



---

# GCSE

# ECONOMICS

8136/1 How Markets Work  
Report on the Examination

---

8136  
June 2022

---

Version: 1.0

---

---

Further copies of this Report are available from [aqa.org.uk](http://aqa.org.uk)

Copyright © 2022 AQA and its licensors. All rights reserved.  
AQA retains the copyright on all its publications. However, registered schools/colleges for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to schools/colleges to photocopy any material that is acknowledged to a third party even for internal use within the centre.

## General

This was the first series to be completely assessed by external examination since 2019. Students and centres were given advance information of the topics which were assessed for all but the multiple choice questions, in order to account for the effects of disruption to teaching and learning over the previous two years due to the Covid-19 pandemic.

Overall student performance was broadly in line with that of the first set of exams for the current specification sat in 2019. The publication of advance information ahead of the 2022 exam appears to have aided students in identifying key areas of knowledge tested, with the vast majority of students being able to access all questions on the paper. However, in line with points emphasised in AQA's feedback course for this specification in Autumn 2019, there are still key aspects of analysis, application and evaluation skills which students would benefit from developing ahead of future exams.

## Section A

### Multiple Choice Questions 1-10

In general there was an incline of difficulty to the multi-choice questions, with earlier questions proving very straightforward, while later questions proved more challenging.

For example, 89% of students correctly identified answer key B on Q3 about disadvantages of specialisation, while 54% correctly identified answer key D on Q8 about values for price elasticity of supply. It was slightly surprising that only 42% of students correctly identified answer key A as the example of a fixed cost in Q7, suggesting a gap in some students' understanding.

### Question 11

As the first written question on the paper, the majority (around 65%) of students were able to correctly state 2 characteristics of a competitive market. Around 10% of students scored 0 marks on what should have been a straightforward question of knowledge. Some of these had stated characteristics of a non-competitive market.

### Question 12

This question required the identification and brief explanation of one economy of scale. 70% of students were able to access 2 marks but nearly as many scored 0 marks as 1 mark, suggesting a knowledge gap for some. Indeed, 2.9% of students did not attempt this question, which was the highest non-attempted percentage on the paper.

### Question 13

30% of students were able to identify a factor that could lead to an increase in the equilibrium price of carpets, scoring 1 mark. However only 55% were able to explain how the factor would lead to a rise in price. Many of the students scoring 0 or 1 mark muddled demand and supply factors or muddled increases or decreases in demand and supply. Although a basic understanding of demand and supply has been on the GCSE Economics specification since 2017 (with first exams in 2019) this suggests that there are still some students who do not appear to have a secure understanding of demand and supply. Centres should refer to the content of 3.1.3 on the specification 'How prices are determined'.

**Question 14.1**

Just under half of students (47%) scored 2 marks on this question which involved a partial calculation of price elasticity of demand. The majority of students who scored 0 or 1 mark had inverted the formula, therefore obtaining an answer of  $(-)$ 0.8. Similar to the comment for the previous question, an understanding of elasticity has been on the specification since 2017 and it is clear that some students have not familiarised themselves with this concept fully. Centres should refer to section 3.1.3.5 in the specification.

**Question 14.2**

Just under 45% scored 2 marks on this question, although 23% were able to identify a factor which could affect the price elasticity of demand for lawnmowers and therefore score 1 mark. Many of these seemed to confuse factors which would shift the demand or supply curve for a product rather than a factor affecting the responsiveness of demand to a change in price.

**Question 15**

40% of students were able to access Level 3 on this 6 mark question. The best answers produced 1 or 2 logical chains of reasoning, making good use of Figure 1/Table 1 to analyse the potential drawbacks and/or benefits of the structure of the UK petrol station market.

**Question 16**

This proved to be a very straightforward question overall with 90% of students being able to correctly identify two factors of production.

