Cambridge IGCSE™

ECONOMICS **0455/22**

Paper 2 Structured Questions **February/March 2026**

MARK SCHEME

Maximum Mark: 90

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the February/March 2026 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1: Marks must be awarded in line with: • the specific content of the mark scheme or the generic level descriptors for the question • the specific skills defined in the mark scheme or in the generic level descriptors for the question • the standard of response required by a candidate as exemplified by the standardisation scripts.
GENERIC MARKING PRINCIPLE 2: Marks awarded are always **whole marks** (not half marks, or other fractions).
GENERIC MARKING PRINCIPLE 3: Marks must be awarded **positively**: • marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate • marks are awarded when candidates clearly demonstrate what they know and can do • marks are not deducted for errors • marks are not deducted for omissions • answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.
GENERIC MARKING PRINCIPLE 4: Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

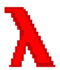
Annotations guidance for centres

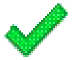
Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

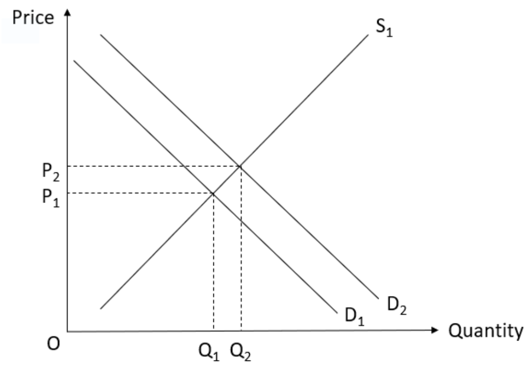
The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Uncertain what the candidate means – an illogical line of thought
BOD	Benefit of the doubt
BP	Blank page
	Caret – a word is missing.
CON	Confused
	Cross
Highlighter	Highlight
L0	Nothing creditworthy
L1	Level 1

Annotation	Meaning
L2	Level 2
L3	Level 3
MAX	MAX
NAQ	Not answered question
NE	Not established – a statement made without any support
REP	Repetition
SEEN	SEEN
	Tick – a credit worthy point
TV	Too vague
On-page comment	To be used when a candidate has misidentified a question they have answered e.g.: This is an answer to **Q4(c)** and not **Q5(c)**.

Question	Answer	Marks	Guidance
1(a)	**Calculate the value of Senegal’s workers’ remittances in 2023.** \$2.79bn (1).	**1**	Accept: 2.79bn or (\$)2.8bn. (\$)2 790 000 000 2.79×10^9 Do **not** accept \$2.7bn.
1(b)	**Identify two influences on household spending in Senegal.** Two from: • income/wages/remittances (1) • interest rates (1) • confidence (1)	**2**	If more than 2 influences are given, consider the first 3.
1(c)	**Explain one cause of a decrease in the quality of land used in agriculture in Senegal.** Droughts / extreme heat/weather (1) reduce/degrade the fertility of land / kill off crops / reduced yield (1).	**2**	One mark for a reason identified and one mark for an explanation. If more than 1 cause is given, consider the first 2.
1(d)	**Explain how greater use of capital equipment in agriculture could reduce the deficit on Senegal’s current account of its balance of payments.** May increase productivity/output/production (1) reduce costs of production (1) lower price of Senegal’s agricultural goods/increase price competitiveness (1) improve quality of Senegal’s agriculture goods (1) grow a greater variety of crops (1) reduce imports (expenditure) (1) increase exports (revenue) (1) reduce a current account deficit/create a balance/surplus (1).	**4**	

Question	Answer	Marks	Guidance
1(e)	**Draw a demand and supply diagram to show how more people trying to lose weight would affect the market for sorghum.** Coherent analysis which might include: D&S diagram: Axes correctly labelled – price and quantity **or** P and Q (1). Original demand and supply curves correctly labelled (1). New demand curve shifted to the right, with label (1). Equilibriums – shown by lines P_1 and Q_1 and P_2 and Q_2 or equilibrium points marked as E_1 and E_2 (1).	4	 **Note:** If the only annotation on the axis is the P and Q used to identify the equilibrium values then these can also be taken as proxy axis labels and awarded the first mark.

