



Mark Scheme (Results)

Summer 2024

Pearson Edexcel GCE A Level

In Economics B (9EB0)

Paper 02 Competing in the Global Economy

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Section A

Question Number	Using the information in Extract D, calculate, to the nearest whole number, the index for UK bread prices in 2023. You are advised to show your working.	Mark
1(a)	<p align="center">Knowledge/understanding 1, Application 3</p> <p>Knowledge/understanding: 1 mark for correct formula for calculating index:</p> <p>(Average price of bread in 2023/Average price of bread in 2018) x 100 OR (price in current year/price in base year) x 100 (1)</p> <p>Application: up to 3 marks for calculating the index for 2023:</p> <p>£1.36/£1.05 (1) = 1.295</p> <p>1.295 x 100</p> <p>OR</p> <p>1.30 X 100 (1)</p> <p>and 1 mark for the correct answer: 130 (1)</p> <p>NB if no working is shown award marks as below:</p> <ul style="list-style-type: none"> • If the answer given is 130 award 4 marks 	(4)

Question Number	<p>Sales data shows that demand for 800g white sliced bread increased by 0.6% between 2022 and 2023.</p> <p>Using this data and Extract D, calculate, to 2 decimal places, the price elasticity of demand (PED) for 800g white sliced bread between 2022 and 2023. You are advised to show your working.</p>	Mark
1(b)	<p>Knowledge/understanding 1, Application 3</p> <p>Knowledge/understanding: 1 mark for correct formula:</p> $\frac{\% \Delta Q_d}{\% \Delta P} \quad (1) = PED$ <p>Application: up to 3 marks for calculating:</p> <p>Change in price 2022-2023: $\pounds 1.36 - \pounds 1.20 / \pounds 1.20 \times 100$ (1)</p> <p>OR</p> <p>13.33% (1)</p> <p>0.6%/13.33% (1) = 0.05 (1)</p> <p>NB if no working is shown award marks as below:</p> <ul style="list-style-type: none"> • If the answer given is 0.05 award 4 marks 	(4)

Question Number	With reference to Extract A, explain one impact trade unions could have on wage rates.	Mark
1(c)	<p style="text-align: center;">Knowledge/understanding 1, Application 2, Analysis 1</p> <p>Knowledge/understanding: 1 mark for identifying an impact:</p> <p>Higher wage rates/increased wages (1)</p> <p>Application: up to 2 marks:</p> <p>Trade Unions negotiate collectively with employers about wage rates (1) and can exert pressure on employers to meet their wage demands through collective action e.g. strikes (1)</p> <p>Analysis: 1 mark for developing explanation of the impact trade unions have on wages:</p> <p>Therefore, the wages of trade union members are likely to keep pace with inflation (1)</p>	(4)

Question Number	Analyse two ways in which high inflation affects individuals.	
1(d)	<p style="text-align: center;">Knowledge/understanding 2, Application 2, Analysis 2</p> <p>Knowledge: up to 2 marks for: Inflation may reduce the value of real wages (1) and reduce living standards (1)</p> <p>Application: up to 2 marks for contextualised answers e.g. Many households are going without heating or washing (1) and many are living in cold, damp homes (1)</p> <p>Analysis: up to 2 marks for developing the impact e.g. Decreased purchasing power means they cannot afford as many goods (1) This may negatively affect physical health (1)</p>	(6)

