

Command words

Command words are the words and phrases used in exams and other assessment tasks that tell learners how they should answer the question.

The following command words are taken from Ofqual's official list. Their meanings are relevant to this subject. We've added our own command words and their meanings to complement Ofqual's list.

Assess

Consider relative merits of various arguments and weigh them up to make an informed judgement.

Example question

Assess the view that price discrimination is always damaging. (November 2020 A-level Paper 1 Q14).

Example of a key point in the answer

While price discrimination usually means higher prices and a loss of consumer surplus for most customers, there can be benefits for some. For example, a theatre may charge a low price for an afternoon performance of a show because they would not attract many customers if they charged the standard price. The theatre would benefit provided the extra revenue was greater than the marginal cost of putting on an extra performance, and the afternoon theatre goers would benefit from the reduced price.

'The answer would be assessed using a levels of response mark scheme and all four assessment objectives would be taken into account when awarding a mark. To earn the full 25 marks, the answer would have to contain sound, focused analysis and well-supported evaluation. There would need to be sound knowledge and understanding of relevant economic concepts and principles, good application to the context and clear, logical chains of reasoning. There would also need to be supported evaluation throughout the response as well as in the final conclusion.'

Guidance

In order to assess 'the view that price discrimination is always damaging', the response should include well-developed analysis of why price discrimination is likely to be damaging as well as some consideration of circumstances when it may not be damaging. The impact of price discrimination on different economic agents might also be analysed to help support the assessment of whether it is 'always damaging'. The answer should have a conclusion that weighs up the arguments and presents an overall assessment of whether price discrimination is 'always damaging'. The assessment should be backed up by sound economic analysis and

may include evidence from real-world examples of price discrimination to support judgements.

Calculate

Work out the value of something.

Example question

Using the data in **Extract A (Figure 1)**, if 2015 is the base year, calculate the index of Egypt's real GDP in 2018.

Give your answer to one decimal place. (June 2022 A-level Paper 2 Q1).

Example answer (full marks)

114.5 (the 2015 figure was \$250.0 billion and for 2018 it was \$286.3 billion)

Guidance

A correct final answer, to the required degree of accuracy and with the correct units, will score the full two marks. In this example, the answer is an index number and index numbers do not have units.

Working is not required although if working is shown, one mark might be awarded for an answer that is wrong but has some merit.

Define

Specify the precise meaning of an economic term or concept.

Example question

Define 'unemployment rate' **Extract E** (line 18). (June 2022 AS Paper 2 Q27).

Example answer (full marks)

The number of people out of work and actively seeking work, expressed as a percentage of the labour force.

Guidance

A complete and accurate specification of the meaning is required for the full 3 marks. This is usually possible in a single sentence. If the term contains a qualification of the concept, such as 'negative externalities', then the meanings of both 'externalities' and 'negative' must be specified for full marks.

Discuss

Present both sides of an argument and come to a conclusion that is supported by economic analysis and evidence.

Example question

Discuss how the divorce of ownership from control may affect both the conduct and performance of firms. (November 2021 A-level Paper 1 Q14).

Example of a key point in the answer

Divorce of ownership from control usually exists in large firms where the shareholders, the owners, leave the key decisions and the general running of the firm to full-time managers who do not own the business. The objectives of the owners are likely to differ from the objectives of the managers and they may conflict. In a firm where the owner(s) are responsible for managing and controlling the business, there is no such conflict of objectives. Where there is a divorce of ownership from control, managers may, for example, be more interested in maximising the growth of the business rather than aiming to maximise profits. The power, prestige and financial rewards enjoyed by the top management are usually greater in a large firm than a small firm. As a result, where there is a divorce of ownership from control, managers may, for example, set low prices and spend large sums on advertising to increase the firm's market share even though setting a higher price would generate more profit.

However, unless the firm makes sufficient profit to satisfy the owners, the owners may sell their shares, the share price will fall and company will be bought by people who take over the business, replacing the original managers by a new management team who are more focused on making a profit.

