AQA

GCSE ECONOMICS 8136/1

Paper 1 How Markets Work

Mark scheme

June 2025

Version: 1.0 Final

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.

No student should be disadvantaged on the basis of their gender identity and/or how they refer to the gender identity of others in their exam responses.

A consistent use of 'they/them' as a singular and pronouns beyond 'she/her' or 'he/him' will be credited in exam responses in line with existing mark scheme criteria.

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

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

01	B – Holiday	**06**	D – A wheat farmer
02	D – Scarce resources and unlimited wants	**07**	B – National Insurance
03	C – the quantity of a good or service bought at a given price in a given time period.	**08**	D – price inelastic.
04	B – Machinery	**09**	A – Forcing suppliers to sell at low prices
05	C – risk-bearing economies of scale.	**10**	C – the price per unit rises by £1.

Qu	Part	Marking guidance	Total marks

11		State **two** possible business objectives.	2
		AO1 = 2	

1 mark for each correct example (max 2)

Possible answers:

- profit maximisation
- sales/revenue maximisation
- market share
- survival
- stakeholder objectives
- satisficing.

Note: Do not award more than 1 mark if answers are too similar, eg revenue maximisation/income maximisation.

Qu	Part	Marking guidance	Total marks
12		Explain **one** factor that could increase labour productivity.	2

AO1 = 2

Marks	Description
2	Possible factor that could increase labour productivity explained.
1	Possible factor that could increase labour productivity identified.
0	Nothing written worthy of credit.

Possible answers:

- increased training
- increased use of machinery
- increased specialisation/division of labour
- increased motivation
- better management.

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

Qu	Part	Marking guidance	Total marks
13		Explain **one** possible reason for a decrease in the equilibrium price of televisions.	2

AO1 = 2

Marks	Description
2	Possible reason for decrease in equilibrium price explained.
1	Possible reason for decrease in equilibrium price identified.
0	Nothing written worthy of credit.

Possible answers:

- a decrease in demand – eg decrease in consumer incomes, decrease in population, decrease in price of substitutes such as laptops or tablets.
- an increase in supply – eg decrease in costs of production, reduced tax on the product, increased number of firms supplying the market.

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

Qu	Part	Marking guidance	Total marks
14	**1**	The price of potatoes increases by 25%. Calculate the price elasticity of supply of potatoes if the quantity supplied increases from 60 kg to 90 kg per day.	2
		AO2 = 2 • percentage change in quantity supplied = 30/60 × 100 = 50% (1 mark) • PES = 50%/25% = **2** (1 mark) Award 2 marks for a correct answer with no workings. Award 1 mark for correct method with correct figures but wrong answer.	

Qu	Part	Marking guidance	Total marks
14	**2**	Explain **one** factor affecting the price elasticity of supply of potatoes.	2
		AO1 = 2	

Marks	Description
2	Possible factor affecting price elasticity of supply explained.
1	Possible factor affecting price elasticity of supply identified.
0	Nothing written worthy of credit.

Possible answers:

• time period – planting, growing, harvest etc
• spare capacity
• stocks of potatoes
• weather.

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

Qu	Part	Marking guidance	Total marks
15		Using **Table 2**, analyse possible reasons for differences in average annual pay between different occupations.	6

AO2 = 2, AO3 = 4

Level	Marks	Description
3	**5–6**	A full analysis of the economic evidence, a well-developed and logical chain of reasoning.
2	**3–4**	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.
1	**1–2**	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.
	0	Nothing written worthy of credit.

Indicative content:

- differences in skill level
- differences in training
- differences in educational attainment
- length of training period
- ease of replacement/substitution
- differences/changes in demand for goods/services produced by the occupation
- making use of the data.

