

Introduction

This guide offers further clarification and guidance for those taking the 6354 “unit 4” exam. At the time of writing both the January nor the June 2002 papers are yet to be taken. Feedback will be provided here as the first sets of results come in.

It is hoped that by providing a guide to the unit in an accessible format a more level playing field between centres will be created. Edexcel is aware that many teachers find it difficult to attend the INSET conferences and feedback sessions, and that pupils rarely get the chance to meet principal examiners. The objective of the web guides is to make the content of INSET meetings more widely available.

Contents of the Guide

The unit 4 specification covers material that has been standard repertoire for A level economics pupils, although with an applied twist. A detailed survey of the requirements of the specification is included in this guide. This attempts to make clear the level of theoretical technique required both to answer the supported choice questions and to provide a framework for answering data response questions. The emphasis throughout is that theory should be regarded as a technique with which to tackle real world issues rather than as an end in itself.

The guide to the specification is followed by three articles on specific aspects of industrial economics. First, a short piece on contestability is designed to affirm that this is an important part of the course that will be examined frequently. The basic issue is that not everything follows from market structure – there may be aspects of conduct and performance that are independent of traditional categories of description such as “perfect competition” and “monopoly”. Needless to say, perhaps, the theory of contestability is itself controversial, and this is also briefly examined.

Second, a survey of UK and EU competition policy. This seeks to indicate the level of analysis required so that candidates do not get bogged down in unnecessary details of legislation. The importance of case studies in discussing the public interest criterion is emphasised.

Third, a survey of the regulation of privatised industries. This does not claim to be anything like complete – the purpose is to indicate the level of detail required rather than to cover the whole story. A few sample case studies are provided: the specification calls for particular emphasis on the *effects* of regulating the privatised industries.

A major part of this web guide is the provision of revision materials. A fairly complete list of definitions, arranged in conceptual groups of ten to enable commitment to

memory, is followed by the definitions themselves. Again, the idea is not to teach the theory from scratch but to provide a comprehensive list of terminology and diagrams for a candidate preparing themselves for the exam and who has already been taught the theoretical basis of the subject. In my experience candidates find such summary sheets extremely useful in drawing together and clarifying ideas.

The guide concludes with links to a full exemplar paper and mark scheme, and will be updated to include actual answers and an explanation of the marks they were awarded after the first examination in January 2002.

Some Comments on Timing

Undoubtedly one of the greatest challenges that candidates will face when taking this unit is timing. There is only one hour and a quarter available for the entire exam, which consists of ten supported choice questions and a choice between two data response questions.

1. Supported Choice Questions

My advice is to start by tackling the ten supported choice questions, since these are compulsory. Since they offer half of the available marks it would be inadvisable to spend less than 30 to 35 minutes on these questions. However, at little more than three minutes a question candidates need to be realistic about what they can achieve. The following tips might be of help:

- . • Answer all the questions, even if you are guessing. There are no penalty marks for wrong answers – often your hunch will be correct.
- . • Even if you cannot explain your answer include basic definitions of the key terms of the question. There are usually marks available for these even if you have the wrong key: up to two marks out of three are available for explanations of the wrong answer.
- . • *Wherever possible* use a diagram in your answer to the question – these truly are often worth a thousand words. There will be a space between the dotted lines for written answers and the end of the page – use this for your diagram.
- . • If there is a diagram in the question *use it* in your answer by annotating it, putting arrows to key points etc.
- . • Do all your rough working on the question paper – it will all be considered for possible marks.
- . • Do not write extended pieces of prose – there is no time. Try to be incisive. If there is a calculation then write this out line by line like a maths problem.
- . • *Above all, perhaps, do not get hung up on particular questions.* Guillotine your time to three minutes a question and under no circumstances exceed it. There are

rapidly diminishing marginal returns to time spent on individual supported choice questions. You can always come back to difficult questions after you have finished the data response.

2. Data Response Questions

One feature of the A2 units that pupils may at first glance find quite intimidating is the extended mark base. Each data response in unit 4 is worth 40 marks. Allowing 5 minutes for a choice of question and first reading of the data supplied this boils down to one minute per mark. One consequence of this is that there will be sections worth what seem to be a lot of marks but where relatively short answers are expected and these will be capable of achieving the maximum score. For example, a ten mark section has to be done in no more than ten minutes: the expectation is that this will involve no more than about two thirds of a side of writing – perhaps three paragraphs.

As with the supported choice, there is a considerable danger that candidates will write more than this on particular subsections believing that this is required for such a high mark base. They will then not have time to even begin other sections of the question. To repeat, it is much easier to acquire the first seven marks for a ten mark section than the last three: it is imperative that candidates have a go at all sections to do themselves justice overall.

Here is some further advice for tackling data response questions:

- . • Be clear which section of the question you are answering. This should be indicated clearly in the margin. Leave a gap between sections.
- . • Always include basic definitions where they are prompted by the question: do not take elementary economic concepts for granted in your answer.
 - Where appropriate, include theoretical diagrams and relate these to the data. Make sure that any diagrams you use are clearly labelled and accurately drawn (e.g. MC cutting the minimum of AC, the MR curve twice as steep as the AR curve).
- . • If you are asked for two separate reasons for something write these as two separate paragraphs and leave a line between them. Do not put everything in a long paragraph for the examiner to untwine.
- . • If the question says “using evidence in the passage” or “from the data” then be sure to make *explicit* use of the passage or the data in your answer. It is perfectly permissible to extract relevant quotations from the passage (use “” marks) although your answer should avoid simply being a cut and paste job.
- . • *Relate* any theory you use to the *specific context* provided by the question. For example, if the question is about the contestability of the water industry do not simply trot out your notes on contestability: apply them to this particular circumstance e.g. the sunk costs of laying pipelines. Of course, some introductory material is always useful – particularly for getting your answer started.
- . • *Above all else, allocate your time sensibly. Do not spend more than one minute per mark on any individual subsection. When this allocation has expired*

guillotine your response and move on to the next question.

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