Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students’ responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students’ scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students’ reactions to a particular paper. Assumptions about future mark schemes on the basis of one year’s document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aqa.org.uk
Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows a description of the response at the middle of the level. There are marks in each level based on the division of the total number of marks for the question.

Before you apply the mark scheme to a student’s answer, read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student’s answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level, you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme, you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level, you need to decide on the mark. The descriptors on how to allocate marks will help with this. The exemplar materials used during standardisation will illustrate the performance needed to achieve a specific mark. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student’s answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner’s mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Examiners are required to assign each of the candidates’ responses to the most appropriate level according to its overall quality, then allocate a single mark within the level. When deciding upon a mark in a level examiners should bear in mind the relative weightings of the assessment objectives (see page 10) and be careful not to over/under credit a particular skill. For example, in question 33 more weight should be given to AO4 than to AO1, AO2 and AO3. This will be exemplified and reinforced as part of examiner training and standardisation.
SECTION A

The following list indicates the correct answers used in marking the candidates' responses.

**KEY LIST**

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 1 | B |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 16 | D |
| 2 | D |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 17 | D |   |   |
| 3 | B |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 18 | B |   |
| 4 | A |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 19 | B |   |
| 5 | C |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 20 | D |   |
| 6 | A |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 21 | C |   |
| 7 | B |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 22 | A |   |
| 8 | C |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 23 | D |   |
| 9 | A |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 24 | C |   |
|10 | A |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 25 | B |   |
|11 | A |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 26 | D |   |
|12 | D |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 27 | A |   |
|13 | B |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 28 | B |   |
|14 | C |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 29 | B |   |
|15 | D |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | 30 | A |   |


SECTION B

INVESTIGATION

Total for this Investigation: 50 marks

How does Brazil compare with the UK in relation to human capital and macroeconomic stability? You must use the data in Extract C to support your assessment.

[10 marks]

<table>
<thead>
<tr>
<th>Level of response</th>
<th>Response</th>
<th>Max marks</th>
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</table>
| 3                 | A good response that:  
• uses the data to compare Brazil with the UK in relation to both human capital and macroeconomic stability  
• is well organised and includes at least two relevant, well-developed comparisons for both human capital and macroeconomic stability  
• makes effective use of the data in Extract C for both comparisons  
• includes a supported final judgement of how Brazil compares with the UK in relation to both human capital and macroeconomic stability. | 8–10 marks |
| 2                 | A reasonable response that:  
• is likely to compare Brazil with the UK in relation to both human capital and macroeconomic stability but may only consider one of these  
• is fairly well organised and includes at least two relevant and fairly well-developed comparisons  
• includes some satisfactory use of the data in Extract C  
• at the top of the level, is likely to include a final judgement of how Brazil compares with the UK in relation to human capital and/or macroeconomic stability but the judgement is not very well supported. | 4–7 marks |
| 1                 | A weak response that:  
• is very brief and/or lacks coherence  
• might compare Brazil with the UK in relation to both human capital and macroeconomic stability but may only consider one of these  
• contains very limited or poor use of the data in Extract C  
• may include an unsupported judgement of how Brazil compares with the UK. | 1–3 marks |

When comparing Brazil and the UK, candidates must make use of data provided but may also use their own knowledge of the UK and possibly the Brazilian economy.
Relevant issues include:

**Macroeconomic stability:**
- real GDP growth
- unemployment
- inflation
- balance of payments
- public sector debt and the budget balance
- the structure of the economy.

**Human capital:**
- HDI
- Gini coefficient and income distribution
- years of schooling
- literacy
- life expectancy
- population size and structure.

For each comparison, they should include some explanation of why the factor contributes to either human capital or macroeconomic stability, and the significance, or otherwise, of the data in Extract C.

**MAXIMUM FOR QUESTION 31: 10 MARKS**
### [32] Explain how Brazil is likely to benefit from inward investment by a UK car manufacturer.