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Guidance

In order to discuss the view, key points must be presented for and against. These points must be analysed and evaluated in order to reach a supported judgement at the end.

Draw

Produce a diagram or chart.

Example question

Extract C (line 20) states: 'Perhaps a maximum price should be set for water'.

Draw a diagram to show the impact on the market for water of setting a maximum price below the equilibrium. (June 2022 AS Paper 1 Q24)

Example of a key point in the answer

In this question, to show the impact of setting a maximum price below the equilibrium, the excess demand should be shown clearly.

Guidance

To achieve full marks, the diagram must be accurate with all axes and curves labelled correctly.

Evaluate

Consider arguments for and against alternative options and come to a conclusion supported by economic analysis and evidence.

Example question

Evaluate the view that international trade always benefits nations. (June 2022 A-level Paper 2 Q14).

Example of a key point in the answer

The principle of comparative advantage helps to explain the benefits of international trade. A country has a comparative advantage in the production of a good when its opportunity cost of producing the good is lower than in another country. The model of comparative advantage shows that if each country specialises in producing the good in which they have a comparative advantage and agree a terms of trade that is between their domestic opportunity cost ratios, trade will be mutually beneficial. Specialisation and trade will lead to a more efficient allocation of resources and increase total output. International trade and specialisation may also mean that countries benefit from economies of scale, reducing average costs. In addition, the increase in competition that results from international trade should lead to further improvements in both static and dynamic efficiency.

However, some argue that free trade between countries is not always beneficial for every nation. Firstly, imposing protectionist measures may allow a country time to invest in developing an industry. If imports are not restricted, the industry may not be able to compete with foreign firms. Restricting imports may give domestic firms the breathing space they need to become competitive. For example, by imposing restrictions on imports of cars, South Korea was able to develop its own car industry which is now one of the largest and most successful in the world.

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Guidance

In order to evaluate the view, its validity must be considered, together with counterarguments and consideration of circumstances when it may or may not apply. These points must be analysed and evaluated in order to reach a final judgement on the question from the available evidence at the end.

Explain

Give reasons, or ways, supported by logical chains of reasoning.

Example question

Explain possible causes of economic growth. (June 2023 A-level Paper 2 Q13).

Example of a key point in the answer

A distinction can be made between short-run and long-run economic growth. Short-run economic growth is the rate at which the total output of an economy is increasing and is usually measured by the percentage change in real GDP. Long-run economic growth is the underlying rate of increase in the productive capacity of an economy. One possible cause of economic growth is a rise in consumer spending. An increase in consumption, leading to an increase in aggregate demand, is likely to cause short-run economic growth. If aggregate demand is increasing, firms are likely to increase output to satisfy the rise in demand. The increase in output, and hence real GDP, results in short-run economic growth.

‘This answer would be marked using a levels mark scheme and to earn the full 15 marks, the learner would have to develop a selection of the key issues relevant to the question, with sound knowledge and understanding of economic terminology, concepts and principles. To explain the issues identified, the response should include well-developed, logical chains of reasoning.’

Guidance

The points should be stated clearly and then developed to address the question posed. Relevant economic concepts should be incorporated and where appropriate, examples may also help to support the understanding.

Identify

Name or otherwise characterise key features or points of comparison between variables.

Example question

Use **Extract A (i)** to identify **two** significant features of the price of Brent crude oil over the period shown. (June 2023 AS Paper 1 Q23).

Example answer (full marks)

The price of Brent crude oil was lower at the end of the period than at the start. It fell from around \$109 per barrel to \$42 per barrel.

The greatest fall in the price of Brent crude oil was between 2014 and 2015, when the price fell from around \$99 per barrel to \$52 per barrel, a fall of \$47.

