



GCSE

ECONOMICS

8136/1 Paper 1 How markets work
Report on the Examination

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General

This was the second series to be completely assessed by external examination since 2019 and the first since 2022 where students and centres were not given advance information of the topics to be assessed, 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. However, the removal of advance information led to some apparent gaps in students' knowledge with an increase in the proportion of questions not attempted compared to 2022. In line with points emphasised in previous AQA feedback courses for this specification there are still important fundamental aspects of knowledge, 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 multiple choice questions, with earlier questions proving very straightforward, while later questions proved more challenging.

For example, 96% of students correctly identified answer key C on Q01 about the meaning of an equilibrium price, while 60% correctly identified answer key A on Q07 about reasons for price elasticity of supply. As in previous years' examinations, questions which proved most challenging were those covering aspects of demand, supply, elasticity and the costs of firms.

Question 11

As the first written question on the paper, the majority (around 65%) of students were able to correctly state two different examples of the factor of production known as land. Around 20% of students scored 0 marks on what should have been a straightforward question of knowledge. Some of these had given examples of other factors of production such as capital and enterprise.

Question 12

This question required the identification and brief explanation of one reason why an individual may have to make an economic choice. 50% of students were able to access 2 marks, identifying issues such as limited income compared with unlimited wants, with 30% scoring 1 mark. Some students gave answers about irrelevant economic groups such as firms or governments and so were not answering the question set. Just over 2% failed to attempt this question.

Question 13

Over 20% of students were able to identify a benefit of specialisation for an individual worker, such as higher productivity or efficiency, scoring 1 mark. Almost 72% were able to further explain how this would benefit the worker, eg in terms of higher pay or chance of promotion.

Question 14.1

Only just over a quarter of students scored 2 marks on this question which required a calculation of average fixed costs. As noted above in the section on multiple choice questions, and in a similar question in 2022 (Q19.1) understanding of the costs of production remains an area of weakness for some students. Centres should refer to section 3.1.4.1 in the specification.

Question 14.2

Nearly 60% scored 2 marks on this question, with the majority of students being able to identify a business objective such as profit maximisation and subsequently explain why it might be a possible objective for an entrepreneur such as a surfboard maker, eg providing a reward for the risk taken.

Question 15

33% of students were able to access Level 3 on this 6 mark question about possible reasons for differences in the values of price elasticity of demand of two common items. The best answers produced 1 or 2 logical chains of reasoning, making good use of the elasticity values in Figure 1 to support their analysis. The majority of students did not exceed Level 2, however, and over 10% scored 0 in this question, often stating that bread was price elastic and the car price inelastic. This highlights another key area of potential weakness. Centres should refer to section 3.1.3.5 of the specification.

Question 16

Just under half of students were able to correctly identify two features of a non-competitive market. In what again was expected to be a straightforward question of basic knowledge, many of those who scored 0 marks (22%) stated characteristics of a competitive market. Centres should refer to section 3.1.5.3 of the specification.

Question 17

This proved to be a slightly more challenging question with less than half (40%) able to score 2 marks and 16% scoring 1 mark. The question was asking about potential problems of growth such as diseconomies of scale, which the best responses concisely explaining problems such as difficulties with control and communication as firms get bigger. 42% scored 0 marks, with many weaker responses missing the focus of the question and stating problems with a lack of demand. Centres should refer to section 3.1.4.3 of the specification.

Question 18

Half of all students were able to identify and explain a key economic decision for a producer referring directly or indirectly to the key economic questions of what, how and for whom, or the concept of opportunity cost. Around 20% of students scored 0 marks, with many repeating answers to 14.2 about a possible business objective.

Question 19.1

Just over half of students were able to score the full 2 marks for a calculation of annual net pay. Those scoring 1 mark (37%) or 0 marks (9%) often either missed the requirement to multiply the monthly value by 12, or added the deductions to gross pay.

Question 19.2

This was answered more successfully than the first part of question 19, with 70% of students able to identify and explain a possible reason why a vet may earn more than a cleaner, such as differences in the level of training or education required. A quarter of students were able to pick up 1 mark by correctly identifying a potential reason but were then unable to provide a clear explanation.

Question 20

As last year, just under half of students scored the full 3 marks for correctly illustrating a leftwards shift of a demand curve in a fully labelled diagram. Around 25% only scored 1 mark, for correctly labelling the original equilibrium, including original demand and supply. 21% of students scored 0 marks, often labelling demand and supply curves the wrong way round or even lacking the basic understanding of how to draw a demand or supply curve. As identified in previous AQA feedback courses, some students still seem to struggle with a 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 was a 9 mark question, including 6 marks for demonstrating AO3 skills of analysis and evaluation. 30% 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 in Figure 3 and Table 3 to support the key points, such as in relation to price, choice, convenience and quality. However, 54% 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**

What should have been a relatively straightforward definition proved to be a challenging question for most, with only 25% of students scoring the full 2 marks. There were some excellent, concise definitions, however. 33% scored 0 marks, with many of these answers mentioning social objectives, social care or social housing.

Question 23

44% of students were able to access the full 3 marks on this calculation question. Many students got muddled with billions and millions and so gave answers which were incorrect by a factor of one thousand. 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 is for demonstrating a range of quantitative skills.

Question 24

In this 6 mark question 37% were able to access Level 3 marks, with 12% 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 references to inequality and regional unemployment. The 39% of students scoring marks in Level 2 typically were able to identify one or two relevant impacts on labour markets of the partial cancellation of HS2 but then presented brief or incomplete chains of reasoning. This question had the highest percentage not attempted by students at just over 3%.

Question 25

This 6 mark question saw a similar profile of performance as Question 24. 44% of students scored 5 or 6 marks, with the best of these identifying two possible external benefits of the HS2 project. Some students focused on the private benefits of the project.

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 overall benefits of HS2 are likely to be greater than the costs. There was some excellent evaluation which reflected upon short and long run considerations as well as the degree of uncertainty surrounding the estimates of costs and benefits. There was plenty of relevant information in the Items for students to utilise to support their arguments and the best answers were able to build this into their answers.

Around 50% of students were able to access at least Level 4 marks (10 or more out of 15), with 12% 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.