

Multiple Choice Answers

Q10: D
Q12: D
Q29: B

Multiple Choice Answers

Q9: B
Q12: A

1	- A small number of relevant knowledge points are included and the response is limited by significant errors or omissions. - The response has little relevance to the question. - Analysis where provided is largely descriptive. Use of analytical tools such as diagrams and formulae, where necessary, may contain significant errors or be omitted completely. - Responses show limited organisation of economic ideas.
0	No creditable response.

Table B: AO3 Evaluation

Use this table to give marks for each candidate response for AO3 Evaluation for **Question 5**.

Level	Description
2	- Provides a justified conclusion or judgement that addresses the specific requirements of the question. - Makes developed, reasoned and well-supported evaluative comment(s).
1	- Provides a vague or general conclusion or judgement in relation to the question. - Makes simple evaluative comment(s) with no development and little supporting evidence.
0	No creditable response.

1(a)	Explain what is meant by absolute poverty. Absolute poverty is when an amount of money is chosen as the poverty level (1) In this case it is US\$ 2.15 per day (1) Allow for a comparison – absolute poverty is about a fixed, universal standard of survival (1), whereas relative poverty is defined by social comparison within a specific country or community (1) Credit basic needs (1) Do not credit minimum wage
1(b)	Explain, with the aid of a diagram, how the migration of workers from a low-income country is likely to affect wages in the low-income country. Labels and axes Wages/labour (1) Initial S and D for labour (1) and equilibrium point (1) Reduction in the supply of labour (supply curve shift) (1) New equilibrium wage and quantity (1) Maximum 3 marks if no diagram
1(c)	The article states: ‘The remittances received by those countries in 2022 was \$650 billion.’ Analyse how this is likely to benefit the migrants’ home economies. Remittances a form of invisible earning for the migrant’s home country (1) thus the US\$650 are secondary income for the home country (1) There BoP effect is to increase exports (X) (1) and to increase the (X–M) element in the aggregate demand equation (1). The increase in AD will shift the AD curve to the right (1) and GDP will increase (1) Candidates can show this effect through an AD/AS diagram (2) NOTE: Candidates may take a wider view than the macro mark scheme and consider groups within the economies as the references in data.
1(d)	Consider if the article contains sufficient information to support the view that migrants have only a beneficial economic impact on the host country. Beneficial to host country: Higher labour force (1), pay taxes (1) allows pay-as you-go pension system (1), increases demand (1), Increased productivity and economic growth (1) Entrepreneurship e.g. new business startups Max 3. Disadvantages: The effects of higher demand for housing (1), health services (1), education services (1). cultural differences (1) are not mentioned, Other considerations-wage suppression in some sectors, short term unemployment effects, integration/training costs, regional disparities Max 3. Justified Conclusion (1)

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0	No creditable response.
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1(a)	The article refers to the Gini coefficient. With the help of a diagram explain the link between a Gini co-efficient and a Lorenz curve. Accurately labelled Lorenz curve (2) Formula to show calculation of Gini coefficient (1) The Gini coefficient measures the extent to which the distribution of income, (or wealth), within a country is unequal. (1) Gini value of 0 = perfect equality (1) Gini value of 1 = perfectly unequal (1) Maximum 5 marks Explanation of meaning of Gini coefficient—value of 0 = perfectly equal distribution (1). The Gini coefficient measures the extent to which the distribution of income, (or wealth), within a country is different. (1)
1(b)(i)	Distinguish between equity and equality Equality generally refers to equal opportunity. (1) Equity refers to the need to achieve greater fair outcomes. (1)
1(b)(ii)	‘But, according to a newspaper, a lot of what is said about inequality is wrong.’ Analyse whether there is a conflict between what the newspaper wrote about changes in equality and Table 1.1. Some limited supporting evidence, (1) However, the text is a general overall average while the table is for a particular country. (1) Text suggests a fall in inequality, Gini going down (1) Table suggests a rise in inequality, Gini going up. (1) There is no conflict, regarding changes in the national income, both text and table say they have risen. (1)

1(c)

With reference to the article, explain the idea of globalisation and assess whether there is enough evidence to conclude that globalisation has a net benefit for everyone.

Globalisation means the growing interdependence of the world's economies, cultures, and populations, brought about by cross-border trade in goods and services, technology, and flows of investment, people, and information. **(2)**

Benefits mentioned include increases in incomes, life expectancy (10 years in sub-Saharan Africa) and literacy rates. A fall in absolute poverty. A fall in inequality **(2)**

Drawbacks mentioned environmental issues, exploitation of workers, domestic unemployment, increasing dependence on other countries. **(2)**

The benefits have occurred while the population has increased so are probably substantial. However, there is no statistical information to compare the benefits with the drawbacks. Also it depends on what 'net benefit' means—does it mean an increase in quantity of goods, higher profits, or does it mean wider choice, better quality. It is difficult to make an overall assessment. **(2)**