Guidance for 'features'

To be 'significant', an overview must be taken which involves looking at the data as a whole, for example, the difference between the value at the start of the period and the value at the end of the period. Correct dates and units are required to score the full 4 marks (2 marks per significant feature).

Guidance for 'points of comparison'

If the question requires that two series of data are compared, the same information must be stated for both, for example, when each was highest and the values. Again, correct dates and units are required to score the full 4 marks (2 marks per significant point of comparison).

Justify

Give reasons for the stated point of view, supported by sound economic analysis and evidence. The response is likely to consider alternative views and explain why they should be rejected.

Example question

After considering **Extract D**, and the original evidence in **Extracts A, B** and **C**, would you recommend that the government of Sri Lanka cuts its spending to reduce its debt? Justify your recommendation. (June 2023 Paper 3 Q33).

Example of a key point in the answer

Government spending has helped support the economic development of Sri Lanka's economy by providing essential infrastructure and investing in human capital but there is serious risk that unless there is a significant cut in government spending, the country will default on its debts. If the country is unable to service its debts, it will compromise Sri Lanka's ability to borrow in the future and make it much harder to attract inflows of foreign direct investment (FDI). FDI has resulted in the creation of new firms that have supplied import substitutes and exports. These firms have also created jobs and contributed to improvements in living standards.

Although cutting government spending will mean that, in the short run, the economic development of Sri Lanka will slow, it should still be possible to support the most vulnerable. What is more, cutting government spending should help to moderate the high rate of inflation that is particularly damaging for the poorest members of the population. The Sri Lankan government could approach the IMF for a loan but loans from the IMF come with conditions attached. Before granting the loan, the IMF is likely to insist that public expenditure is cut. I strongly recommend that the government of Sri Lanka cuts its spending to reduce the budget deficit and avoid defaulting on its debts. When the growth in the world economy picks up and Sri Lanka's tourist industry recovers, its economy will stabilise, its debts will be more manageable and the government will be able to increase its spending again to support the development of the economy.

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Guidance

To justify a recommendation, view or conclusion, key points must be presented in favour but their weaknesses and the case against should be considered as well. These points must be analysed and evaluated in order to reach, and present in a conclusion, a judgement on the question that is supported by the available evidence.

To what extent...

Examine reasons for and against a point of view and use economic analysis and evidence to form a judgement concerning the degree to which it is valid.

Example question

To what extent do you agree that a fall in savings is beneficial for the UK economy? Justify your answer. (November 2021 Paper 2 Q12).

Example of a key point in the answer

Savings are a withdrawal from the circular flow of income. Hence, a fall in households' propensity to save may lead to an increase in consumption and aggregate demand. When the UK economy has a negative output gap, the increase in aggregate demand is likely to increase real GDP, reduce unemployment and contribute to an improvement in living standards. The rise in real GDP will increase tax revenue and help the government finance an increase in its spending. However, when the UK economy has a positive output gap or if aggregate demand is increasing too rapidly, a fall in savings could lead to high inflation and a growing balance of payments deficit. Therefore, the extent to which a fall in savings is beneficial for the UK economy depends partly on the current state of the economy.

However, it is not the only consideration. The fall in savings could be due to falling household incomes and a reflection of an economy going into a recession. In addition, savings help finance investment and economies with low levels of saving are likely to have a lower long-run trend rate of economic growth than those that have a high savings ratio. Many believe that the UK savings ratio is too low and so a further fall would be damaging rather than beneficial. The extent to which a fall in savings is beneficial for the UK economy depends on number of factors. It is likely to be beneficial when the economy is suffering from high unemployment and when the fall in savings reflects an increase in households' propensity to spend. However, a sustained, significant fall in savings is likely to be accompanied by a fall in investment, lower economic growth and damage to the performance of the UK economy.

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Guidance

The issues raised should be assessed and, where possible, evidence presented to indicate the degree to which they support or refute the proposition in the question. The conclusion should weigh up the various arguments and include a final judgement which may be tentative indicating what the judgement depends on.

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