GCSE
ECONOMICS
8136/1

Paper 1 How Markets Work

Mark scheme

June 2026

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

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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

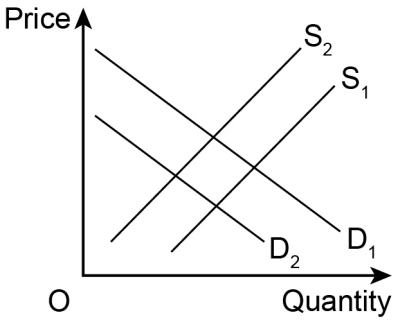
Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This 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	D – Furniture making	**06**	C – £6
02	A – Choices and limited resources	**07**	D – 308 customers
03	B – financial and risk-bearing economies of scale.	**08**	A – £38
04	B – Not enough people being vaccinated against a disease	**09**	D – £54 000
05	C – 	**10**	A – £0.50

Qu	Part	Marking guidance	Total marks
11		State **two** economic needs that individuals may have.	2
		AO1 = 2 1 mark for each correct example (max 2) **Possible answers:** • food • shelter • warmth • water • clothing. **Note:** The indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate. Do not award more than 1 mark if answers are too similar, eg two types of food or two types of clothing.	

<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 possible impact of a non-competitive market on the price of a product.</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>Possible impact explained</td></tr><tr><td>1</td><td>Possible impact identified</td></tr><tr><td>0</td><td>Nothing written worthy of credit.</td></tr></table>
Possible answers:

• higher price due to restricted output
• higher price due to collusion
• higher price due to lack of efficiency
• lower price due to greater innovation
• lower price due to economies of scale.

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>13</td><td></td><td>Explain one factor that may lead to a decrease in the equilibrium price of foreign holidays.</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>Relevant factor explained</td></tr><tr><td>1</td><td>Relevant factor identified</td></tr><tr><td>0</td><td>Nothing written worthy of credit.</td></tr></table>
Possible answers:

• a reduction in demand – eg decrease in consumer incomes, decrease in population, decrease in tastes/fashions for holidays
• an increase in supply – eg decrease in costs, reduced tax on flights, increase in number of firms supplying the market.

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
14	**1**	Using **Table 3**, calculate the amount of income tax payable by Tim.	2
		AO2 = 2 **Possible answers:** • Taxable income = £19 000 − £12 000 = £7 000 (1 mark) • Income tax payable = 20% × £7 000 = **£1 400** (1 mark). Award 2 marks for correct answer, **£1 400**, with no workings.	

Qu	Part	Marking guidance	Total marks
14	**2**	Explain **one** possible reason why Tim may earn less than other flight attendants.	2
		AO1 = 2 **Marks** / **Description** **2** – Possible reason explained **1** – Possible reason identified **0** – Nothing written worthy of credit. **Possible answers:** • part-time versus full-time • experience • senior versus junior flight attendant • qualifications/education • different airlines • using information from **14.1**. **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	

<table>
<tr><th>Qu</th><th>Part</th><th>Marking guidance</th><th>Total marks</th></tr>
<tr><td>15</td><td></td><td>Using Figure 2, analyse the factors that may affect the supply of tomatoes produced in the UK.</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:

• making use of the data
• number of firms/farms in the market
• weather
• availability of suitable land to grow tomatoes
• available stocks of tomatoes
• availability of capital equipment
• costs of growing tomatoes.

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** factors of production.	2
		AO1 = 2 1 mark for each feature (max 2 marks) **Possible answers:** • capital • enterprise • labour • land.	

Qu	Part	Marking guidance	Total marks
17		Explain how excess demand for a popular toy would affect its price.	2
		AO1 = 2 **Marks** / **Description** **2** – Possible effect on price explained **1** – Possible effect on price identified **0** – Nothing written worthy of credit. **Possible answers include:** • demand is greater than supply at the original equilibrium price • original price is no longer an equilibrium • toy sellers are able to increase price • equilibrium price is higher than the original equilibrium price. **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	

<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 reason why the market demand for new cars is likely to be price elastic.</td><td>2</td></tr>
<tr><td></td><td></td><td>AO1 = 2

