
GCSE ECONOMICS

413011/Unit 11 Personal Economics
Mark scheme

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Version 1.0 Final

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

1

Total for this question: 28 marks

1(a) Explain what is meant by a 'personal lifecycle'.

[2 marks]

One mark for showing understanding of the term and one mark for additional explanation or development or example

Possible answers include:

- distinct phases/stages in a person's life
- income will change throughout these phases/stages as will spending patterns and debt.

Examples

Stages of a person's life **(1)** where income and spending are different **(1)**

Different parts of someone's life **(1)** such as old age **(1)**

1(b) Using **Table 1**, describe **two** ways in which the average weekly spending of the richest UK families is different from that of the poorest UK families.

[4 marks]

1 mark for correctly identifying a difference in expenditure (eg by quoting figures from table 1)
+1 mark for offering some description of the difference (eg commenting on magnitude of difference, proportion comparison or calculation of difference).

Apply this twice

Examples of 2 Mark Answers

The richest families spend more than double the amount on food than the poorest families (£79 compared with £32).

The richest 20% spend £134 on transport compared with the £16 spent by the poorest 20% which is significantly less.

The poorest 20% spend £34 less on clothes and shoes than the richest 20%.

Examples of 1 Mark Answers

Richest 20% spend more on leisure/eating out than poorest 20% do.

Poorest 20% spend £43 on fuel/energy which is less than the £77 spent by richest 20%.

Markers Note: An explanation of why the amounts differ is an alternative acceptable approach to describing the differences.

1(c) Explain **two** ways in which Troya might have prepared herself better for her period of unemployment.

[4 marks]

Possible answers include

- could have saved more money when she was working
- could have looked for another job before being made redundant to reduce unemployment time
- undertaken training to improve employability
- reduced her spending to prepare for fall in income
- moved out of area to where jobs are.

Markers Note: Do not award 2 ways of saving or 2 ways of reducing spending

One mark for identifying issue plus 1 mark for development - (2x2).

1(d) Using **Item A**, explain **two** ways in which the poorest UK families might change their budgets because of reduced state benefits.

[6 marks]

Possible answers include

Candidates might identify any two aspects of a budget (eg spending, savings, income). If the same aspect of a budget is used, the two ways should be different (eg do not reward the second way, if reduce spending on going out and reduce spending on leisure are given).

Examiners must annotate the level selected eg L1 or L2

Apply grid twice

Level	Descriptor	Marks	Assessment Objective
L2	Explanation given in context	3 - 2	AO2
L1	Valid change identified	1	AO1
L0	No valid response	0	

Examples

Poorest families might have to cut back on their spending because their benefits have gone down. They may have to stop going out altogether to save £34 a week as this is a luxury item. They might even turn the heating down to lower their energy bill. They would probably find it hard to cut back on food as they are already spending very little on this. (L2 3 marks)

They could stop any savings that they were making (like saving for a rainy day or Christmas) and use this money to survive on now. (L2 2 marks).

They could look for a part-time job to get more money (L1 1 mark).

1(e) Troya needs to borrow money to buy a camera. **Table 2** below gives her some options.

Using **Item A** and **Table 2**, recommend to Troya which option would be best for her. Give reasons for your choice.

[12 marks]

Method of borrowing	Annual interest rate	Key Points
Pay Day Loan such as Wonga	340%	Quick decision. Few restrictions on who can borrow. Loan repayment within 60 days.
Bank overdraft	15%	You need to be able to show that you have sensibly managed your bank account.
Loan from family	0%	It would take a month to get the money. Family members would expect to be repaid within 6 months.

Possible areas for consideration include:

- Troya is currently unemployed
- her income from YouTube is uncertain and unlikely to be large
- her family does not have much money
- the payday interest is very high and she is unlikely to raise the money to repay within 60 days.

Possible areas for analysis include:

- the likelihood of Troya securing the funds given her particular circumstances
- a consideration of time scales involved in repaying
- the ethicalness of some of the options eg payday loan, family loan
- a consideration of an alternative feasible funding arrangement

Examiners must annotate the level selected eg L1, L2 or L3

Level	Descriptor	Marks	Assessment Objective
L3	Uses Item A to analyse the suitability of the options given Troya's circumstances	6 - 5	AO3
L2	Uses Item A to describe the suitability of the options given Troya's circumstances	4 - 3	AO2
L1	Demonstrates understanding of the different forms of borrowing money	2 - 1	AO1
L0	No valid response	0	

In addition, separately award marks for evaluation using the grid below.

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for AO3, consider the degree to which the candidate orders and communicates his/her ideas.

