



GCSE

Economics

8136/1 Paper 1 How markets work

Report on the Examination

8136
June 2024

Version: 1.0

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General

Overall student performance was similar to that of 2023. 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 being more accessible while later questions proved more challenging.

For example, 94% of students correctly identified answer key D on Q01 about the central purpose of economic activity, while 61% correctly identified answer key C on Q08 about the related markets for complementary goods. It was surprising that the correct answer for Q09 (key D) on the features of a monopoly, was not the most popular response, with most opting for distractor, key C. As such, only around 35% of students indicated the correct response. As in previous years' examinations, multiple choice questions which proved most challenging were those covering aspects of demand, supply and elasticity.

Question 11

As the first written question on the paper, the majority (around 72%) of students were able to correctly state two different deductions from gross pay. Only 5% of students scored 0 marks on what proved to be a straightforward question of knowledge. Some of these incorrectly stated indirect taxes.

Question 12

This question required the identification and brief explanation of one impact of a competitive market on consumer choice. 54% of students were able to access the available 2 marks, mainly identifying greater choice as a result of a large number of firms each supplying a similar product. Around 23% scored 1 mark, being able to identify an impact but not giving a correct explanation.

Question 13

Nearly 69% of students were able to give a reason and explain why online retailing is an example of a market. Mostly this required an accurate definition of a market applied to an online setting. Around 23% were able to give a partial explanation, scoring 1 mark.

Question 14.1

This question, involving a simple calculation of profit, was answered correctly by 91% of students.

Question 14.2

68% scored 2 marks on this question, with the majority of students being able to identify a way that a business could increase its profit and subsequently explain how. For example, reducing costs by locating closer to cheaper suppliers of pancake ingredients, therefore increasing the difference between total revenue and total costs. Around 27% of students were able to identify a possible way but did not give a clear explanation.

Question 15

This proved to be a tricky question for some, with only 21% of students able to access Level 3 on this 6 mark question about possible impacts of price changes of certain commodities upon other markets such as energy and food. The best answers produced 1 or 2 logical chains of reasoning in relation to rising costs of production and subsequent impacts on supply and equilibrium price, including how this might subsequently impact complements and substitutes, making good use of the information in Figure 1 to support their analysis. The majority of students did not exceed Level 2, however, and around 7% scored 0 in this question. This serves to reiterate how supply and demand are key areas of potential weakness, along with intermarket relationships. Centres should refer to section 3.1.3.4 of the specification for guidance.

Question 16

Just over half of students (51%) were able to correctly identify two features of an oligopoly. In what again was expected to be a straightforward question of basic knowledge. Many of those who scored 0 marks (17%) 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 relatively accessible question with nearly 63% of students able to score both marks and 27% scoring 1 mark. The question was asking about a possible reason for low earnings. Most correct responses identified reasons such as high supply or low skill, or a combination of these.

Question 18

With the concept of elasticity still proving a struggle for some, only 48% scored 2 marks on this question. Over 27% of students scored 0 marks, often confusing changes in quantity demanded with shifts of a demand curve.

Question 19.1

This simple calculation of productivity proved to be straightforward for most, with 88% of students scoring the full 2 marks.

Question 19.2

This was answered less successfully than the first part of question 19, although 62% of students were able to identify and explain a possible benefit of increased productivity, such as reduced costs and/or

higher profit. 29% of students were able to pick up 1 mark by correctly identifying a potential benefit but were then unable to provide a clear explanation.

Question 20

Similar to previous years, around half of students (51%) scored the full 3 marks for correctly plotting demand and supply curves and illustrating the equilibrium price. Around 14% only scored 1 mark, often for correctly labelling the equilibrium price and quantity but neglecting to label the demand and supply curves. As identified in previous AQA feedback courses, 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. 28% of students secured Level 3 for this question, scoring 7-9 marks. There were plenty of hints in the source information, Figure 2 and Table 4, to guide students towards benefits and drawbacks of business growth. The best answers produced one or two logical chains of reasoning and presented a conclusion which was supported by the preceding arguments. These answers made effective use of the source information to illustrate causes of economies and diseconomies of scale. However, 50% 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 of demand proved to be a relatively challenging question for most, with only 47% of students scoring the full 2 marks. Included in these were some excellent, concise definitions.

Question 23

67% of students were able to access the full 3 marks on this calculation question, correctly reading data from a house price index chart and performing a calculation of percentage change. 15% of students incorrectly read the data, and scored 0 marks, even though some tolerance was given.

Question 24

In this 6 mark question 27% were able to access Level 3 marks, with 8% scoring the full 6 marks. The best answers typically contained one or two logical chains of reasoning, using prompts in the source material. A surprising number of students did not seem to understand that positive externalities involve benefits to third parties that are not involved in the building or consumption of new houses. Nearly 6% of students scored 0 marks.

Question 25

This 6 mark question saw a similar profile of performance as question 24. 31% of students scored 5 or 6 marks, with the best of these identifying and fully explaining two possible disadvantages of housing shortages in the UK.

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 as it is the quality of the answer which is important. 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 subsidise housebuilding in the UK. There was some excellent evaluation which reflected upon short and long run considerations as well as the scope for potential government failure and opportunity cost. 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 39% of students were able to access at least Level 4 marks (10 or more out of 15), with 8% securing Level 5 marks. Around 40% 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. Some students seemed not to understand the meaning of a subsidy or assumed that all possible forms of government intervention were called a subsidy.

Mark Ranges and Award of Grades

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