**[15 marks]**

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<thead>
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<th>Level of response</th>
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<th>Max 15 marks</th>
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| 3                 | **A good response provides an answer that:**  
  • is well organised and develops a selection of the key issues that are relevant to the question  
  • shows sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors  
  • includes good application of relevant economic principles and, where appropriate, good use of data to support the response  
  • includes well-focused analysis with clear, logical chains of reasoning. | 11–15 marks |
| 2                 | **A reasonable response provides an answer that:**  
  • focuses on issues that are relevant to the question  
  • shows satisfactory knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present  
  • includes reasonable application of relevant economic principles and, where appropriate, some use of data to support the response  
  • includes some reasonable analysis but which might not be adequately developed or becomes confused in places. | 6–10 marks |
| 1                 | **A weak response provides an answer that:**  
  • has one or more relevant issues identified  
  • has some limited knowledge and understanding of economic terminology, concepts and principles but some errors are likely  
  • has very limited application of relevant economic principles and/or data to the question  
  • might have some limited analysis but it may lack focus and/or become confused. | 1–5 marks |

**Relevant issues include:**

- impact on employment, unemployment and human capital
- impact on real GDP and aggregate demand
- multiplier and accelerator effects
- effects on long-run growth and productivity
- spill-over effects on other firms
- impact on the balance of payments: exports and import substitution
- impact on the budget balance and public sector debt
- may stimulate spending on improvements to the infrastructure

**MAXIMUM FOR QUESTION 32: 15 MARKS**
**Taking into account the news report, Extract D and the original evidence, do you recommend that the company should invest in Brazil? Justify your recommendation.**

**[25 marks]**

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<thead>
<tr>
<th>Level of response</th>
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<th>Max 25 marks</th>
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| 5                 | **Sound, focused analysis and well-supported evaluation that:**  
• is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors  
• includes good application of relevant economic principles and, where appropriate, good use of data to support the response  
• includes well-focused analysis with clear, logical chains of reasoning  
• includes supported evaluation throughout the response and in a final conclusion. | 21–25 marks |
| 4                 | **Sound, focused analysis and some supported evaluation that:**  
• is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors  
• includes good application of relevant economic principles and, where appropriate, some good use of data to support the response  
• includes some well-focused analysis with clear, logical chains of reasoning  
• includes some reasonable, supported evaluation. | 16–20 marks |
| 3                 | **Some reasonable analysis but generally unsupported evaluation that:**  
• focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of economic terminology, concepts and principles but some weaknesses may be present  
• includes reasonable application of relevant economic principles and, where appropriate, some use of data to support the response  
• includes some reasonable analysis but which might not be adequately developed or becomes confused in places  
• includes fairly superficial evaluation; there is likely to be some attempt to make relevant judgements but these aren't well-supported by arguments and/or data. | 11–15 marks |
| 2                 | **A fairly weak response with some understanding that:**  
• includes some limited knowledge and understanding of economic terminology, concepts and principles but some errors are likely  
• includes some limited application of relevant economic principles and/or data to the question  
• includes some limited analysis but it may lack focus and/or become confused  
• includes some evaluation which is weak and unsupported. | 6–10 marks |
| 1                 | **A very weak response that:**  
• includes little relevant knowledge and understanding of economic terminology, concepts and principles  
• includes analysis which is, at best, very weak  
• includes attempted evaluation which is weak and unsupported. | 1–5 marks |
Relevant issues and areas for discussion include:

- the stability of the Brazilian economy
- political and social stability
- the rule of law and corruption
- whether the investment is likely to be profitable and whether it is secure
- the nature of any capital controls
- the infrastructure in Brazil
- the skills and abilities of the workforce
- financial and other support from the government
- regulations on business
- the tax regime; both corporate and individual taxes
- availability of finance
- the prospects for future growth of the Brazilian economy
- the size of the Brazilian car market and the potential for future growth
- access and proximity to businesses that can support the car industry, eg component suppliers
- potential for exporting cars from Brazil, eg access to other markets in the Americas
- the prospects for the value of the Brazilian currency, the real, and its stability

An answer that does not include any evaluation or a supported recommendation must not be awarded more than 13 marks.

MAXIMUM FOR QUESTION 33: 25 MARKS

Total for this Investigation: 50 marks
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