CAMBRIDGE
International Education

Cambridge International AS & A Level

ECONOMICS **9708/44**

Paper 4 A Level Data Response and Essay **May/June 2025**

MARK SCHEME

Maximum Mark: 60

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

© Cambridge University Press & Assessment 2025

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

© Cambridge University Press & Assessment 2025

Social Science-Specific Marking Principles (for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)

b DO credit alternative answers/examples which are not written in the mark scheme if they are correct

c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).

d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)

e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities

f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).

g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

© Cambridge University Press & Assessment 2025

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

© Cambridge University Press & Assessment 2025

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotation	Use
	Correct point
	Incorrect point
	Unclear response
	Key information missing from response
	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Indicates where the answer has demonstrated analysis.
	Indicates appropriate reference to the information provided
	Expansion of point already made in response
	Indicates where the answer has demonstrated evaluation
	Indicates where the answer has demonstrated particularly strong/justified evaluation
	For use on questions 2,3,4 and 5. Indicates where the response has reached Level 1 in the Mark Scheme, Table A
	For use on questions 2,3,4 and 5. Indicates where the response has reached Level 2 in the Mark Scheme, Table A
	For use on questions 2,3,4 and 5. Indicates where the response has reached Level 3 in the Mark Scheme, Table A
	Used when the benefit of the doubt is given in order to reward a response.
	Used when the answer or parts of the answer do not answer the question asked.
	Indicates that the page or content has been seen by examiner, but no credit given.

© Cambridge University Press & Assessment 2025

Annotation	Use
TV	Used when parts of the answer are considered to be too vague to be given credit.

Assessment objectives

AO1 Knowledge and understanding
- Show knowledge of syllabus content, recalling facts, formulae and definitions.
- Demonstrate understanding of syllabus content, giving appropriate explanations and examples.
- Apply knowledge and understanding to economic information using written, numerical and diagrammatic forms.

AO2 Analysis
- Examine economic issues and relationships, using relevant economic concepts, theories and information.
- Select, interpret and organise economic information in written, numerical and diagrammatic form.
- Use economic information to recognise patterns, relationships, causes and effects.
- Explain the impacts and consequences of changes in economic variables.

AO3 Evaluation
- Recognise assumptions and limitations of economic information and models.
- Assess economic information and the strengths and weaknesses of arguments.
- Recognise that some economic decisions involve consideration of factors such as priorities and value judgements.
- Communicate reasoned judgements, conclusions and decisions, based on the arguments.

© Cambridge University Press & Assessment 2025

Table A: AO1 Knowledge and understanding and AO2 Analysis

Use this table to give marks for each candidate response for AO1 Knowledge and understanding and AO2 Analysis for **Questions 2**, **3**, **4** and **5**.

Level	Description	Marks
3	• A detailed knowledge and understanding of relevant economic concepts is included, using relevant explanations. Explanations are supported by examples, where appropriate. • The response clearly addresses the requirements of the question and explains economic issues, and fully develops these explanations. • Analysis is developed and detailed and makes accurate and relevant use of economic concepts and theories. Where necessary, there is accurate and relevant use of analytical tools such as diagrams and formulae, and these are fully explained. • Responses are well-organised, well-focused and presented in a logical and coherent manner.	**11–14**
2	• Knowledge and understanding of some relevant economic concepts is included, using explanations and examples that are limited, over-generalised or contain inaccuracies. • The response addresses the general theme of the question and the relevant economic issues, with limited development. • Analysis is generally accurate with some development but little detail. Uses analytical tools such as diagrams and formulae where necessary. Use of these tools is partially accurate or not fully explained. • Responses are generally logical and coherent but are sometimes lacking in focus or organisation.	**6–10**
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.	**1–5**
0	No creditable response.	**0**

Table B: AO3 Evaluation

Use this table to give marks for each candidate response for AO3 Evaluation for **Questions 2**, **3**, **4** and **5**.

