the main focus. This approach usually meant that the candidate were unable to demonstrate any analytical skills and consequently failed to gain any L3 marks. Better answers used Item A to set the context for exploring the options open to Troya and the judgements reached were rationalised given her personal circumstances.

A significant number of students calculated the amount of interest that would be payable with the payday loan, but forgot that the loan was for a maximum of 60 days rather than a full year, so grossly overstated the amount to be paid back. Any incorrect calculation of interest payments did not penalise students' marks but would, of course, mean that time was wasted unnecessarily in the exam.

Question 2

- (a) There were many responses that merely identified an ICT method without showing how this would allow Troya to operate her business from home. Some answers focused on the merits of ICT in the workplace. To gain the maximum two marks, the students needed to explain how the ICT method allowed homeworking.
- (b) Many answers did not focus on why the government has these rules. Some gave reasons (eg to ensure employees paid tax) which were not necessarily introduced to protect employees as the question asked. Good answers explained how the government would benefit from the rule eg health and safety laws ensure fewer employees are injured at work thereby reducing the demand on NHS services; paying minimum wages reduces the need for benefit payments and would help eliminate poverty.
- (c) This was a challenging question which generated some very thoughtful answers. Many students recognised that not all young people would have the drive or inclination to start their own business and considered the possible waste of government funds on this project if these businesses failed and loans not repaid. Similarly the fairness of introducing tax concessions in favour of just young people was often considered. A good point made here was that it may simply lead to higher unemployment amongst the older portion of the population. Some misunderstood the lower tax option, thinking that it was the young employees that paid less tax, rather than the business taking them on. Those who analysed the issues often considered the effects on government tax revenues and expenditures, particularly on the local economy.

Question 3

- (a) This was well-answered with students usually able to identify two reasons and offering some explanation on each. Popular reasons included the positive effects on the balance of payments and economic growth, as well increasing the awareness of UK products abroad. Very few students could not access any of the marks on this question.
- (b) There are still too many students who fail to understand the effects of changes in the exchange rate, despite this appearing on many previous exam papers. In this scenario, the dollar was strong meaning, by implication, the pound was weak. This means that this should make it easier to export services to the USA. However, many used the idea of a stronger dollar to mean that Troya's earnings would be reduced as a result. Although it may have appeared that candidate should use the exchange rate in their answer, those who avoided the complexities of exchange rate usually scored much better than those who tried to include it. Clear explanations were rare here and full mark answers were only found in just over 2% of all answers.
- (c) Many students were able to present well-rehearsed arguments both for and against globalisation, such as the positive of the wider market to aim for, combined with the negative of increased competition, but failed to contextualise their answer to encompass small media businesses. Many answers looked at whether globalisation was good for the UK economy. Good answers recognised that a small UK media business would find it very difficult to compete with the media giants abroad, who are likely to be more cost efficient, and/or already have strong customer loyalty/awareness and the uncertainties of operating in unfamiliar markets where cultural tastes were different.

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