Question	Answer	Marks	Guidance
1(f)	**Analyse the relationship between GDP per head and the percentage of the population living in poverty.** <u>Relationship (up to 2 marks)</u> Indirect/negative/inverse (1) as GDP per head falls, (percentage of population living in) poverty rises (1). <u>Evidence (up to 2 marks)</u> Iceland has the highest GDP per head, and the lowest poverty/the four countries with the highest GDP per head have the lowest poverty (1). Senegal has the lowest GDP per head, and the second highest poverty/ Papua New Guinea has the second lowest GDP per head and the highest poverty/ the two countries with the lowest GDP head, Papua New Guinea and Senegal have the lowest GDP per head and the highest rate of poverty (1). Comparison quoting two countries statistics (e.g. Canada and Romania when GDP per head decreases the percentage of the population living in poverty increases) (1). <u>Explanation (up to 2 marks)</u> Low GDP per head may mean people have limited access to necessities (1) low GDP per head may mean less access to education/healthcare (1) tax revenue may be low and so state benefits may be low (1) savings and investment may be low (1). <u>Exception (up to 2 marks)</u> Papua New Guinea/Senegal (1) Papua New Guinea has a higher GDP per head than Senegal but a higher rate of poverty (1). <u>Explanation of exception (1 mark)</u> Income may be more evenly distributed in Senegal (1) Senegal may be produce more goods and services that are not measured in GDP (1).	**5**	Responses do not have to be in the format suggested but they should address the expected/normal relationship, offer supporting evidence of that, highlight any exceptions to that, and analyse the overall data. i.e. High poverty can lead to low GDP per head. Explanation: If many people live in poverty: • education levels may be low • health may be poor • productivity may be low This leads to low economic output per person, and low GDP per head.

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>1(g)</td><td>

Discuss whether or not fiscal policy measures will increase a country's HDI value.

Award up to 4 marks for logical reasons why it might, which may include:

- increased government spending on education (1) may increase average years of schooling/literacy (1) expected years of schooling (1).
- higher (indirect) taxes on demerit goods (1) may increase life expectancy (1).
- lower direct tax/income tax (1) may increase disposable income / GDP per head (1) allowing households to increase years of schooling (1) increase healthcare spending/life expectancy (1)
- expansionary fiscal policy/budget deficit (1) subsidies to firms (1) may increase total (aggregate) demand (1) reduce unemployment / increase employment (1) increase GDP per head (1).

Award up to 4 marks for logical reasons why it might not, which may include:

- reduced government spending on healthcare (1) may decrease access to/quality of healthcare (1) decrease life expectancy (1).
- contractionary fiscal policy / budget surplus (1) may reduce total (aggregate) demand (1) reduce confidence (1) cause unemployment/reduce employment (1) reduce GDP per head (1).
- increased taxation could increase tax evasion (1) and reduce tax revenue (1) potentially reducing government spending on education/healthcare (1).
- expansionary fiscal policy can be inflationary (1) especially if the economy is close to full employment (1) erode purchasing power/reduce real GDP per head (1) reduced access to education/healthcare (1).
- decreased taxation can reduce government revenue (1) potentially reducing government spending on education/healthcare (1).

</td><td>6</td><td>

Apply this example to all questions with the command word DISCUSS (1g, 1h, 2d, 3d, 4d and 5d)

Each point may be credited only once, on either side of an argument, but separate development as to how/why the outcome may differ is rewarded.

Some points may be given in reverse e.g. less government spending on education.

Generic example	mark
Tax revenue may decrease…	**1**
...because of reason e.g. incomes may be lower.	**1**
Tax revenue may increase because incomes may be higher i.e. reverse of a previous argument.	**0**
Tax revenue may increase because of a different reason i.e. <u>not</u> the reverse of a previous argument e.g. government spending on subsidies may stimulate the economy more than spending on education.	**1**

Note: Measures impacting the 3 HDI components can be used on either side but only one way each.