Question Number	With reference to Extract C, discuss the likely impact of falling attendance in schools on the UK economy. Indicative content	Mark
1(e)	<p style="text-align: center;">Knowledge/understanding 2, Application 2, Analysis 2, Evaluation 2</p> <ul style="list-style-type: none"> • Education is an important determinant of the quality of labour as a factor of production • An educated workforce tends to be more skilled • This determines the productivity of labour • Productivity is an important determinant of the costs of production • If costs and prices are rising more rapidly in the UK than for firms in other countries, this can reduce international competitiveness • As attendance at school falls (Extract C), so does the attainment of children, who are the workers of the future • Lack of education can lead to higher levels of unemployment and economic inactivity • This may reduce the productive potential of the UK economy in the future • However, the impact will depend upon the scale of falling attendance. The more widespread, the greater the impact • The impact will depend upon for how long this falling attendance is sustained. If it is sustained for a long time the impact may be greater than if only a short term problem • Falling attendance can be improved through increased investment in education • Free school meals can provide an incentive for attendance at school (Extract B) • Rising poverty and consequent falling school attendance can be improved through effective macroeconomic policy aimed at keeping inflation low and stable 	(8)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding, using little or no relevant evidence. Arguments and chains of reasoning may be attempted. Limited attempt to address the question.
Level 2	3–5	Elements of knowledge and understanding, using limited relevant evidence. Arguments and chains of reasoning are developed. Judgements may be attempted.
Level 3	6–8	Accurate knowledge and understanding, supported throughout by use of relevant evidence which is well chosen. Arguments are developed, using logical, coherent chains of reasoning. A balanced awareness of competing arguments.

Demonstrating application (AO2) in responses

Where questions specifically stipulate the use of data or information provided in a stimulus, students:

- must directly reference, interpret or analyse the information provided in the stimulus
- in addition, may select examples from their own knowledge but these must be relevant and directly connected to the context/issues set out in the stimulus.

Where questions do not specifically stipulate the use of data or information provided in a stimulus, students:

- must select relevant examples from their own knowledge, these must be directly connected to the context/issues set out in the question, and
- may directly reference, interpret or analyse the information provided in any relevant stimulus.

Question Number	<p>In Extract B, Lee Anderson claims that "there is no poverty in Britain".</p> <p>Assess the extent to which poverty exists in Britain.</p> <p>Indicative content</p>	Mark
1(f)	<p>Knowledge/understanding 2, Application 2, Analysis 3, Evaluation 3</p> <ul style="list-style-type: none"> • Poverty can be absolute and relative • There is evidence of absolute poverty in Extracts B and C, where basics such as food and heating are becoming less affordable for an increasing number of households • Relative poverty is also clearly present when the bottom 20% of the population only receive 9% of total income (Extract E) • Poverty is complex and multidimensional that includes income, access to basic needs such as food, education, healthcare and housing • Low wages, high living costs, inadequate social support systems, unemployment and underemployment, housing costs, inequalities in education and healthcare all suggest that poverty exists • Britain seems to be experiencing relative poverty rather than absolute poverty • However, due to the cost of living crisis, more people might be experiencing absolute poverty • Absolute and relative poverty can be reduced through in-work and out-of-work benefits and through progressive taxation and the redistribution of income • There will always be relative poverty in Britain but the level of absolute poverty could be reduced by government policy • Therefore, the claim would not appear to align with the economic reality for many people in Britain who experience both relative and absolute poverty 	(10)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding, using little or no relevant evidence. Arguments and chains of reasoning may be attempted. Limited attempt to address the question.
Level 2	3–4	Elements of knowledge and understanding, using limited relevant evidence. Arguments and chains of reasoning are presented but with limited attempt to address the question. Comparisons and judgements may be attempted.
Level 3	5–7	Accurate knowledge and understanding, supported by use of relevant evidence to support the argument, clear chains of reasoning, with well developed arguments. An awareness of the significance of competing arguments is present although this may lack balance.
Level 4	8–10	Accurate knowledge and understanding, supported throughout by use of relevant evidence which is well chosen, logical, coherent chains of reasoning, showing full understanding of the question. Arguments are developed and evaluated. A full and balanced awareness of the validity and significance of competing arguments.