Examiners must annotate the level selected by using E1 and E2

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification Ideas are communicated using a logical structure, with some appropriate uses of technical terms. There are occasional errors in accepted conventions of written communication.	6–4	AO3 and Quality of written communication
E1	Offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	3–1	
E0	No valid response.	0	

A clear judgement is one that follows logically from the arguments raised elsewhere in the response. The judgment made is unambiguous and realistic with the candidate having articulated the reason(s) for this particular choice, rather than leaving it to the examiner to infer the reason(s).

Levels of response:

There is no clear one option that stands out from others in terms of its suitability for Troya. A judgement may appear at the start, or the end of the answer

E1

E1 responses will usually consider two, or possibly all three, funding sources with a statement given on which s/he believes to be the most suitable one for Troya. .

Responses may do little more than identify the issues connected with each funding method with limited attempt to determine their suitability to Troya's situation. This may be little more than a list of pros and cons for each option.

Responses may offer no clear decision. They may start by choosing one option, but in mid answer switch to another. If an alternative funding arrangement is considered, or a combination of those given, the reason for this will lack any clear justification.

E2

E2 responses will use the evidence from Item A to produce more thoughtful support for their choice of option. For instance

- the candidate may select funding from the family by arguing that other two are unsuitable or inappropriate.
- the candidate may recognise the negative side of their choice, but will counter this by arguing the others are worse.
- the candidate might argue in favour of one option from a positive viewpoint. A payday loan might be chosen, for example, because of its certainty in being received and, whilst its interest rates are high, the timeframe is short meaning the actual interest paid would be acceptable to Troya.

2

Total for this question: 20 marks

2(a) Explain **one** way in which ICT (Information and Communication Technology) could help Troya to work from home.

[2 marks]

Possible answers include:

- email
- skype/conference calls
- home editing software

1 mark for identifying a suitable form of ICT

1 mark for explaining how the form/method of ICT would allow Troya to work from home

2(b) *Figure 1 shows a list of government rules that employers must follow when they take on employees.*

*Using Figure 1, explain **two** reasons why the government has rules to protect employees.*
[6 marks]

Markers Note: Acceptable answers may be focused on effects on employees with only implied reference to why government sets the rules (eg: to avoid exploitation, to reduce poverty or improving employee's welfare).

Possible reasons include:

- health and safety – ensure employee is not placed in danger, business might create a dangerous workplace by cutting costs and negligence, cost to NHS
- arrange for tax deductions – to ensure businesses pay nat ins contributions to protect state pension rights
- provide a contract of employment – so terms of working are understood, to increase job security to avoid people being unemployed
- pay minimum wage – to avoid employees having to draw other benefits to supplement their low incomes.

Examiners must annotate the level selected eg L1 or L2

Apply grid twice

Level	Descriptor	Marks	Assessment Objective
L2	Reason is explained	3-2	AO2
L1	Reason identified with limited explanation	1	AO1
L0	No valid response	0	

Examples

Health and safety rules stop employees being put into dangerous situations. This means they are less likely to be injured at work and having to take time off. (L2 2 marks).

Having a contract of employment brings security to the employee. The worker has it in writing hours of working, pay rates etc. This means the manager cannot turn around and change the arrangements, like say you have to work 50 not 40 hours a week or take a pay cut. (L2 3 marks)

2(c) *The government is concerned about the amount of youth unemployment in the area where Troya lives. It is investigating two ways to reduce this unemployment:*

- *encouraging more young people to start their own businesses with the government’s Start-Up Loans scheme*
- *reducing the taxes that local businesses have to pay if they take on young people.*

*Which one of these methods do you believe would be better at lowering youth unemployment in the area where Troya lives? Use **Item B** to support your choice.*

[12 marks]

Possible answers include:

Issues with Start-Up Loans Scheme

- can be a longer term solution – could go on like Troya to create jobs for young people
- costs might be greater than the start-up loan, eg expensive high tech cameras
- lack of experience/confidence in a deprived area.

Lower taxes

- jobs might only last as long as tax concessions last
- relies on businesses wanting to take on young people – not compulsory
- are there suitable businesses in the area?

Possible answers include

- considering the barriers facing young people in deprived areas starting businesses
- whether local employees are likely to use the tax concessions take on more young people
- other factors, besides wages, that stop employers taking on employees
- outlining the economic mechanism that allows one or both method to achieve a fall in youth unemployment.

Level	Descriptor	Marks	Assessment Objective
L3	Uses Item B to analyse the suitability of one or both options	6 – 5	AO3
L2	Uses Item B to describe the suitability of one or both options	4 – 3	AO2
L1	Demonstrates understanding of either or both options	2 – 1	AO1
L0	No valid response	0	

In addition, separately award marks for evaluation using the grid below.

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for **AO3**, consider the degree to which the candidate orders and communicates his/her ideas.

