GCSE
ECONOMICS
8136/2

Paper 2 How the economy works

Mark scheme

June 2021

Version: 1.0 Final Mark Scheme

2 1 6 G 8 1 3 6 / 2 / M S

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aqa.org.uk

Copyright information

AQA retains the copyright on all its publications. However, registered schools/colleges for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to schools/colleges to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Copyright © 2021 AQA and its licensors. All rights reserved.

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

KEY LIST

1	A – Where government expenditure is more than government revenue	**6**	A – Means of deferred payments.
2	D – Increase in training expenditure	**7**	B – Income tax.
3	A – Cyclical	**8**	D – Increase, Increase
4	C 4.1%	**9**	C – Increased tariffs and quotas on foreign trade.
5	B – Decrease, Increase	**10**	B – Decrease, Worsen

Qu	Part	Marking guidance	Total marks
11		State **two** UK Government economic objectives.	2
		AO1 = 2 **Possible answers:** • Maintaining full employment. • Ensuring price stability. • Achieving economic growth. • Balance of payments – current account balance. • Balancing budget/eliminating deficit. • Reducing inequality. • Managing environmental change. accept different phrasing for the above One mark for each correct response.	

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>12</td><td></td><td>Explain one disadvantage of using supply-side policies.</td><td>2</td></tr>
<tr><td></td><td></td><td>AO1 = 2

<table><tr><th>Marks</th><th>Description</th></tr><tr><td>2</td><td>Disadvantage of supply-side policies explained.</td></tr><tr><td>1</td><td>Disadvantage of supply-side policies identified.</td></tr><tr><td>0</td><td>Nothing written worthy of credit.</td></tr></table>
Possible answers:

• Very long-term in that they can take many years to be fully effective.
• Can be very expensive – such as investment in education or infrastructure.
• Can widen income inequality as they often result in less job protection for workers.
• Difficult to measure as the effects are not easily connected with the policy.

Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.

1 mark for relevant point + 1 for development.</td><td></td></tr>
</table>

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>13</td><td></td><td>Explain one benefit of globalisation to producers from a developed economy.</td><td>2</td></tr>
<tr><td></td><td></td><td>AO1 = 2

<table><tr><th>Marks</th><th>Description</th></tr><tr><td>2</td><td>Benefit of globalisation to producers explained.</td></tr><tr><td>1</td><td>Benefit of globalisation to producers identified.</td></tr><tr><td>0</td><td>Nothing written worthy of credit.</td></tr></table>
Possible answers:

• Access to cheaper inputs (1) due to lower production costs in other countries (1).
• Access to larger numbers of potential workers (1) due to ability to recruit workers from other countries.
• Ability to offshore production (1) and reduce production costs (1).
• Larger market (1) due to ability to sell in multiple countries (1).

Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.

1 mark for relevant point + 1 for development.</td><td></td></tr>
</table>

Qu	Part	Marking guidance	Total marks
14	1	**Table 2** shows balance of payments data for an economy. Using **Table 2**, calculate the value of the balance of trade in £ billions.	2
		AO2 = 2 • Trade balance + Primary income + Secondary income = Current account balance. • So, Trade balance –1.2 + 2.8 = –14.6. • Trade balance = –14.6 + 1.2 – 2.8 = -£16.2 billion or £16.2bn deficit. Two marks for correct answer. Allow –16.2 (i.e. missing £ or billions) as question asks for calculation in terms of £billions. One mark 16.2 or £16.2bn (ie no mention of it being a deficit). One mark for one error in calculation (eg –14.6 + 1.2 = – 13.4, or –14.6 – 2.8 = –17.4) (but would need deficit or minus sign to qualify for this mark).	

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>14</td><td>2</td><td>Explain one reason why the value of a country’s imports might be larger than the value of exports.</td><td>2</td></tr>
<tr><td></td><td></td><td>AO1 = 2

<table><tr><th>Marks</th><th>Description</th></tr><tr><td>2</td><td>Reason explained for value of imports being larger than value of exports.</td></tr><tr><td>1</td><td>Reason identified for value of being imports being larger than value of exports.</td></tr><tr><td>0</td><td>Nothing written worthy of credit.</td></tr></table>
Possible answers:

• Foreign growth is low (1) leading to low demand for UK exports (1).
• UK growth is high (1) leading to high demand for imports (1).
• High exchange rate (1) leading to low demand for exports.
• Higher inflation/prices in UK (1) leading to low demand for UK exports/high demand for imports (1).
• Tastes and preferences may lead to preference for foreign goods compared with UK goods (1) (need reason why for second mark).