Level	Description	Marks
2	• Provides a justified conclusion or judgement that addresses the specific requirements of the question. • Makes developed, reasoned and well-supported evaluative comment(s).	**4–6**
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.	**1–3**
0	No creditable response.	**0**

Section A Data response

Question	Answer	Marks
Follow the point-based marking guidance at the top of this mark scheme.		
1(a)	**Identify what is included in the HDI.** Health/Life Expectancy **1** Education/Years of Schooling **1** Income/Gross National Income pc/GNI **1**	**3**
1(b)	**The passage states that the RMG industry 'uses significant division of labour' takes place. Explain how this is likely to affect the average costs of firms in Bangladesh's RMG industry.** Division of labour increasing labour productivity/Increased efficiency **(1)** Definition of division of labour e.g. cutting, sewing zips, **(1),** and hence reduces average total costs **(1)**.	**3**
1(c)	**Identify the probable market structure of the RMG industry in Bangladesh and with the help of a diagram, consider the likely effect on the level of long-run profits of firms in this industry.** Identification of Monopolistic Competition **1** Diagram **3** marks: Labels and axes **1** Identification of MC=MR for profit maximisation **1** Average cost and revenue/marginal costs and revenue curves **1** Explanation of why Normal Profits **1** in long run equilibrium **1** If correct analysis but market mis-identified as monopolistically up to **5**	**6**

© Cambridge University Press & Assessment 2025

Question	Answer	Marks
1(d)	**With reference to the article, assess whether there is enough evidence to conclude that living standards in Bangladesh have improved since 1971.** Distinction between standard of living: monetary e.g. income and non-monetary e.g. health, education, water quality **1.** **Improvements** Rise in GNI from 2342 US$ to 5823 US$ = 2481 **1** US$ / 143 % increase **1** HDI rose 0.49 to 0.66 **1** Agricultural production/productivity. increased **1,** Balance of Trade improved **1** Net exports increased **1,** wider range of goods and services imported **1** **Maximum 3 marks** **Disadvantages** Development of negative externalities **1** air/water pollution **1** use of child labour **1** bad working conditions **1** Loss of agricultural jobs **1** Poorly constructed factories **1** **Maximum 3 marks** **Conclusion** Not enough evidence in the article **1** No information on housing/education or health **1**	**8**

Question	Answer	Marks
EITHER		
2	**With the help of a diagram, consider whether economic efficiency can be achieved without government intervention in a market economy** Use **Table A**: AO1 Knowledge and understanding and AO2 Analysis and **Table B**: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **Indicative content** Responses may include: **AO1 Knowledge and understanding and AO2 Analysis** • Definition and demonstration of productive efficiency in terms of minimum AC and allocative efficiency MC=MR. • Candidates may approach the question from a number of points of view • Comparison of equilibrium in Perfect Competition with reference to definitions of efficiency. • Negative externalities (e.g. the effects of environmental pollution) causing the social cost of production to exceed the private cost **or** positive externalities (e.g. the provision of education and health care) causing the social benefit of consumption to exceed the private benefit • Imperfect information or information failure means that merit goods are under-produced while demerit goods are over-produced **or** over-consumed. • The lack of supply of pure public goods and quasi-public goods issue that are needed to meet people's needs and wants. • Market dominance by monopolies can lead to under-production and higher prices than would exist under conditions of competition and the effect on price and quantity produced and consumer welfare. • Factor immobility causes unemployment and a loss of productive efficiency. • Equity (fairness) issues. Markets can generate an 'unacceptable' distribution of income and consequent social exclusion which the government may choose to change. • A choice of government policy to address a market failure from: • specific and ad valorem indirect taxes, subsidies, price controls, production quotas, prohibitions and licences, regulation and deregulation, direct provision, pollution permits property rights, nationalisation and privatization, provision of information or behavioural insights and ‘nudge’ theory. **No Diagram Max L2 8**	**20**