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Question	Answer	Marks	Guidance
1(h)	**Discuss whether or not the demand for gold will be more price-elastic in the future.** Award up to 4 marks for logical reasons why it might, which may include: • more availability of substitutes (1) e.g. silver/rose gold (1) if price of a substitute falls (1) or quality of a substitute rises (1) increased switching from gold (1). • income may fall (1) a larger proportion of income spent on gold (1) consumers become more responsive to price changes (1). • gold may be seen as more of a luxury (1) consumers can more easily reduce their purchases when the price rises (1). • the price of a complementary good increase (1) e.g. jewels (1) consumers become more responsive to price changes (1). • longer time period considered (1) consumers have more time to adjust their behaviour/find substitutes (1). Award up to 4 marks for logical reasons why it might not, which may include: • income may rise (1) so the purchase of gold will take up a smaller percentage of income (1) consumers become less responsive to price changes (1). • the ownership of gold/items made from gold may become more addictive/habitual (1) consumers become less responsive to price changes (1). • if gold is increasingly used in the production of other goods (1) gold will have more derived demand (1) (firms) need to continue buying gold even when the price rises (1). • an increased preference for gold over time (investment) (1) may make it (for some) more of a necessity (1) consumers become less responsive to price changes (1).	**6**	Nothing for a simple ‘change in price’ argument. **Note:** any determinant of PED can be used on either side but only one way each. **Note:** The content ‘consumers become more responsive to price changes’ (1) **and** ‘consumers become less responsive to price changes’ (1) can only be credited once each. **Maximum of 3** marks if there is no valid development of the determinant given. **Maximum of 4** marks for a static answer with no dynamic notion of more/increase.

Question	Answer	Marks	Guidance
2(a)	**State why the economic problem exists.** Unlimited / infinite wants (1) (exceed) limited / finite resources (1). Scarcity (1).	**2**	

Question	Answer	Marks	Guidance
2(b)	**Explain <u>two</u> reasons for differences in income distribution between countries.** Logical explanation which might include: • government intervention (1) e.g. greater intervention means a more even distribution of income due to redistribution through taxation and welfare payments (1). • State benefits (1) e.g. more generous state benefits lead to a more even distribution of income as transfers increase the incomes of lower-income households (1). • the tax system (1) e.g. a more regressive tax system leads to a more unequal distribution of income because lower-income groups pay a higher proportion of their income in tax (1). • education (1) e.g. subsidised/better education leads to a more even distribution of income as greater access to education improves employment opportunities / earning potential (1). • healthcare (1) e.g. subsidised/better healthcare leads to a more even distribution of income as healthier workers are more able to maintain employment (1). • unemployment (rate)/recession (1) e.g. higher unemployment leads to a more unequal distribution of income because fewer people earn money (1). • size of tertiary (and primary sector) (1) e.g. countries with a larger tertiary sector have higher incomes than those with a larger primary sector because services generate greater wages (1). • natural resources (1) e.g. countries with abundant natural resources have higher incomes because resources can be used to generate revenue (1). • productivity (1) e.g. countries with higher productivity leads to higher incomes because greater output per worker can result in higher wages (1).	**4**	One mark each for each of two reasons identified and one mark for each of two explanations. If more than 2 reasons are given, consider the first 3. Allow for an answer based on the context of differences in income distribution within different countries and/or differences in income between countries. **Note:** All development content is e.g. and each point can be applied to either, but not both, contexts. **Note:** do not allow both: The more regressive the income tax system is, the more uneven the distribution of income tends to be (1) **AND** The more progressive the income tax system is, the less uneven the distribution of income tends to be (1)

Question	Answer	Marks	Guidance
2(c)	**Analyse how a government could increase the access of low-income households to food.** Coherent analysis which might include: • subsidise firms/specialise in food production (1) reduces costs of production (1) decrease corporation tax (1) increase supply (1) lower price (1) food is more affordable (1). • increase state benefits (1) e.g. unemployment benefit/subsidy (1) raise the purchasing power of low-income households (1). • increase training / improve education (1) raise worker productivity/skills (1) increase employment opportunities (1) raise incomes/NMW (1). • set a maximum price on food (1) below the equilibrium price (1) lower price of food (1). • remove any indirect tax on food (1) producers may pass on the saving in the form of lower prices (1). • make taxation more progressive (1) redistribute / increase purchasing power / disposable income of low-income households (1). • provide free food / state food enterprise / school meals (1) ensuring (the children of) low-income households gain increased access to food (1).	6	**Note:** Listing any methods **Max 3** marks.

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>2(d)</td><td>Discuss whether or not a government should impose a high rate of personal income tax on the rich.

In assessing each answer, use the table opposite.