Note: Answers do not need to refer to the UK – this is likely to be the reference point for most answers but is not necessary for credit.
Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.
1 mark for relevant point + 1 for development.</td><td></td></tr>
</table>

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>15</td><td></td><td>Analyse how fiscal policy can help a government achieve lower unemployment.</td><td>6</td></tr>
<tr><td></td><td></td><td>AO2 = 2, AO3 = 4

<table>
<tr><th>Level</th><th>Marks</th><th>Description</th></tr>
<tr><td>3</td><td>5–6</td><td>A full analysis of the economic evidence, a well-developed and logical chain of reasoning.</td></tr>
<tr><td>2</td><td>3–4</td><td>An incomplete analysis of the economic evidence, starts to develop a chain of reasoning.

Good application of knowledge and understanding of concepts/issues mostly relevant to the context.</td></tr>
<tr><td>1</td><td>1–2</td><td>Analysis of discrete points of the economic evidence with no chain of reasoning attempted.

Basic application of knowledge and understanding of concepts/issues with limited relevance to the context.</td></tr>
<tr><td></td><td>0</td><td>Nothing written worthy of credit.</td></tr>
</table>

Indicative content:

• Cuts in tax/Increase in government spending can help lower unemployment through higher spending generating more demand for workers – reducing cyclical unemployment.
• Governments can directly affect the unemployment rate by creating more jobs in the public sector. Expansion of public services, such as health and education, may mean more jobs in those sectors.
• Subsidies for industries may promote export growth and achieve employment opportunities in those industries.
• Supply-side (type) fiscal policies to boost growth/lower unemployment. Tax cuts can create incentives to work which reduces some frictional unemployment. Cuts in welfare expenditure can create greater incentives for those living on benefits to enter the jobs market.
• Spending on infrastructure can help reduce structural unemployment by making it easier for workers to move around the country or to commute further to reach jobs.

Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</td><td></td></tr>
</table>

Qu	Part	Marking guidance	Total marks
16		State **two** government policies used to correct market failure associated with positive externalities.	2
		AO1 = 2 **Possible answers:** • Subsidies. • Taxes on 'worse' substitutes. • Advertising/information provision. • Regulation to encourage/enforce consumption (must be clear that it is to increase consumption/production). • Maximum prices. • State provision. 1 mark for each factor – watch out for ones which are similar, eg two types of tax – which would normally get only one mark.	

Qu	Part	Marking guidance	Total marks
17		Explain **one** benefit of free trade for UK producers.	2
		AO1 = 2 **Marks** / **Description** **2** – Benefit of free trade explained. **1** – Benefit of free trade identified. **0** – Nothing written worthy of credit. **Possible answers:** • Cheaper imports (1) which can lead to lower costs for businesses (1). • Larger markets (1) for businesses to sell to in foreign countries (1). • More choice of goods (1) due to fewer restrictions on trade (1). • No/reduced administrative barriers (1) meaning costs are lower for businesses (1). **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate. It doesn't have to mention UK for it to be assumed it is referring to UK producers. 1 mark for relevant point + 1 for development.	

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>18</td><td></td><td>Explain one role of the Bank of England.</td><td>2</td></tr>
<tr><td></td><td></td><td>AO1 = 2

<table><tr><th>Marks</th><th>Description</th></tr><tr><td>2</td><td>Role of Bank of England explained.</td></tr><tr><td>1</td><td>Role of Bank of England identified.</td></tr><tr><td>0</td><td>Nothing written worthy of credit.</td></tr></table>
Possible answers:

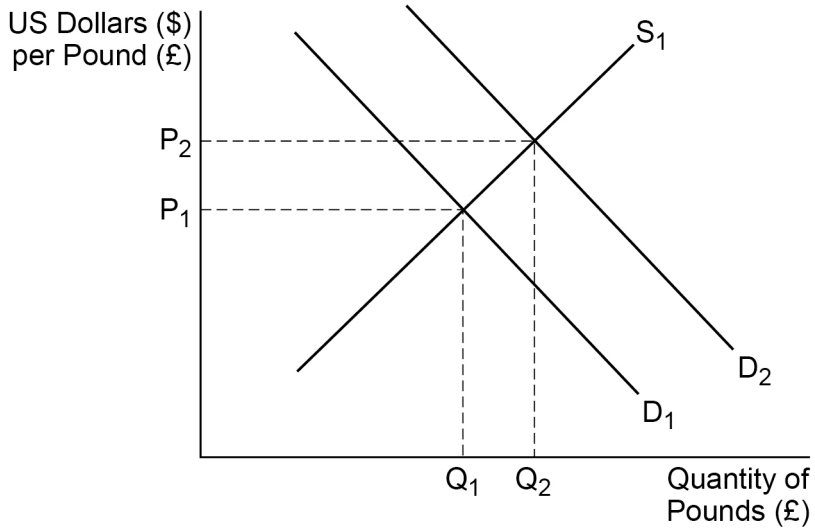
• Keeping inflation on target via MPC/interest rate changes.
• Maintaining growth as long as inflation is kept on target.
• Avoiding recessions, via appropriate monetary policy.
• Financial stability – ensuring banking system is ‘behaving’.
• Maintaining integrity of banking and financial sector.
• Lender of last resort.

Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.

1 mark for relevant point + 1 for development.</td><td></td></tr>
</table>

Qu	Part	Marking guidance	Total marks
19	1	An individual decides to open a savings account with a deposit of £8000. The annual interest rate paid on these savings is 1.2%. If they close the account after nine months, calculate how much interest they would receive on their account.	2
		AO2 = 2 **Answer:** £8000 x 1.2% = £96 (1) x 9/12 = £72 (1) 1 mark for calculating annual interest. 1 mark for calculating ¾ of one year's interest (OFR). **Note:** If an answer calculates compound interest, then reward if correctly calculated.	

Qu	Part	Marking guidance	Total marks
19	2	Explain **one** effect of a fall in interest rates on UK producers.	2
		AO1 = 2 **Marks** / **Description** **2** – Effect of fall in interest rates on UK producers explained. **1** – Effect of fall in interest rates on UK producers identified. **0** – Nothing written worthy of credit. **Possible answers:** • Likely to lead to rising sales for producers (1) as households are likely to spend more of their income (1). • Business costs will fall (1) and profits will rise (1). • Borrowing is cheaper (1) encouraging more investment or expansion opportunities (1). • Consumer spending will rise (1) sale of luxury goods increases (1). • Exchange rate likely to fall (1) making it easier to export goods from UK (1). • Exchange rate likely to fall (1) making imported goods more expensive for producers (1). **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate. Assume UK consumers unless clearly not the case.	

Qu	Part	Marking guidance	Total marks
20 20	 1	**Figure 2** shows the US Dollar ($) to the British Pound (£) foreign exchange market. On **Figure 2**, draw a supply and demand diagram, and label the effects on the exchange rate of increased UK exports to the USA.	3
		AO2 = 3  **Possible answers:** • Correct drawing of original equilibrium but no further adjustment (max 1 mark). • A leftward shift in demand in additional to original equilibrium (max 1 mark). • A rightward shift in demand (2 marks). • Showing on vertical axis accurate rise in exchange rate and correct rightwards shift in demand (3 marks). • No further marks for any shift in supply - even if labelled demand. **Note:** The answer could use numbers or letters (as shown here) on each axis when plotting equilibria – either approach is fine, though something must appear here on both axes for 3 marks.	

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>21</td><td></td><td>Using Figure 3, assess whether people in the UK benefitted from changes in the exchange rate between 2016 and 2019.

Justify your answer.</td><td>9</td></tr>
<tr><td></td><td></td><td>AO2 = 3, AO3 = 6

<table>
<tr><th>Level</th><th>Marks</th><th>Description</th></tr>
<tr><td>3</td><td>7–9</td><td>A fully justified conclusion with sustained evaluation, which is coherent and relevant, with judgements supported by evidence.

A full analysis of the economic evidence, a well-developed and logical chain of reasoning.

Comprehensive application of knowledge and understanding of pertinent concepts/issues relevant to the context; specialist language used throughout.</td></tr>
<tr><td>2</td><td>4–6</td><td>A partially justified conclusion with an evaluation, which is mostly coherent and relevant; judgements may not be fully supported by evidence.

An incomplete analysis of the economic evidence; starts to develop a chain of reasoning.

Good application of knowledge and understanding of concepts/issues mostly relevant to the context; specialist language used mostly appropriately.</td></tr>
<tr><td>1</td><td>1–3</td><td>A basic conclusion or assertion may be present based on evaluative judgements supported by little or no evidence. Analysis of discrete points of the economic evidence with no chain of reasoning attempted.