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

Qu	Part	Marking guidance	Total marks
16		State **two** ways a competitive market differs from a non-competitive market.	2

AO1 = 2

1 mark for each way (max 2 marks)

Possible answers:

- more/many sellers
- fewer/no barriers to entry
- fewer/no barriers to exit
- perfect information rather than imperfect information
- identical products rather than differentiated products
- firms are price takers rather than price makers
- unable to achieve economies of scale
- lower profit.

Note: Do not award more than 1 mark if answers are too similar, or simply opposites of each other.

Qu	Part	Marking guidance	Total marks
17		Explain **one** possible disadvantage of specialisation for an individual worker.	2

AO1 = 2

Marks	Description
2	Possible disadvantage of specialisation for an individual worker explained.
1	Possible disadvantage of specialisation for an individual worker identified.
0	Nothing written worthy of credit.

Possible answers:

- boredom
- demotivation
- over-specialisation
- may be susceptible to redundancy
- may be replaced by automation.

Note: This indicative content is not exhaustive; other creditworthy responses should be awarded marks as appropriate.
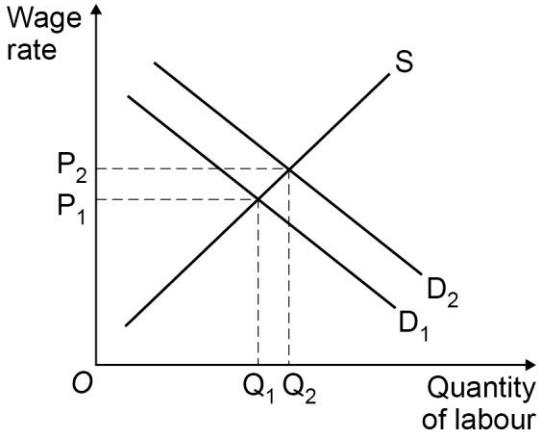
Qu	Part	Marking guidance	Total marks
18		Explain **one** difference between a product market and a factor market.	2

AO1 = 2

Marks	Description
2	Possible difference between a product market and a factor market explained.
1	Possible difference between a product market and a factor market identified.
0	Nothing written worthy of credit.

Possible answers:

- product market is a market for a good or service, eg pizza
- factor market is a market for factors of production, eg the labour market.

Allow 1 mark for correctly identifying an example of a product market or a factor market, but not explaining the difference between them.

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

Qu	Part	Marking guidance	Total marks
19	1	Using **Figure 1**, calculate the percentage change in the size of the secondary sector of the UK economy between 1950 and 2020. Give your answer to **one** decimal place.	2
		AO2 = 2 Accept either: • 43.2 – 26.6 (1 mark) = (-) 16.6% (1 mark) or • 16.6/43.2 × 100 (1 mark) = (-) 38.4% (1 mark) 2 marks for correct answer ((-)16.6% or (-) 38.4%) without working shown. 1 mark for correct working with correct figures but wrong answer. 1 mark if correct answer but not to 1dp. Award a maximum of 2 marks, but award 1 mark for partially correct working as shown in the mark scheme.	

Qu	Part	Marking guidance	Total marks
19	2	Explain **one** possible consequence of the change in the size of the secondary sector of the UK economy between 1950 and 2020.	2

AO1 = 2

Marks	Description
2	Possible consequence explained.
1	Possible consequence identified.
0	Nothing written worthy of credit.

Possible answers:

• reduced employment/greater unemployment in secondary sector
• increased need for training for non-secondary sector jobs
• changes to education system
• growing regional issues
• issue(s) related to deindustrialisation.

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

Qu	Part	Marking guidance	Total marks
20		Draw and label the effects of increased demand for groceries on the labour market for lorry drivers.	3
		AO2 = 3 marks • correct drawing and labelling of original D and S curves and original equilibrium (1 mark). • correct drawing and labelling of new D curve to the right of the original (1 mark). • correct labelling of new equilibrium wage and quantity of labour, both higher than the original (1 mark). No marks for a shift of supply, even if labelled demand. **Note:** Accept either P or W or price or wage as y-axis labels.	