Why it should:
• able to pay a high rate
• raise tax revenue
• create a more even distribution of income
• make tax more progressive
• may earn high income due to government spending e.g. on university education

Why it should not:
• may act as a disincentive
• may reduce enterprise/saving/investment (by rich individuals) less employment
• may discourage MNCs setting up branches in the country
• may reduce total (aggregate) demand and output
• the rich may emigrate
• may increase tax evasion/avoidance</td><td>8</td><td><table><tr><th>Level</th><th>Description</th><th>Marks</th></tr><tr><td>3</td><td>A reasoned discussion which accurately examines both sides of the economic argument, making use of economic information and clear and logical analysis to evaluate economic issues and situations. One side of the argument may have more depth than the other, but overall both sides of the argument are considered and developed. There is thoughtful evaluation of economic concepts, terminology, information and/or data appropriate to the question. The discussion may also point out the possible uncertainties of alternative decisions and outcomes.</td><td>6–8</td></tr></table></td></tr>
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<tr><td>2</td><td>A reasoned discussion which makes use of economic information and clear analysis to evaluate economic issues and situations. The answer may lack some depth and development may be one-sided. There is relevant use of economic concepts, terminology, information and data appropriate to the question.</td><td>3–5</td></tr>
<tr><td>1</td><td>There is a simple attempt at using economic definitions and terminology. Some reference may be made to economic theory, with occasional understanding.</td><td>1–2</td></tr>
<tr><td>0</td><td>A mark of zero should be awarded for no creditable content.</td><td>0</td></tr>
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Question	Answer	Marks	Guidance
3(a)	**Identify <u>two</u> causes of an increase in the demand for bank loans.** • fall in interest rates (1) • rise in investment opportunities / firms wanting to expand (1) • increase in confidence/willingness to borrow (1) • change in incomes / worsening recession / higher unemployment (1) • increase in consumer spending (1) • increase in the price level / inflation (1) • successful bank advertising (1)	**2**	**Note:** The reasons must relate to an increase. If more than 2 causes are given, consider the first 3.
3(b)	**Explain <u>two</u> supply-side policy measures, other than privatisation.** Logical explanation which might include: • improved education (1) e.g. to increase productivity (1). • increased training (1) e.g. to increase employment (1). • deregulation (1) e.g. to reduce barriers to entry/to increase competition (1). • cut in direct taxes (1) e.g. to increase incentives (1). • cut in unemployment benefit (1) e.g. to reduce frictional unemployment (1). • labour market reforms (1) e.g. to increase flexibility (1). • nationalisation (1) e.g. to increase investment (1). • subsidies (1) e.g. to purchase capital equipment/increase incentive to produce (1).	**4**	If more than 2 supply-side policy measures are given, consider the first 3. One mark for the policy and one additional mark for its impact/objective. **Note:** All development content is e.g.

Question	Answer	Marks	Guidance
3(c)	**Analyse how state-owned firms may benefit a country's population.** Coherent analysis which might include: • state-owned firms pay tax (1) some of this could be spent on research and development (1) improving quality of goods/healthcare/education/infrastructure (1) profits reinvested (1) increase output/economic growth (1). • state-owned firms may have social welfare as an objective (1) may aim to keep price low (1) ensure that those on low incomes can access the output (necessities/education/healthcare) (1) may spend money to ensure high product standards (1) may try to avoid creating external costs / avoid pollution (1). • state-owned firms may be concerned to keep employment high (1) increase workers' job security (1) pay relatively high wages/pensions (1) increasing living standards (1). • state-owned firms may produce / provide merit goods (positive externalities) (1) e.g. education (1) under-consumed/ underproduced if left to market forces / reduce market failure (1). • state-owned firms may produce / provide public goods (1) e.g. national defence (1) under-consumed/underproduced if left to market forces / reduce market failure (1).	**6**	**Note:** Listing any benefits **Max 3** marks.

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<tr><td>3(d)</td><td>Discuss whether or not having a fixed exchange rate will benefit an economy.

In assessing each answer, use the table opposite.