Demonstrating application (AO2) in responses

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Question Number	With reference to Extract A, assess the impact of high imported energy and commodity prices on the circular flow of income in the UK. Indicative content	Mark
1(g)	<p>Knowledge/understanding 2, Application 2, Analysis 4, Evaluation 4</p> <ul style="list-style-type: none"> • Circular flow of income model (accept an accurate diagram, if given) describes injections and leakages/withdrawals of money from the economy • Injections include: investment; government spending; exports. Leakages/withdrawals include: savings; imports; taxation • High imported energy and commodity prices increases the value of leakages from the circular flow of income • Unless this increase in the value of leakages is offset by an increase in the value of injections then there would be a net leakage from the circular flow of income • This net leakage may lead to lower or negative GDP growth • However, the size of the net leakage and impact on GDP growth will depend upon how high the energy and commodity prices rise • The impact on the circular flow will also depend upon how long these high energy and commodity prices are sustained • The impact will also depend upon the level of investment, value of exports and level of government spending in the same time period 	(12)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding, using little or no relevant evidence. Arguments and chains of reasoning may be attempted. Limited attempt to address the question.
Level 2	3–5	Elements of knowledge and understanding, using limited relevant evidence. Arguments and chains of reasoning are presented but with limited attempt to address the question. Comparisons and judgements may be attempted.
Level 3	6–9	Accurate knowledge and understanding, supported by use of relevant evidence to support the argument, clear chains of reasoning, with well developed arguments. An awareness of the significance of competing arguments is present although this may lack balance.
Level 4	10–12	Accurate knowledge and understanding, supported throughout by use of relevant evidence which is well chosen, logical, coherent chains of reasoning, showing full understanding of the question. Arguments are developed and evaluated. A full and balanced awareness of the validity and significance of competing arguments.

Demonstrating application (AO2) in responses

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Question Number	With reference to Extract E, assess the possible impact of income inequality on the UK economy. Indicative content	Mark
1(h)	<p style="text-align: center;">Knowledge/understanding 2, Application 2, Analysis 4, Evaluation 4</p> <ul style="list-style-type: none"> • Income inequality refers to the unequal distribution of income among the population • Income inequality is shown in Extract E where the top 40% receives 60% of the total national income • The bottom 40% only receives 22% of the total national income • Income inequality can hinder economic growth as it can limit the ability of lower income groups to participate in education, skills development and entrepreneurship • When a significant portion of the population does not have adequate resources, it reduces consumer spending and AD which is a main source of economic growth • High income inequality can create barriers to social mobility when lower-income groups may lack access to quality education and healthcare. This can perpetuate a cycle of poverty and inequality across generations • High income inequality can erode social cohesion and trust within a society. Disparities in wealth and opportunities can create social unrest and higher crime rates • However, policies to address income inequality in the UK such as progressive taxation, increasing the minimum wage, improving access to quality education and healthcare, providing targeted social support might reduce income inequality • Reducing income inequality is crucial for achieving sustainable economic growth and a better quality of life for all members of society 	(12)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding, using little or no relevant evidence. Arguments and chains of reasoning may be attempted. Limited attempt to address the question.
Level 2	3–5	Elements of knowledge and understanding, using limited relevant evidence. Arguments and chains of reasoning are presented but with limited attempt to address the question. Comparisons and judgements may be attempted.
Level 3	6–9	Accurate knowledge and understanding, supported by use of relevant evidence to support the argument, clear chains of reasoning, with well developed arguments. An awareness of the significance of competing arguments is present although this may lack balance.
Level 4	10–12	Accurate knowledge and understanding, supported throughout by use of relevant evidence which is well chosen, logical, coherent chains of reasoning, showing full understanding of the question. Arguments are developed and evaluated. A full and balanced awareness of the validity and significance of competing arguments.