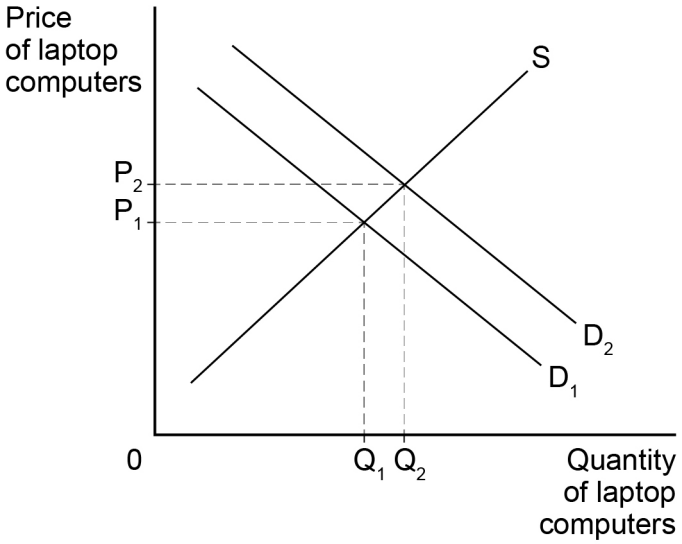
<table><tr><th>Marks</th><th>Description</th></tr><tr><td>2</td><td>Possible reason explained</td></tr><tr><td>1</td><td>Possible reason identified</td></tr><tr><td>0</td><td>Nothing written worthy of credit.</td></tr></table>
Possible answers:

• expensive/luxury product
• large proportion of a person’s income
• substitutes available – public transport
• in the long term, people can make alternative travel arrangements.

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
19	**1**	Using **Table 4**, calculate the annual external benefits of building the new airport.	2
		AO2 = 2 • £12.2m – £6.5m (1 mark) = **£5.7m** (1 mark) Award 1 mark for correct method with correct figures but wrong answer Award 2 marks for correct answer, **£5.7m**, with no working.	

Qu	Part	Marking guidance	Total marks
19	**2**	Explain **one** possible external benefit of building a new airport.	2
		AO1 = 2 **Marks** / **Description** **2** – Possible external benefit explained **1** – Possible external benefit identified **0** – Nothing written worthy of credit. **Possible answers:** • more tourism • increased revenue for local businesses • increased tax revenue for government • some decrease in road/rail congestion. **Note:** This indicative content is not exhaustive, other creditworthy responses should be awarded marks as appropriate.	

Qu	Part	Marking guidance	Total marks
20		Draw a supply and demand diagram to illustrate the effects of an increase in consumer incomes on the market for laptop computers.	3
		AO2 = 3 marks  • Correct drawing and labelling of D&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 price, and equilibrium quantity, both higher than the original price and quantity (1 mark). No marks for a shift in supply, even if labelled demand.	

<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, and Table 5, assess whether the market for estate agents in the UK is a competitive market.</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 judgement 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 the 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 specialist language.</td></tr>
<tr><td></td><td>0</td><td>Nothing written worthy of credit.</td></tr>
</table>
Indicative content:

Yes
• lots of smaller, local firms
• increasing online competition
• relatively easy entry
• use of data.

No
• dominance of large national and regional firms
• economies of scale
• other barriers to entry eg advertising, technical know-how about the market, sunk costs
• use of data.</td><td></td></tr>
</table>

		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 'market'.	2
		AO1 = 2 **Marks** / **Description** **2** – Clear definition of market **1** – Partial or unclear definition of market **0** – Nothing written worthy of credit. **Possible answers include:** • an opportunity for buyers and sellers to interact • when buyers and sellers come into contact with one another • where goods and services are bought and sold. **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 6**, calculate the percentage of total waste disposal in the UK which is classed as household waste. Give your answer to the **nearest whole number**.	3
		AO2 = 3 • 25.2/183.0 **(1)** = 0.1377 x 100 = 13.8% **(1)** • to nearest whole percentage = 14% **(1)** Award 3 marks for correct answer, **14%**, with no workings. Award 2 marks for correct answer, **13.8%**, not rounded to nearest whole percentage.	

<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, analyse how waste disposal may lead to a misallocation of resources.</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:

• explanation of market failure
• negative externalities – visual pollution, air pollution, noise pollution
• positive externalities – additional employment in the industry.

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>25</td><td></td><td>Explain two methods the UK government could use to reduce household waste in the UK.</td><td>6</td></tr>
<tr><td></td><td></td><td>AO2 = 6

Apply the following mark scheme for each method.

<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 include:

• charging for disposal of household waste
• correcting information issues
• punishment for fly-tipping
• providing more/larger waste bins
• encouraging recycling.

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>Do you think the UK government should do more to solve the problems created by waste disposal in the UK?

Use Item A and Item 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.
Simple application of knowledge and understanding of a narrow range of concepts/issues relevant to the context; sporadic use of specialist language.</td></tr>
</table>
</td><td></td></tr>
</table>

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

- market failure
- negative externalities
- current provision insufficient – household waste growing, prevalence of fly-tipping
- cost/price of waste disposal to individuals/firms currently too low
- information issues – people not aware of their contribution to the problem
- firms also part of the problem – excessive packaging, often difficult to recycle – pressure needs to be put on businesses
- use of data.

No

- positive externalities
- government already doing enough
- market can solve the issue
- scope for government failure – critique of methods that might be used
- use of data.

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