Examiners must annotate the level selected by using E1 and E2.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	6–4	AO3 and Quality of written communication
E1	Offers judgement with limited justification. Ideas are communicated with some structure evident with occasional use of technical terms. There are noticeable errors in accepted conventions of written communication.	3–1	
E0	No valid response.	0	

A clear judgement is one that follows logically from the arguments raised elsewhere in the response. The judgment made is unambiguous and realistic with the candidate having articulated the reason(s) for this particular choice, rather than leaving it to the examiner to infer the reason(s).

Levels of response

As with other evaluative questions, there is no 'correct' option and the candidates can support either option

E1

An E1 response is likely identify points for and against one or both options without necessarily using the content of Item B to contextualise these points. Judgements will lack support.

For instance:

- the candidate might state the startup scheme is better but fail to say anything beyond that it is better than the tax breaks.
- it is possible the candidate will refer to his/her description of both methods and suggest that this, in itself, is support for the choice given.

E2

An E2 response will have made good use of Item B to set the scene facing the local community.

For instance

- the candidate might recognise the lack of opportunity in the area has demotivated young people and they lack the drive to run their own businesses and use this to support the alternative.
- the candidate could question how effective tax concessions would work in achieving the objective of lower youth unemployment.

Whichever route is taken, the justification for the option chosen will be clear.

3

Total for this question: 22 marks

3(a) Explain **two** reasons why the UK government encourages UK media businesses to sell their products abroad. **[4 marks]**

Possible answers include

- improve balance of payments/gain foreign currency/counteract impact of foreign imports
- creates UK jobs so businesses can gain economies of scale/become more profitable so tax revenue rises.

1 mark for identifying reason plus one for explanation x2

3(b) Explain **two** possible **disadvantages** to Troya of exporting her videos to the USA. **[6 marks]**

Possible answers include:

- operating in an unknown market with large competitors
- legal factors such as obtaining a work visa
- strong dollar may not last

Apply grid twice

Level	Descriptor	Marks	Assessment Objective
L2	Clear explanations given of one disadvantage using data to support explanations	3 – 2	AO2
L1	Valid disadvantage identified	1	AO1
L0	No valid response	0	

Markers Note: The strengthening of the dollar will make the videos she exports appear cheaper to American consumers – this is not a disadvantage for UK media exporters.

3(c) *The media industry has become globalised. Do you believe that globalisation is good for small UK media businesses such as Troya's? Use **Item C** to support your views.*

[12 marks]

Possible answers include:

Benefits of globalisation of media industry

- allows UK media industry to hire the most talented employees worldwide
- widens market for this important industry
- encourages innovation as ideas are shared
- can lead to specialisation – eg types of software.

Disadvantages of globalisation of media industry

- opens market to foreign competition
- overseas' firms can poach UK staff
- possible loss of cultural media styles as uniform product created.

NB Benefits/disadvantages must relate to the industry not employees etc

Possible answers include:

- considering ways in which globalisation might benefit and/or challenge small businesses such as Troya's
- comparing the impact of globalisation of the media industry on large and small businesses
- looking at specific situations when Troya's business might benefit/be challenged by globalisation
- problems with currency fluctuations.

Examiners must annotate the level selected eg L1 L2 or L3

Level	Descriptor	Marks	Assessment Objective
L3	Uses Item C to analyse the suitability of globalisation in the UK media industry.	6 – 5	AO3
L2	Uses Item C to describe the suitability of globalisation in the UK media industry.	4 – 3	AO2
L1	Demonstrates understanding of globalisation.	2 – 1	AO1
L0	No valid response.	0	

In addition, separately award marks for evaluation using the grid below.

Note: this question also assesses candidates' quality of written communication. When deciding on the level to be awarded for AO3, consider the degree to which the candidate orders and communicates his/her ideas.

Examiners must annotate the level selected by using E1 and E2.

Level	Descriptor	Marks	Assessment Objective
E2	Offers judgement with clear justification as to the effects on the small UK media businesses. Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	6–4	AO3 and Quality of written communication
E1	Offers judgement with limited justification as to the effects on the small UK media businesses. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are noticeable errors in accepted conventions of written communication.	3–1	
E0	No valid response.	0	

A clear judgement is one that follows logically from the arguments raised elsewhere in the response. The judgment made is unambiguous and realistic with the candidate having articulated the reason(s) for this particular choice, rather than leaving it to the examiner to infer the reason(s).

Levels of response

E1

Responses will probably consider globalisation in a general sense, possibly loosely referring to media businesses but certainly without considering small media businesses. The points given for and against globalisation will be standard learnt points that do not naturally lead to a clear conclusion with respect to media businesses. It will be difficult to discern the support that the candidate gives and will likely consist of a blunt statement saying either globalisation is either good or bad for the industry.

E2

Responses will be concentrated on the media industry and use evidence from Item C for support. They will consider small media businesses.

It is possible for candidates to score maximum E2 marks by considering alone the case either for or against globalisation, rather than considering both sides.

Judgements made in either case will follow through from the arguments produced.