Why it might:
• enable firms to predict export and import prices
• create certainty
• encourage investment/MNCs
• could be set low to gain a competitive advantage
• could make the government correct a current account deficit

Why it might not:
• may need large reserves to maintain the rate
• may have to use monetary policy in a way that conflicts with other objectives
• may be set too high which could reduce exports/increase imports
• will not (automatically) adjust to reduce a current account deficit
• if (domestic) inflation rises exports become less competitive.</td><td>8</td><td><table><tr><th>Level</th><th>Description</th><th>Marks</th></tr><tr><td>3</td><td>A reasoned discussion which accurately examines both sides of the economic argument, making use of economic information and clear and logical analysis to evaluate economic issues and situations. One side of the argument may have more depth than the other, but overall both sides of the argument are considered and developed. There is thoughtful evaluation of economic concepts, terminology, information and/or data appropriate to the question. The discussion may also point out the possible uncertainties of alternative decisions and outcomes.</td><td>6–8</td></tr></table></td></tr>
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<tr><td>2</td><td>A reasoned discussion which makes use of economic information and clear analysis to evaluate economic issues and situations. The answer may lack some depth and development may be one-sided. There is relevant use of economic concepts, terminology, information and data appropriate to the question.</td><td>3–5</td></tr>
<tr><td>1</td><td>There is a simple attempt at using economic definitions and terminology. Some reference may be made to economic theory, with occasional understanding.</td><td>1–2</td></tr>
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Question	Answer	Marks	Guidance
4(a)	**Give the formula for price elasticity of supply.** $\frac{\text{Percentage change in quantity supplied}}{\text{Percentage change in price}}$ (2)	**2**	The formula can be written out in words. Accept: Δ for 'change' $\frac{\text{Change in quantity supplied}}{\text{Change in price}}$ (1) $\frac{\text{change in supply}}{\text{change in price}}$ (1) $\frac{\text{Percentage change in price}}{\text{Percentage change in quantity supplied}}$ (1) $\frac{\text{Percentage change in quantity supplied}}{\text{Percentage change in price}}$ x 100 (1)
4(b)	**Explain <u>two</u> reasons why a worker may choose to work long hours.** Logical explanation which might include: • to earn higher total pay (1) e.g to support family (consumption)/to support saving/to raise living standards (1). • to increase skills / experience (1) to impress management / increase chance of gaining promotion / employability (1). • enjoyment/interest in the work (1) to increase wellbeing / job satisfaction (1). • vocation (1) to help consumers (e.g. nurse working until all patients have been seen) (1). • to complete a task (1) to meet a deadline (1).	**4**	If more than 2 reasons are given, consider the first 3. One mark each for each of two reasons identified and one mark for each of two explanations.

Question	Answer	Marks	Guidance
4(c)	**Analyse how a competitive market differs from a monopoly market.** Coherent analysis which might include: • a competitive market contains a number of firms (1) while a monopoly has one firm / a firm with a 100% share of the market (1). • it is relatively easy for a firm to enter a competitive market (1) whereas there may be barriers to entry in a monopoly market (1). • In a competitive market firms are price takers (1) in a monopoly market firms are price makers (1). • firms in a competitive market may be too small to take advantage of economies of scale/to experience diseconomies of scale (1) while a monopoly may be large enough to experience economies of scale/diseconomies of scale (1). • prices may be lower (1) quality higher in a competitive market (1) more efficient/quicker response to changing consumer preferences/greater consumer sovereignty (1). • PED will be higher/more elastic in a competitive market (1) as consumers will have substitutes to switch to/there will be a choice of products (1) PED will be lower / more inelastic in a monopoly market (1) as consumers will have no substitutes to switch to/there will be no choice of products (1). • profit may be high(er) in a monopoly market (1) which could be used to spend on research and development (1) improving the product (1). Profit is likely to be lower in a competitive market (1).	**6**	**Note:** Listing any characteristics **Max 3** marks. Also allow 25% or 40% share of the market. Some candidates may use the perfect competition model for a ‘competitive market’. In this case accept the shared ideas: many firms, competition, consumer choice, and limited market power, but not the extra theoretical conditions of perfect competition. **Note:** Award up to **4 marks** for content on either market.

<table>
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<tr><td>4(d)</td><td>Discuss whether or not trade union membership is likely to increase.

In assessing each answer, use the table opposite.

Why they might:
• number of workers may increase
• membership subscriptions may fall
• working conditions may decline
• there may be reports about trade unions being successful raising wages

Why they might not:
• unemployment may increase
• legislation may weaken the power of trade unions
• fall in the size of the public sector
• employers may give generous pay rises.
• workers may fear (employment) consequences of joining a union

Note: A reason for changing TU membership can be used on either side but only one way each.</td><td>8</td><td>Focus should be on consumers and not workers.

