



A LEVEL ECONOMICS

7136/2 The National and International Economy
Report on the Examination

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General Introduction to the November Series

This has been an unusual exam series in many ways. Entry patterns have been very different from those normally seen in the summer, and students had a very different experience in preparation for these exams. It is therefore more difficult to make meaningful comparisons between the range of student responses seen in this series and those seen in a normal summer series. The smaller entry also means that there is less evidence available for examiners to comment on.

In this report, senior examiners will summarise the performance of students in this series in a way that is as helpful as possible to teachers preparing future cohorts while taking into account the unusual circumstances and limited evidence available.

Overview of Entry

In total, fewer than 200 students sat the paper in comparison to a normal entry of over 12000. As mentioned in the general introduction, the preparation and entry of the students were quite different from previous entries and it was felt that the standard of answers seen was weaker than previous series.

Question papers are always designed to give equal access to students and provide opportunity to test any part of the specification, students invariably gravitate to one question or another based upon either topics they feel more comfortable with or areas they have found easier to understand. This year, the majority of students (57%) decided to go for the first context, however many never fully got to grips with the 25-mark question. In the essays, there was a preference for the second essay which was answered by 50% of students with essays 1 and 3 both getting 25% of responses.

Economics is one of the subjects where up to date knowledge of current affairs plays a vital role in answers and it was encouraging that many students applied their knowledge suitably, such as using examples of recent government policy changes or initiatives.

Comments on Individual Questions

Question 1

This question required students to calculate a mean unemployment rate from figure 1. Most students successfully did this with a minority of students either using the underemployment data or dividing by the wrong number. The stumbling block for several students though, was not following the instruction to give the answer to 1 decimal place. It is worth reminding centres that a method mark is now available on this type of question which allowed many students to gain at least one mark.

Question 2

Students were asked to explain why figure 2 highlighted the problem of poor real wage growth in the UK. Although there is no requirement to define key terms in this type of question, understanding the link between inflation and wage growth should have set the students up for an easy explanation of this data. In practice, many students struggled to accurately use the data or explain the issues. As a result, the mean score on this question was below half marks. A minority of students confused the two lines in the figure and some students assumed that a slowing down of average earnings growth meant that wages were falling, this clearly hindered answers.

Question 3

In this question, students were required to use a diagram to explain how productivity improvements should lead to rising real GDP. Many students understood the concepts involved and used suitable diagrams to illustrate the issues. Mark schemes provide examples of expected diagrams, however, any suitable diagram is accepted as long as it is analysed correctly. On this question, there was an over-reliance, by some students, on just describing the diagram rather than the process the diagram is illustrating. A minority of students also explained how productivity improvements could lead to rising AD through things such as improved exports which was impressive.

Question 4

The responses to question 4 in general were quite disappointing. Despite being given several steers in the extracts, many students failed to fully understand what “free market” supply-side reforms are. Many students unwittingly discussed interventionist policies. Some students found it difficult to explain issues and there was some over reliance on the data provided. The mean score on this question was almost 4 marks lower than the equivalent question in context 2. The question itself was quite open in asking for the effects on the “UK economy” but some students could not link the issues to macroeconomic objectives or the effects on individuals or firms.

Question 5

Students were effectively required to calculate a ratio. They had to work out the proportion of the value of imports from China to the US compared to the exports. Most students were able to do this successfully, however, as in question 1, many students lost marks by either missing the \$ sign or not giving the answer to 2 decimal places. The mean response was slightly lower than the equivalent question on context 1.

Question 6

Question 6 required students to explain why the US may be considering implementing protectionist policies. There were two main issues the students were expected to pick up on. Firstly, the large trade deficit throughout the period and secondly the fact the deficit was growing. Use of data was much better in the responses seen in comparison to question 2. A minority of students made small errors such as not using \$ signs or not quoting data as “billions”.

Question 7

In this question, students were required to explain how the imposition of a tariff would affect the volume of imports. As can be seen from the data, the mean mark on this question was 6.68 which meant that most answers were into level 3. In general, students drew accurate diagrams and described the process much better than the equivalent question in context 1. Some students did explain the diagram rather than describe the process which limited their scores. A minority of students used incorrect axis on the diagrams.

Question 8

The essay question in context 2 asked students to explain whether protectionist policies would aid economic development in developing economies such as Brazil or China. Students scored much higher on this compared to the equivalent question in context 1. Many students considered different forms of protectionism and used the data in the extracts to explain the costs and benefits of protectionism. Most students were also able to link this back to economic development and considered the effects on individuals and standards of living.

Question 9

The first of the essays required students to explain the possible causes of a falling budget deficit. It was surprising that several students confused this issue and explained causes of a rising budget deficit. Most students were able to identify issues affecting tax revenue and government spending, however, many students were not able to explain the causes of the changes. Better students accurately used diagrams to illustrate the issues raised. A mean score of 6.85 illustrates the issue that there were many students who gave disappointing answers for this question.

Question 10

Question 10 asked students to consider whether reducing the budget deficit is a more important target compared to the current account deficit. Students generally struggled with the concepts. Many focussed on the methods of reduction and provided good, relevant analysis. The more able students analysed and evaluated the effects of reducing both. A minority of students confused the current account with the budget. The mean score of 10.39 demonstrates the disappointing nature of the responses to this question.

Question 11

For this question, students were asked to explain how demand-side and supply-side shocks might lead to a rise in unemployment. Many students brought in knowledge of the pandemic into this response and explained how recent events could lead to rising unemployment. Most students purely focused answers on demand deficiency (even when analysing supply-side shocks) without considering different types of unemployment. Most students were stronger on the demand-side compared to supply-side.

Question 12

Surprisingly, responses to question 12 tended to be quite weak although the mean score of 12.12 shows that it was the highest scoring response of the essay questions. Many students were able to explain why trade-offs or conflicts may occur, but not how they could be achieved simultaneously. Students often used Phillips curve analysis or AD/AS diagrams to illustrate issues. Many students did not even consider the effects of supply-side policies or how macroeconomic objectives don't necessarily conflict.

Question 13

For this question, students were asked to analyse how an appreciation of currency can affect economic growth. There was a steer in the question which indicated this may harm growth, although some students argued it was likely to boost growth. Many students were able to successfully analyse the impact on relative prices of imports and exports and the resultant impact on AD. Most students developed their analysis further with diagrams either showing AD falling or the rise of AD slowing down. Only a minority of students considered the impact on firms and investment spending. Some students attempted to evaluate this answer. It is worth reminding centres that in questions 9, 11 and 13 there are no evaluation marks available.

Question 14

Question 14 required students to evaluate the costs and benefits of joining a currency union. Sadly, many students misinterpreted the question and evaluated whether joining a trading bloc or free trade area would be beneficial. For those that did focus on the question, many didn't consider some of the main issues such as the restriction this places on the freedom to operate monetary policy. Students appeared to struggle to incorporate diagrammatic analysis into their answers on this question. A large amount of answers were left unfinished in comparison to previous series

(which was also true of questions 10 and 12). The mean score of 9.52 illustrates this was the lowest score of all the 25-mark questions as students struggled to get out of level 2.

Concluding Remarks

As mentioned before, this was an unusual year in terms of entry and the students who took the exam were certainly not representative of a typical cohort.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.