Basic application of knowledge and understanding of concepts/issues with limited relevance to the context; may use non-specialist language.</td></tr>
<tr><td></td><td>0</td><td>Nothing written worthy of credit.</td></tr>
</table>

Possible answers:

Yes, people have benefited from a low exchange rate:
• Those employed in export industries may find incomes rising.
• More jobs available for those in export industries.
• Multiplier effects of growth in export industries.</td><td></td></tr>
</table>

		No, people have not benefited from a low exchange rate: • Goods relying on imports are likely to be more expensive. • Travelling abroad/holidaying abroad now more expensive. • Inflationary consequences of higher priced imports. Possible; evaluation issues: • Winners and losers – largely depend on who the person is. • Less affected if they don't work in export industries/buy imports. • Depends on size/duration of fall. • Likely that people will both win and lose at the same time. **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	

Qu	Part	Marking guidance	Total marks
22		Define the term cost-push inflation.	2
		AO1 = 2 **Marks** / **Description** **2** – Clear definition of cost-push inflation. **1** – Partial or unclear definition of cost-push inflation. **0** – Nothing written worthy of credit. **Possible answers:** An increase in the level of prices (1) caused by rises in the costs of production (1) **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	

Qu	Part	Marking guidance	Total marks
23		Using **Table 3** in **Item A** calculate the percentage change in the UK's GDP per capita from 2011 to 2016. Give your answer to 1 decimal place.	3
		AO2 = 3 • GDP per capita in 2011 = £1 660 000m/63m = £26 349 (1). • GDP per capita in 2016 = £1 995 000m/65m = £30 692 (1). • % change = £30 692 – £26 349)/£26 349 x 100 = 16.5% (1). • Not rounded to one decimal place but otherwise correct (eg 16.48%) (2). • One mistake made in either per capita calculation but otherwise correct (2). • Percentage change made correctly based on two incorrect figures (1). • Correct answer of 16.5% (3 marks).	

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>24</td><td></td><td>Using Item A explain two consequences of inflation for people in the UK.</td><td>6</td></tr>
<tr><td></td><td></td><td>AO2 = 6

<table>
<tr><th>Marks</th><th>Description</th></tr>
<tr><td>3</td><td>A full and precise explanation applying economic concepts and issues.</td></tr>
<tr><td>2</td><td>A partial explanation applying economic concepts and issues but lacking detail.</td></tr>
<tr><td>1</td><td>Fragmented points made.</td></tr>
<tr><td>0</td><td>Nothing written worthy of credit.</td></tr>
</table>

Possible answers:

• Declining real incomes – if nominal wages do not rise which means lower spending power for individuals.
• Uncertainty created. It becomes hard for people and the businesses they work to plan ahead for if prices are rising. No prices will rise at the same rate which makes it hard for people and businesses to budget.
• Higher interest rates needed to reduce inflation. Higher interest rates generate consequences for individuals, such as a higher cost of meeting interest on any debts and higher mortgage repayments.
• Fiscal drag. People may see earnings rise in nominal terms but not real terms and find their higher nominal incomes drag them into a higher tax band.
• Shoe leather costs. Inflation means that prices are changing and it may be difficult for individuals to keep track of prices. Time and money will be spent researching prices and this represents a cost for individuals.
• Effects on those owning and working in businesses – menu costs, loss of competitiveness.

Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.

Apply the levels of response mark scheme to each way – 3 marks maximum for each way.</td><td></td></tr>
</table>

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>25</td><td></td><td>Using Item B, analyse possible benefits to the government of low unemployment.</td><td>6</td></tr>
<tr><td></td><td></td><td>AO2 = 2, AO3 = 4

<table>
<tr><th>Level</th><th>Marks</th><th>Description</th></tr>
<tr><td>3</td><td>5–6</td><td>A full analysis of the economic evidence, a well-developed and logical chain of reasoning.</td></tr>
<tr><td>2</td><td>3–4</td><td>An incomplete analysis of the economic evidence, starts to develop a chain of reasoning.

Good application of knowledge and understanding of concepts/issues mostly relevant to the context.</td></tr>
<tr><td>1</td><td>1–2</td><td>Analysis of discrete points of the economic evidence with no chain of reasoning attempted.