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<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>4(d)</td><td></td><td></td><td>
<table>
<tr><td>Level</td><td>Description</td><td>Marks</td></tr>
<tr><td>2</td><td>A reasoned discussion which makes use of economic information and clear analysis to evaluate economic issues and situations. The answer may lack some depth and development may be one-sided. There is relevant use of economic concepts, terminology, information and data appropriate to the question.</td><td>3–5</td></tr>
<tr><td>1</td><td>There is a simple attempt at using economic definitions and terminology. Some reference may be made to economic theory, with occasional understanding.</td><td>1–2</td></tr>
<tr><td>0</td><td>A mark of zero should be awarded for no creditable content.</td><td>0</td></tr>
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Note: Static response = Max L2 Max 4
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Question	Answer	Marks	Guidance
5(a)	**Define 'public good'.** A good that is non-rival (1) non-excludable (1).	**2**	Accept, but do not expect: • Non-rejectable (1) • zero cost of supplying to one more consumer (1). Not acceptable if used with non-rival. Accept a definition with alternative but accurate wording. e.g. …'goods that are accessible to all'
5(b)	**Explain <u>two</u> reasons why young workers may be more mobile than older workers.** Logical explanation which might include: • may be more skilled/qualified (1) may be better informed about job opportunities/greater use of social media (1) more occupationally mobile (1). • may have fewer family ties (1) find it easier to adapt to new environments/more able to live in different parts of the country/ fitter/healthier (1) more geographically mobile (1).	**4**	One mark each for each of two reasons identified and one mark for each of two explanations. If more than 2 reasons are given, consider the first 3. Full marks can be gained by explaining two separate reasons why the young worker would be more occupationally / geographically mobile. The development mark in each strand must link specifically to either occupational or geographic mobility.

Question	Answer	Marks	Guidance
5(c)	**Analyse how a government could reduce pollution.** Coherent analysis which might include: • impose a tax/remove a subsidy on firms that pollute/create negative externalities (1) increase firms' costs of production (1) disincentivises firms to produce / firms will want to avoid costs increasing (1) reduce profits / firms will want to avoid profits falling (1). • impose a tax on consumption that pollutes (1) increases price/consumers' private costs of consumption (1) disincentivises consumption (1). • subsidise firms/offer tax reductions (1) to buy cleaner/greener equipment (1) to use/develop cleaner methods of production/products (1) reduces cost/price of greener/environmentally less harmful goods (1). • promote lower energy use/renewable energy sources (1) e.g. solar/wind/wave (1) introduce clean-up initiatives/tree planting/provide more waste disposal infrastructure (1). • pass legislation/regulation/banning/making it illegal to pollute (1) deforest (1) impose fines on firms / consumers that pollute/deforest (1). • increase information/decrease information failure about the harmful effects of pollution (1) encourage firms/consumers to pollute less/use electric vehicles/recycle/walk (1). • increase provision of/promote (less polluting) public transport (1).	6	**Note:** Listing any methods **Max 3** marks. Accept, but do not expect: Issue pollution permits (1) allowing firms to pollute up to a certain level (1) if pollute less, they can sell excess (1) providing an incentive to reduce pollution (1).

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<tr><td>5(d)</td><td>Discuss whether or not people who emigrate will always enjoy higher living standards.

In assessing each answer, use the table opposite.

Why they might:
• may gain employment
• may gain higher wages
• may have more choice of occupation
• may have access to better healthcare
• may experience lower prices as firms can take advantage of economies of scale

Why they might not:
• country may have a lower income per head
• country may have a higher cost of living/inflation
• may experience higher levels of pollution
• may be less government spending per head of population
• may be higher tax rates
• may face discrimination.
• may face less safe/secure environment
• family ties in the home country
• large percentage of income remitted</td><td>8</td><td><table><tr><th>Level</th><th>Description</th><th>Marks</th></tr><tr><td>3</td><td>A reasoned discussion which accurately examines both sides of the economic argument, making use of economic information and clear and logical analysis to evaluate economic issues and situations. One side of the argument may have more depth than the other, but overall both sided of the argument are considered and developed. There is thoughtful evaluation of economic concepts, terminology, information and/or data appropriate to the question. The discussion may also point out the possible uncertainties of alternative decisions and outcomes.</td><td>6–8</td></tr></table></td></tr>
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Note: need to be sure the explanation is of why the factor leads the person who has emigrated to enjoy a higher living standard or not.
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