**Question 17**

This was a slightly more challenging question with 56% able to score 2 marks and 31% scoring 1 mark. The question required students to identify and explain a potential opportunity cost faced by a firm making a decision about whether or not to buy a machine. A number of students identified a relevant issue but were unable to explain why there might be a trade-off or loss of benefit from the next best alternative given up.

**Question 18**

Nearly 70% of students were able to identify and explain a reason why an individual's wants may change over time, scoring the full 2 marks. Most answers gave reasons relating to changes in incomes, social trends or stages in an individual's life cycle.

**Question 19.1**

This calculation proved relatively challenging, with only 36% of students able to score the full 2 marks for calculating average cost. As indicated in question 7, this may suggest a gap in some students' understanding of concepts relating to firms' costs of production.

**Question 19.2**

This was answered more successfully than the first part of question 19, with 56% of students able to identify and explain a possible business objective, scoring 2 marks. Just over a third of students (36%) were able to pick up 1 mark by correctly identifying a business objective.

**Question 20**

Just under half of students (47%) scored the full 3 marks for correctly illustrating a leftwards shift of a supply curve in a fully labelled diagram. Around 28% only scored 1 mark, for correctly labelling the original equilibrium, including original demand and supply. As mentioned in question 13, and as identified in a previous AQA feedback course, some students still seem to struggle with basic

---

understanding of demand and supply. It is therefore recommended that centres give sufficient attention to this important aspect of the specification (3.1.3 How prices are determined).

### **Question 21**

This is a 9 mark question, including 6 marks for demonstrating AO3 skills of analysis and evaluation. It was pleasing that almost 46% of students secured Level 3 for this question, scoring 7-9 marks. The best answers produced one or two logical chains of reasoning and presented a conclusion which was supported by the preceding arguments. These answers also made effective use of the source information to support the key points. However, 49% of all responses were at Level 2, scoring 4-6 marks. While these answers typically began one or more chains of reasoning, they were often relatively brief at the lower end and usually included a conclusion which was only partially justified or loosely supported by the preceding argument(s).

## **Section B**

### **Question 22**

This proved to be a straightforward question with just under two thirds of students scoring the full 2 marks.

### **Question 23**

This proved to be a relatively difficult question for most students, with only 35% able to access the full 3 marks. Most students calculated 20% of the gross income of £32300 but only a minority were able to deduct the tax-free allowance prior to this. Advice here would be for centres to provide plenty of calculation practice for students, given that a significant proportion of the total marks for GCSE Economics are for demonstrating a range of quantitative skills.

### **Question 24**

In this 6 mark question it was pleasing that a majority (51%) were able to access Level 3 marks, with 22% scoring the full 6 marks. The best answers typically contained one or two logical chains of reasoning, using prompts in the source material such as differences in skills, qualifications and work experience. The 37% of students scoring marks in Level 2 typically were able to identify one or two relevant causes of wage differentials but then presented brief or incomplete chains of reasoning.

### **Question 25**

This 6 mark question saw a similar profile of performance as question 24. 50% of students scored 5 or 6 marks, with the best of these identifying two correct methods the government could be used to reduce wage differentials and then presenting a clear explanation of how each could work.

### **Question 26**

The longest question on the paper has 15 marks in total, with 10 of these given to the AO3 skills of analysis and evaluation. It is therefore important that students practise structuring extended arguments including a fully justified conclusion. Students do not need to write overly long answers for this question; it is the quality of the answer which is important and some of the best answers showed evidence of having considered a brief plan. The best answers clearly considered both sides of the argument as to whether the government should do more to reduce wage differentials. There was also plenty of relevant information for students to utilise to support their arguments and the best answers were able to build this into their responses. Around 50% of students were able to

access at least Level 4 marks (10 or more out of 15), with 14% securing Level 5 marks. Around 34% of students scored Level 3 marks, in the 7-9 mark range. These students could mainly improve their performance by extending their chains of reasoning and/or making sure to include more detail in their final conclusions so that their final judgements are clearly justified.

### **Mark Ranges and Award of Grades**

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