Qu	Part	Marking guidance	Total marks
21		Using **Figure 2**, assess whether the negative externalities of the gaming industry are greater than the positive externalities.	9

AO2 = 3, AO3 = 6

Level	Marks	Description
3	7–9	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.
2	4–6	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.
1	1–3	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.
	0	Nothing written worthy of credit.

Indicative content:

Negative externalities

- addiction to gaming
- financial issues, eg in-game purchases
- emotional/social issues
- mental and physical health issues
- consumerism
- contribution to environmental issues.

Positive externalities

- employment opportunities
- educational benefits

| | | • tax revenues for governments
• collaborative play/cooperation/teamwork.

Overall

• does financial contribution outweigh potential health costs?
• depends whether gamers can limit their game playing and in-game purchases
• can the industry be successfully regulated, if needed?

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 'monopoly'.	2
		AO1 = 2	

Marks	Description
2	Complete definition of monopoly.
1	Partial definition of monopoly.
0	Nothing written worthy of credit.

Possible answer:

• a market dominated by a single firm
• a market where one firm has 100% market share
• where one firm has more than 25% market share
• where one firm has a dominant position in a market.

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**, calculate the average (mean) profit per household earned by the 'Big 6' energy suppliers. Give your answer to the **nearest £**.	3
		AO2 = 3 • total profit = 72 + 487 + 203 + 4 800 + 1 100 + 20 = £6 682 million (1 mark) • number of households = 7 500 000 + 3 000 000 + 5 100 000 + 5 600 000 + 3 600 000 + 5 000 000 = 29 800 000 or 29.8 million (1 mark) • profit per household = £6 682 million / 29.8 million = £224.23 (£224 to nearest £) (1 mark) Award 3 marks for correct answer with no workings. Award 2 marks for correct answer, not to nearest £.	

Qu	Part	Marking guidance	Total marks
24		Analyse why the UK domestic energy market may not be competitive.	6

AO2 = 6

Level	Marks	Description
3	5–6	A full analysis of the economic evidence, a well-developed and logical chain of reasoning.
2	3–4	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.
1	1–2	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.
	0	Nothing written worthy of credit.

Possible answers:

- high barriers to entry
- monopoly/oligopoly power
- economies of scale
- product differentiation
- legal barriers, eg patents, copyright
- imperfect information.

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

Qu	Part	Marking guidance	Total marks
25		Explain **two** ways producers operate in a non-competitive market such as the UK domestic energy market.	6
		AO2 = 2, AO3 = 4 Apply the following mark scheme for each way. | Marks	Description | |-------|-------------| | 3 | A full and precise explanation applying economic concepts and issues. | | 2 | A partial explanation applying economic concepts and issues but lacking detail. | | 1 | Fragmented points made. | | 0 | Nothing written worthy of credit. | **Possible answers:** • high prices eg if firms restrict output, collude or suffer diseconomies of scale • reduced choice/quality • low prices eg if firms benefit from economies of scale or seek to undercut competitors • increased choice/quality/innovation • advertising/product differentiation • collusion • not providing information – preventing switching to new supplier or cheaper tariff. **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	

Qu	Part	Marking guidance	Total marks
26		Do you think the benefits to consumers of monopoly power in the domestic energy market are greater than the disadvantages? Use **Item A**, on page 14, and your own economic knowledge to justify your view.	15
		AO2 = 5, AO3 = 10	

Level	Marks	Description
5	**13–15**	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.
4	**10–12**	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.
3	**7–9**	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.
2	**4–6**	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. 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:

Yes

- low prices eg if firms benefit from economies of scale or seek to undercut competitors
- higher quality/choice/innovation
- greater international competitiveness
- guaranteed/reliable supply
- use of data.

No

- high prices eg if firms restrict output, collude or suffer diseconomies of scale
- lower quality/choice/innovation
- concealing information about switching or cheaper tariffs
- negative externalities and other types of market failure
- use of data.

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