



GCSE

Economics

8136/1 How markets work

Report on the examination

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General

Overall student performance was similar to that of 2024. As noted in previous years' reports on the examination there are still important, fundamental aspects of knowledge, analysis, application and evaluation skills which students would benefit from developing ahead of future exams. These aspects are highlighted in this report.

Section A

Multiple choice questions 1-10

There was an overall incline of difficulty to the multiple choice questions, with earlier questions proving very straightforward, while later questions proved more challenging.

For example, the vast majority of students correctly identified answer key B on Q01 about economic needs, while 69% correctly identified answer key C on Q10 which involved calculating a price (average revenue) change from cost and profit data. Multiple choice questions which proved most challenging were those covering economies of scale, costs and revenues.

Question 11

As the first written question on the paper, the majority (around 58%) of students were able to correctly state two business objectives. Only 6% of students scored 0 marks on what proved to be a straightforward question of knowledge. Some of these incorrectly stated macroeconomic objectives.

Question 12

This question required the identification and brief explanation of one possible way of increasing labour productivity. 71% of students were able to access 2 marks, mainly identifying an aspect of specialisation or division of labour. Around 19% scored 1 mark, being able to identify a factor but not giving a correct explanation.

Question 13

Just under half of the students were able to give a reason and explanation for a decrease in the equilibrium price of TVs. This highlights an ongoing gap in some students' understanding of the concepts of demand and supply and market equilibrium. Around 34% were able to give a partial explanation, scoring 1 mark. Many students muddled demand and supply factors or the direction of a demand or supply shift. 15% of students scored 0 marks.

Question 14.1

This question, involving a simple calculation of price elasticity of supply, was answered fully correctly by 60% of students, although 30% of students scored 0 marks. This again highlights an ongoing lack of understanding of elasticity of demand and supply by some students. Many

students could not calculate the percentage change in the quantity supplied, or they reversed the formula.

Question 14.2

Only 30% scored 2 marks on this question, with the modal score being 0. Many students gave an answer about price elasticity of demand, rather than price elasticity of supply, emphasising the point made in relation to 14.1.

Question 15

Around 36% of students were able to access Level 3 on this 6 mark question about possible reasons for differences in annual pay between certain occupations. The best answers produced 1 or 2 logical chains of analysis in relation to labour supply and demand factors such as skill, education level and training period, referring to the jobs and pay in Table 2 to support their analysis. 50% of students did not exceed Level 2, being able to begin, but not extend, one or more relevant chains of analysis.

Question 16

A majority of students (62%) were able to correctly state two ways that a competitive market differs from a non-competitive market. In what was expected to be a straightforward question of basic knowledge, many of those who scored 0 marks (13%) muddled characteristics such as high or low barriers to entry and number of firms in each type of market structure. Centres should refer to section 3.1.5.3 of the specification.

Question 17

This proved to be a relatively accessible question with 77% of students able to score 2 marks and 12% scoring 1 mark. The question asked about a possible disadvantage of specialisation for an individual worker. Most fully correct responses identified the possible problem of lack of motivation as a result of repetition. Some incorrect answers outlined a disadvantage for firms rather than for workers.

Question 18

This question tested understanding of the differences between two key types of market. Just under 62% of students scored 2 marks on this question. 17% of students scored 0 marks, often stating that one was for goods and the other for services.

Question 19.1

This simple percentage change calculation of productivity proved to be straightforward for most, with 79% of students scoring the full 2 marks.

Question 19.2

This was answered less successfully than the first part of question 19. Only 41% of students were able to identify and explain a possible consequence to the UK economy of the decline of the secondary sector. 30% of students scored 0 marks. Many of these did not understand that the secondary sector largely comprises manufacturing, or otherwise gave reasons for the decline of the secondary sector.

Question 20

With a slight improvement compared to previous years, 64% of students scored the full 3 marks for correctly drawing and labelling a demand and supply diagram to illustrate an increase in the derived demand for lorry drivers following a rise in demand for groceries. Around 16% scored only 1 mark, often for correctly labelling the original equilibrium wage and quantity of labour, in conjunction with correctly labelled curves. A number of students labelled demand and supply curves the wrong way round. As identified in previous reports and AQA feedback courses, some students still seem to struggle with basic understanding of demand and supply.

Question 21

This is a 9 mark question, including 6 marks for demonstrating AO3 skills of analysis and evaluation. 40% of students secured Level 3 for this question, scoring 7-9 marks. There were plenty of hints in the source information in Figure 2 to guide students towards the potential externalities created by the growth of the gaming industry. The best answers produced two or more 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 identify and explain the possible negative and positive spillovers such as environmental impacts and employment opportunities in related industries. 52% 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

This proved to be relatively straightforward question, requiring an accurate definition of the term 'monopoly', with 75% of students scoring the full 2 marks. Around 13% of students scored 1 mark, giving a partial definition of the term.

Question 23

33% of students were able to access the full 3 marks on this calculation question, correctly calculating the mean average profit per household made by the 'Big 6' energy suppliers. 8% of students scored 2 marks, mostly for a correct answer but not to the nearest £. 15% scored 1 mark, mostly for a partially correct working, but an incorrect final answer.

Question 24

In this 6 mark question 28% of students were able to access Level 3 marks, with 9% scoring the full 6 marks. The best answers typically contained one or two logical chains of reasoning, using prompts contained in the source material.

Question 25

This 6 mark question saw a similar profile of performance as question 24. 27% of students scored 5 or 6 marks, with the best of these identifying and fully explaining two possible ways

that producers operate in a non-competitive market such as the UK's domestic energy market.

Question 26

The longest question on the paper has 15 marks in total, with 10 of these allocated 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 benefits to consumers of monopoly power might outweigh the disadvantages.

As in previous years there was some excellent evaluation which reflected upon aspects of cost, price, choice and innovation, alongside possible scope for consumer exploitation. There was plenty of relevant information in the Items for students to utilise to support their arguments and the best responses were able to build this into their answers. Around 38% of students were able to access at least Level 4 marks (10 or more out of 15), with 8% securing Level 5 marks. Around a further 36% 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 to miss the important words 'to consumers' in the question, producing general answers which looked at the wider economic effects or focused on other economic agents such as producers and the government. This oversight tended to generate weaker responses.

Mark Ranges and Award of Grades

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