

Mark Scheme (Results) Summer 2008

GCE

GCE Economics (6355) Paper 02

6355 02 Mark Scheme Summer 2008

Question Number	Answer	Mark
1(a)	<p>KAA 12</p> <p>Award 3 marks for each approach identified, analysed and applied up to a maximum of 12 marks</p> <p>Explanation may include</p> <ul style="list-style-type: none"> • Promote education & training - improving literacy rates • Develop infrastructure • Develop health care - reducing mortality rates • Develop manufacturing sector • Candidates may use the to Harrod-Domar model to support/explain their answer • Debt relief • Cash subsidy to specific firms in areas that charity aims to help • Disaster relief • Microfinance <p>Also award discussion of types of aid and organisations e.g. Tied, Untied, NGOs, bilateral, multilateral</p> <p>Do not reward candidates who confuse Aid with FDI</p> <p>E8 Award up to 8 marks for evaluation, (4 * 2 marks). The question gives candidates scope to assess the relative importance of the indicators chosen, or address the strengths of each indicator.</p> <p>Evaluation may consider:</p> <ul style="list-style-type: none"> • Ineffective nature of aid, • Time lags associated with the use of Aid to improve infrastructure/healthcare etc • Tied v Untied aid • Corruption • Creates dependency culture • NGOs too small/ineffective - don't make a difference • Poor governance of the work of NGOs • Multiplier effect of the aid 	(20)

Question Number	Answer	Mark
1(b)	<p>KAA 6</p> <p>Award 3 marks for two factors identified, analysed and applied up to a maximum of 6 marks. These might include</p> <ul style="list-style-type: none"> • Attracts FDI • Provides healthier workforce • Provides better educated workforce • Diaspora remittances as a result of development of human capital. <p>Cap answers which do not explicitly mention economic development at 2/3 for KAA for each point made.</p> <p>E4 Award up to 4 marks for evaluation, (2 * 2 marks). Candidates may consider</p> <ul style="list-style-type: none"> • Brain drain • Long run nature of human capital • Cost of developing human capital <p>Cap at 8/10 answers which don't refer to the last two paragraphs of Extract 1</p>	(10)

Question Number	Answer	Mark
1(c)	<p>KAA 9</p> <p>Award 3 marks for three factors identified, analysed and applied or award fewer points very well developed up to a maximum of 9 marks. These might include</p> <ul style="list-style-type: none"> • Some discussion of the nature of the MDGs and whether they are too far reaching and wide in their scope. E.g. Inappropriate nature of goals for some countries e.g China and India • Slow progress with attaining them so far • Ambitious project, lacking the backing of the G8 to achieve these in the past • Not enough domestic national support e.g. universal primary education • Local conditions may act as an obstacle e.g. civil conflict or corruption. • Climate change - can make it difficult to achieve the MDGs • Cultural obstacles to change, e.g. universal education <p>Candidates may also discuss up to three individual goals and the success in achieving these for KAA 9/9.</p> <p>E6 Award up to 6 marks for evaluation, (3 * 2 marks or fewer more developed points up to 4 marks each). Candidates may consider</p> <ul style="list-style-type: none"> • Obtainable if money is committed to them • Tangible measures can be achieved. • Ambitious but progress has already been made. 	(15)

Question Number	Answer	Mark
1(d)	<p>KAA 9</p> <p>Award 3 marks for three factors identified, analysed and applied or award fewer points very well developed up to a maximum of 9 marks. Candidates may consider</p> <ul style="list-style-type: none"> • Advantages of specialisation - reference to trade and economies of scale • Promotes employment • Allows greater trade opportunities • Earn foreign currency • Promotes investment • Reference to Rostow's five stages of development • Self-sufficiency • Creates conditions to attract FDI • Large numbers of population involved therefore large numbers benefit • Improve income distribution • Increasing price of agricultural output makes it worthwhile. <p>E6 Award up to 6 marks for evaluation, (3 * 2 marks or fewer more developed points up to 4 marks each). Candidates may consider</p> <ul style="list-style-type: none"> • Primary product dependency • Difficulties of trying to access new markets - EU • Exploitation of the economy by FDI • Prebisch Singer thesis and worsening terms of trade • High price of agricultural output makes it a lucrative area for exploitation 	(15)