Question	Answer	Marks
2	**AO3 Evaluation** • Opportunity costs of the policy that has been chosen, what are the alternative uses of the resources and how does it affect efficiency. • Can the government accurately measure the extent of the market failure. • Unintended consequences on, regulator capture, cost of bureaucracy, political interference. • Evaluation may be based on an example cited by candidates. • Implications for the government budget increase in tax revenues/costs of subsidies. Accept all valid responses.	
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

Question	Answer	Marks
OR		
3	**Evaluate whether the marginal revenue product theory (MRP) always explains the differences in wages.** Use **Table A**: AO1 Knowledge and understanding and AO2 Analysis and **Table B**: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **Indicative content** Responses may include: **AO1 Knowledge and understanding and AO2 Analysis** • Definition and explanation of the MRP theory in terms of marginal physical product (MPP) and price equaling MRP which is the demand element in the demand and supply of labour. • Explanations of what may affect the MPP. • The effect of market structure on MRP. • Explanations of factors affecting the supply of labour, for example population size, age structure, fertility, working conditions, education/experience migration etc. • The combination of demand and supply factors to produce a wage rate. **AO3 Evaluation** • The theory is usually applied in a world of perfect competition which does not hold in real life. • How do employers know MRP when labour is often collaborative. • How to measure productivity e.g. health services/education? • Trade union intervention in labour markets. • Lack of market price for product e.g. health care outcomes • Government intervention in labour markets e.g. minimum wage, staffing ratios (in childcare). • Discussion of factors which account for differences which could include discrimination, market segmentation, capital equipment, monopsony. Accept all valid responses	**20**
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

Question	Answer	Marks
EITHER		
4	**A country with an open economy has falling demand for exports.** **Consider the view that monetary policy alone will solve this problem.** Use **Table A**: AO1 Knowledge and understanding and AO2 Analysis and **Table B**: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **Indicative content** Responses may include: **AO1 Knowledge and understanding and AO2 Analysis** • A definition of an open economy in terms of its foreign trade sector in the aggregate demand equation. • The effects of the falling exports on the level of aggregate demand. • The candidate should show the intended effect of monetary policy on the demand for exports – A choice is made of reducing the exchange rate to boost exports through increasing external demand and the effect of this on aggregate demand. • Governments can directly devalue the exchange rate. • Government can indirectly reduce the exchange rate by increasing the money supply/decreasing interest rates. **AO3 Evaluation** • The elasticity of demand for exports and the short-run, long run implications. • An explanation of whether the aims can be achieved in the short run or long run. • Governments might use supply-side policies e.g. subsidies. • Comments on other aims of the government which may be affected and how they may be affected by the policy/policies suggested. • The government impact through directly reducing the rate of interest and the effects of this through the monetary transmission mechanism can be traced. • Comments on the negative impact on other government aims e.g. Inflation. Accept all valid responses	**20**
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

Question	Answer	Marks
OR		
5	**Evaluate how a country might increase its potential economic growth.** Use **Table A**: AO1 Knowledge and understanding and AO2 Analysis and **Table B**: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **Indicative content** Responses may include: **AO1 Knowledge and understanding and AO2 Analysis** • Definition and explanation of what is meant by potential economic growth (PEG): LRAS/AD analysis or production possibility curves may be used to illustrate the PEG. • Identification of government LRAS macroeconomic policies. • Supply-side policies: privatisation, education and training, labour market infrastructure Investment in R&D, increased net migration, FDI/MNC and competition policies. • Candidates need to identify and analyse at least 2 of these policies to show how they will increase the long-run economic performance of the economy. **AO3 Evaluation** • Government spending might be constrained by how much the government might borrow without high interest rates/domestic/international lenders becoming reluctant to lend. • Monetary policy the government aim to promote long run growth may be compromised by a growth in borrowing and a rise in interest rates to. • Supply-side policies may be compromised by political constraints as the government may rely for example, on TU or industrial support. • Shortages of Factors of production: labour, raw material or resources. • Time lags • Shortage of government finance • Environmental impact. • Privatisation and exploitation of labour/monopoly inefficiencies. Accept all valid responses	**20**
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

© Cambridge University Press & Assessment 2025