Demonstrating application (AO2) in responses

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Section B

Question Number	Evaluate the methods by which the activities of multinational corporations (MNCs) such as <i>Microsoft</i> , <i>Amazon</i> and <i>Google</i> may be controlled. Indicative content	Mark
2	<p>Knowledge/understanding 4, Application 4, Analysis 6, Evaluation 6</p> <ul style="list-style-type: none"> • The main ways in which the activities of MNCs can be controlled are: legal control; pressure groups; social media; self-regulation • Dominance of a small number of big companies over cloud computer services (Extract G) would suggest an oligopoly market structure • Such a market structure means firms have a large amount of market power and there are high barriers to entry, leading to high profits for firms such as <i>Microsoft</i> and high prices for consumers (Extract F) • Legal controls on the activities of MNCs can be established by national governments, this may include price controls or a windfall tax on excessive profits • In the UK the CMA can fine firms for abusing their market power and even force them to reduce barriers to entry • Pressure groups can raise public awareness of the market power of MNCs and organise boycotts of products and demonstrations to highlight excessive profits • In a similar way, social media can be used by groups and individuals to raise awareness of the activities of MNCs including the firms that provide social media services such as <i>Google</i> • Self-regulation is a possible source of control, as large MNCs seek to co-operate with governments and reduce the likelihood of direct government or even international action to limit their activities • However, the impact of legal controls on the activities of MNCs is limited as, by definition, MNCs produce and sell in more than one country. This means it is difficult for individual national governments to create legal controls on their global activities • In addition, large MNCs can have political influence and can also afford to employ expensive legal representation to resist legal controls • Self-regulation will depend upon the willingness of shareholders to accept lower profits in return for a more ethical business model 	(20)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Isolated elements of knowledge and understanding, using little or no relevant evidence. Arguments and chains of reasoning may be attempted, but fail to connect causes and consequences. Limited attempt to address the question.
Level 2	5–9	Elements of knowledge and understanding, using limited relevant evidence. Arguments and chains of reasoning are presented, but connections between causes and consequences are incomplete. Limited attempt to address the question. Comparisons, judgements or conclusions may be attempted, but are unsupported or generic.
Level 3	10–15	Accurate knowledge and understanding, supported by use of relevant evidence to support the argument, developed chains of reasoning, showing understanding of connections between causes and consequences. Arguments are well-developed and partially evaluated. An awareness of the significance of competing arguments is present although this may lack balance. A conclusion may be attempted but may not show awareness of the significance of competing arguments.
Level 4	16–20	Accurate knowledge and understanding, supported throughout by use of relevant evidence which is well chosen and fully integrated to support the argument, well developed and logical, coherent chains of reasoning, showing full understanding of the question. Arguments are fully developed and evaluated. A full awareness of the validity and significance of competing arguments, leading to nuanced and balanced comparisons, judgements or conclusions.

Demonstrating application (AO2) in responses

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Section C

Question Number	Evaluate the view that the main causes of unemployment are technological and structural. Indicative content	Mark
3	<p>Knowledge/understanding 4, Application 4, Analysis 6, Evaluation 6</p> <ul style="list-style-type: none"> • The other causes of unemployment are: occupational and geographical immobility; demand deficiency and cyclical unemployment • Automation, artificial intelligence and robotics can increase productivity but may result in job losses in sectors heavily affected by automation such as manufacturing and retail • This creates demand for new skills and retraining for employees to remain in the job market and avoid structural unemployment • The regional difference in unemployment suggest that there may be structural unemployment in the north, with firms locating in the south where skill levels match job vacancies • However, the emergence of new industries and job opportunities in technology-related sectors may actually reduce unemployment • Lower levels of unemployment in some regions, such as the South East, may suggest demand deficient unemployment in other regions such as the North West and North East • Regional difference in unemployment may suggest that geographical immobility is a factor in creating higher unemployment in the north • The low level of unemployment in Northern Ireland suggests that a more open border with the EU and free trade might be important in reducing unemployment • More proactive strategies and policy interventions, such as apprenticeships, can help facilitate a smoother transition for workers into new industries and roles reducing technological and structural unemployment 	(20)

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Level 3	10–15	Accurate knowledge and understanding, supported by use of relevant evidence to support the argument, developed chains of reasoning, showing understanding of connections between causes and consequences. Arguments are well developed and partially evaluated. An awareness of the significance of competing arguments is present although this may lack balance. A conclusion may be attempted but may not show awareness of the significance of competing arguments.
Level 4	16–20	Accurate knowledge and understanding, supported throughout by use of relevant evidence which is well chosen and fully integrated to support the argument, well developed and logical, coherent chains of reasoning, showing full understanding of the question. Arguments are fully developed and evaluated. A full awareness of the validity and significance of competing arguments, leading to nuanced and balanced comparisons, judgements or conclusions.

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