Question Number	Answer	Mark												
2(a)	<p>KAA 9</p> <p>Award 3 marks for three factors identified, analysed and applied up to a maximum of 9 marks. Candidates may consider</p> <p>E6 Award up to 6 marks for evaluation, (3 * 2 marks or fewer more developed points up to 4 marks each).</p> <table border="1" data-bbox="432 607 1145 2042"> <thead> <tr> <th data-bbox="432 607 798 640">KAA</th> <th data-bbox="798 607 1145 640">Evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 640 798 1048"> <ul style="list-style-type: none"> • Dependency ratio increases </td> <td data-bbox="798 640 1145 1048"> <p>Play a role in looking after younger members of the family and therefore release parents to work.</p> <p>Greater role of extended family in LEDCs - less reliance on the state.</p> </td> </tr> <tr> <td data-bbox="432 1048 798 1151"> <ul style="list-style-type: none"> • Non-productive labour force </td> <td data-bbox="798 1048 1145 1151"> <p>Experience may result in greater productivity</p> </td> </tr> <tr> <td data-bbox="432 1151 798 1630"> <ul style="list-style-type: none"> • Higher levels of pension provision </td> <td data-bbox="798 1151 1145 1630"> <p>Older population may have savings so therefore not really cause greater dependency</p> <p>Culture to look after extended family in the developing world therefore less pressure on state provision for the elderly.</p> </td> </tr> <tr> <td data-bbox="432 1630 798 1767"> <ul style="list-style-type: none"> • Greater demands on health care system </td> <td data-bbox="798 1630 1145 1767"> <p>Better health means that they are still able to contribute to productivity</p> </td> </tr> <tr> <td data-bbox="432 1767 798 2042"> <ul style="list-style-type: none"> • Increased level of poverty </td> <td data-bbox="798 1767 1145 2042"> <p>Average age of population rising therefore generates experience and creates conditions for economic growth and less poverty</p> </td> </tr> </tbody> </table>	KAA	Evaluation	<ul style="list-style-type: none"> • Dependency ratio increases 	<p>Play a role in looking after younger members of the family and therefore release parents to work.</p> <p>Greater role of extended family in LEDCs - less reliance on the state.</p>	<ul style="list-style-type: none"> • Non-productive labour force 	<p>Experience may result in greater productivity</p>	<ul style="list-style-type: none"> • Higher levels of pension provision 	<p>Older population may have savings so therefore not really cause greater dependency</p> <p>Culture to look after extended family in the developing world therefore less pressure on state provision for the elderly.</p>	<ul style="list-style-type: none"> • Greater demands on health care system 	<p>Better health means that they are still able to contribute to productivity</p>	<ul style="list-style-type: none"> • Increased level of poverty 	<p>Average age of population rising therefore generates experience and creates conditions for economic growth and less poverty</p>	(15)
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	<ul style="list-style-type: none"> Increased savings may lead to greater economic growth - reference may be made to Harrod-Domar 	<p>But increased savings may be at the cost of reduced consumption i.e. leakage from the economy and therefore reduction in economic growth.</p>	
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Question Number	Answer	Mark
2(b)	<p>KAA 12</p> <p>Award 3 marks for four factors identified, analysed and applied or award fewer points very well developed up to a maximum of 12 marks. Candidates may consider</p> <ul style="list-style-type: none"> Greater output Greater labour force - cheap labour, attracts FDI Higher tax revenue Greater pool of labour to choose from <p>Candidates must make the link back to economic development (rather than just increase in GDP) to gain full marks</p> <p>Cap answers which do not explicitly mention economic development at 2/3 for KAA for each point made.</p> <p>E8 Award up to 8 marks for evaluation, (4 * 2 marks or fewer more developed points up to 4 marks each). Candidates may consider</p> <ul style="list-style-type: none"> Unemployment Pressure on resources - e.g. education & healthcare Greater levels of urban migration and therefore creation of shanty towns Greater levels of urban poverty Social unrest Total benefit will depend on how well government invests in developing infrastructure Wider impact on relative and absolute poverty and income distribution. 	(20)

Question Number	Answer	Mark
2(c)	<p data-bbox="488 371 571 398">KAA 6</p> <p data-bbox="437 439 1142 506">Award 3 marks for two factors identified, analysed and applied up to a maximum of 6 marks</p> <ul data-bbox="536 546 1142 931" style="list-style-type: none"> • Better healthcare - pre-natal & post-natal • Better education • Better sanitation • Cleaner water • Better access to food • Greater stability in the home and in sources of income • Economic growth • Greater access to cheap drugs & vaccination programmes <p data-bbox="437 972 1142 1039">E4 Award up to 4 marks for evaluation, (2 * 2 marks). Candidates may consider</p> <ul data-bbox="536 1079 1142 1348" style="list-style-type: none"> • Relative improvements still have some way to go. • Significance of one of the measures over another • Time lags associated with the various policies • Damaged by other factors e.g. civil unrest/war 	(10)

Question Number	Answer	Mark
2(d)	<p>KAA 9</p> <p>Award 3 marks for three factors identified, analysed and applied or award fewer points very well developed up to a maximum of 9 marks. Candidates may consider</p> <ul style="list-style-type: none"> • Greater dependency ratio • Increased pressure on healthcare systems • Increased levels of poverty • Falls in productivity • Greater pressure on businesses - costs of training workers • Increased juvenile delinquency - outcome of orphan status from young age • Less government money available for other sectors • Social unrest • Less FDI <p>E6 Award up to 6 marks for evaluation, (3 * 2 marks or fewer more developed points up to 4 marks each). Candidates may consider</p> <ul style="list-style-type: none"> • HIV/AIDs numbers are falling with education • Anti retro-viral drugs are more affordable in the developing world • HIV/AIDs does not mean that the individual is incapable of working • Depends on the number affected • Other factors play a more important part in determining lack of economic growth e.g. civil conflict/corruption • Time lag associated with recreating an economically viable family unit (once this has been destroyed) 	(15)

6355/02 Specification Grid

	KAA	EVALUATION	TOTAL
(a)	12	8	20
(b)	6	4	10
(c)	9	6	15
(d)	9	6	15
Total	36	24	60
As % of total marks	60	40	100

	KAA	EVALUATION	TOTAL
(a)	9	6	15
(b)	12	8	20
(c)	6	4	10
(d)	9	6	15
Total	36	24	60
As % of total marks	60	40	100