Basic application of knowledge and understanding of concepts/issues with limited relevance to the context.</td></tr>
<tr><td></td><td>0</td><td>Nothing written worthy of credit.</td></tr>
</table>

Possible answers:

• Higher tax revenue will be received by the government as not only will more people be working and paying income tax, there will be more people spending and this will generate tax receipts from indirect taxes, such as VAT. Corporation tax revenues may also rise.
• Lower need for government spending on welfare. Welfare payments include unemployment benefits. Lower unemployment means less spending on these benefits.
• Faster economic growth. If more people are working then more people will be producing output and generating incomes. This will mean the contribution to GDP will be increased, thus boosting economic growth.
• If more people are working and tax revenue increases, then the government has more manoeuvring ability to cut taxes elsewhere. This will have both demand-side and supply-side benefits that should improve the economy (and also make the government more popular).
• Lower spending on welfare and higher tax revenues will make it easier to finance spending on other projects (eg public services). The government can use the improvement to its own budget position to finance spending on infrastructure, or merit goods.

Note: This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.</td><td></td></tr>
</table>

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>26</td><td></td><td>Was the UK economy performing better than the French economy in 2019?

Use Items A and B and your own economic knowledge to justify your view.</td><td>15</td></tr>
<tr><td></td><td></td><td>AO2 = 5, AO3 = 10

<table>
<tr><th>Level</th><th>Marks</th><th>Description</th></tr>
<tr><td>5</td><td>13–15</td><td>A justified conclusion with sustained evaluation, which is coherent and relevant, with judgements fully supported by evidence.

Analysis of a relevant selection of the economic evidence, with a well-developed logical chain of reasoning.

Comprehensive application of knowledge and understanding of pertinent concepts/issues relevant to the context; effective use of specialist language maintained throughout.</td></tr>
<tr><td>4</td><td>10–12</td><td>A partially justified conclusion with an evaluation, which is mostly coherent and relevant; judgements may not be fully supported by evidence.

Analysis of a relevant selection of the economic evidence; a logical chain of reasoning is established but not fully developed.

Strong application of knowledge and understanding of a broad range of concepts/issues relevant to the context; mostly effective use of specialist language throughout.</td></tr>
<tr><td>3</td><td>7–9</td><td>A partially justified conclusion with an evaluation, but not integrated in a coherent way; judgements are not fully supported by evidence.

Analysis of a relevant selection of the economic evidence and starts to develop a chain of reasoning.

Good application of knowledge and understanding of a broad range of concepts/issues relevant to the context; consistent use of specialist language but not always effective.</td></tr>
<tr><td>2</td><td>4–6</td><td>A basic conclusion is present based on simple evaluative judgements supported by little or no evidence.

Analysis of a relevant selection of the economic evidence with no chain of reasoning attempted.</td></tr>
</table></td><td></td></tr>
</table>

		Simple application of knowledge and understanding of a narrow range of concepts/issues relevant to the context; sporadic use of specialist language.
1	**1-3**	Evaluative judgements are simple with no conclusion present. Analysis of a limited selection of the economic evidence with no chain of reasoning attempted; selection of evidence may lack relevance. Basic application of knowledge and understanding of concepts/issues with limited relevance to the context; uses non-specialist language.
	0	Nothing written worthy of credit.

Indicative content:

Issues about the UK's economic performance:

- Leaving the EU may have affected the UK's ability to attract investment which will mean less contribution to GDP and likely fewer jobs in foreign MNCs located in the UK.
- Economic growth was lower in 2019 than in previous years and lower than French growth throughout – this is a major indicator of economic performance as it links to higher incomes for the population and creates the demand for workers to produce output.
- Inflation is higher than in France. There are problems associated with a higher inflation rate, such as declining export competitiveness that will affect the economy's national income and job creation potential.
- Unemployment rate has fallen and is less than half the rate of France. A key indicator of people's wellbeing is the number of people unemployed. More people working will mean higher incomes earned which contributes to GDP but also tax revenue and reduced need to spend on welfare.

Issues about France's economic performance:

- Growth is higher than in UK which means more is being produced that will generate more demand for goods and services and rising incomes and lower unemployment (though jobs appear to be harder to find in France).
- Inflation is lower than in UK, which may mean the French economy has fewer problems caused by inflation, such as menu costs and uncertainty.
- Unemployment is much higher in France which normally means government tax revenues are lower and government spending on welfare higher which means less can be spent on other areas to improve the economy.
- Similar income per capita as UK – though we do not know how income is distributed.

		Issues for evaluation • France seems to be performing better on two of the main economic objectives of governments (economic growth and inflation) but less well on unemployment. • The gap in performance is narrow – except on the measure of unemployment, where the UK is performing significantly better. • Judging on one year's data is difficult as it is the general trend or direction in the movement of these variables that may provide an insight into which is performing better (eg if unemployment was still higher but falling rapidly then this may be seen as a sign of good performance). • Other measures of economic performance are not mentioned/included, such as the performance on the current account, or the government's budget balance. **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	