



Mark Scheme (Results)

November 2025

Pearson Edexcel International GCSE In Economics
4WEC2/01

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Which one of the following best defines deflation?	Mark
Answer		
1(a)	<p style="text-align: center;">AO11 mark</p> <p>The only correct answer is: C A decrease in the general price level of goods and services over time</p> <p>A is not correct because this describes inflation B is not correct because rapid economic growth is associated with economic expansion, not deflation D is not correct because this describes a recession</p>	(1)

Question Number	Which one of the following is an example of a supply-side policy?	Mark
Answer		
1(b)	<p style="text-align: center;">AO11 mark</p> <p>The only correct answer is: A Investing in education and training</p> <p>B is not correct because this is an example of monetary policy C is not correct because this is an example of fiscal policy D is not correct because this is an example of a monetary policy</p>	(1)

Question Number	What is meant by the term demand-pull inflation? Answer	Mark
1(c)	<p style="text-align: center;">AO1 2 marks</p> <p>Award 2 marks for a correct definition</p> <p>Inflation caused by too much demand in the economy (1) relative to supply (1)</p> <p>OR</p> <p>Inflation caused by too much demand in the economy (1) causing a rise in the general price level (1)</p> <p>Accept any other appropriate response</p>	(2)

Question Number	Describe one advantage of privatisation for a consumer. Answer	Mark
1(d)	<p style="text-align: center;">AO1 2 marks</p> <p>Award 1 mark for reference to an advantage for a consumer and 1 mark for development of an advantage for a consumer</p> <p>One advantage is better-quality goods/services (1). Private companies often work harder to improve what they offer because they want to attract more consumers (1)</p> <p>Accept any other appropriate response</p>	(2)

Question Number	Calculate, to two decimal places, the percentage rate of inflation between 2023 and 2024. You are advised to show your working.	Mark
Answer		
1(e)	<p style="text-align: center;">A02 2 marks</p> <p>Award 1 mark for showing the calculation</p> $\frac{(135.7 - 125.6)}{125.6} \times 100 \text{ (1)}$ <p>Award 1 mark for the correct answer</p> <p>= 8.04% (1)</p> <p>Award 2 marks if the correct answer 8.04% is shown even if no calculations are shown</p> <p>Award 1 mark if the answer given is 8.04 even if no calculations are shown</p> <p>Do not award marks for the formula</p>	(2)

Question Number	Using the diagram below, draw the effects of the new import quota on the equilibrium price and quantity of cement products in Egypt. Label the new curve, the new equilibrium price and new equilibrium quantity. Answer	Mark
1(f)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for a leftward shift of a perfectly inelastic supply curve, labelled</p> <p>Award 1 mark for higher equilibrium price, labelled</p> <p>Award 1 mark for lower equilibrium quantity, labelled</p> <div style="text-align: center;"> </div>	(3)

Question Number	Answer	Mark
1(g)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for identifying a relevant advantage Award 1 mark for developing the advantage Award 1 mark for the response being in context</p> <ul style="list-style-type: none"> • One advantage is lower input costs (1). Without tariffs or trade barriers, a business can source raw materials/components more cheaply from other countries (1) reducing production costs/increasing profitability (1) • One advantage is wider markets for a business (1). By removing trade barriers, a business can sell their products and services to more consumers (1) increasing their sales/potential for growth (1) <p>Accept any other appropriate response</p>	(3)

Question Number	<p>With reference to the data above and your knowledge of economics, analyse how progressive taxation can help to reduce poverty and inequality in a country such as Uganda.</p> <p>Indicative content</p>
1(h)	<p style="text-align: center;">AO2 (3 marks)/AO3 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • The additional revenue collected from the 10% with higher incomes can be used to fund social welfare programmes and initiatives that benefit the 18 million lower-income individuals and families • This redistribution of income helps narrow the income gap and provides resources to those who need them the most • Progressive taxation can provide the funds needed to improve services such education, healthcare and clean water for poorer communities • This means children can get a better education, families can access medical care and basic necessities can be met, ultimately lifting people out of poverty • By redistributing income from higher earners to those with lower incomes, progressive taxation helps bridge the income gap and provides a safety net for vulnerable populations, ultimately reducing poverty levels

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	<ul style="list-style-type: none"> • Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3).
Level 2	3-4	<ul style="list-style-type: none"> • Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3).
Level 3	5-6	<ul style="list-style-type: none"> • Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3).

Question Number	Which one of the following describes a trade bloc? Answer	Mark
2(a)	<p style="text-align: center;">AO11 mark</p> <p>The only correct answer is: D A group of countries that reduce trade barriers between themselves</p> <p>A is not correct because a trade bloc does not require member countries to use the same currency B is not correct because a trade bloc does not necessitate that member countries have the same tax rates C is not correct because often countries have different languages</p>	(1)

Question Number	Which one of the following best describes the role of currency speculators? Answer	Mark
2(b)	<p style="text-align: center;">AO11 marks</p> <p>The only correct answer is: B They trade currencies to profit from changes in exchange rates</p> <p>A is not correct because they invest in currencies and not bonds C is not correct because they cannot lend money to countries D is not correct because only governments can fix currencies</p>	(1)

Question Number	State one possible reason for the growth of multinational corporations (MNCs).	Mark
Answer		
2(c)	<p style="text-align: center;">AO1 1 mark</p> <p>Award 1 mark for one possible reason</p> <ul style="list-style-type: none"> • To benefit from economies of scale • To access natural/cheap resources • Lower transport and communication costs • To access customers in different regions • To increase sales • To make more profit <p>Accept any other appropriate responses</p>	(1)

Question Number	What is meant by the term economic growth?	Mark
Answer		
2(d)	<p style="text-align: center;">AO1 2 marks</p> <p>Award up to 2 marks for a correct definition</p> <p>A rise in the total value of output/GDP (1) over a period of time (1)</p> <p>OR</p> <p>An increase in the level of output (1) by a nation (1)</p> <p>Accept any other appropriate response</p>	(2)

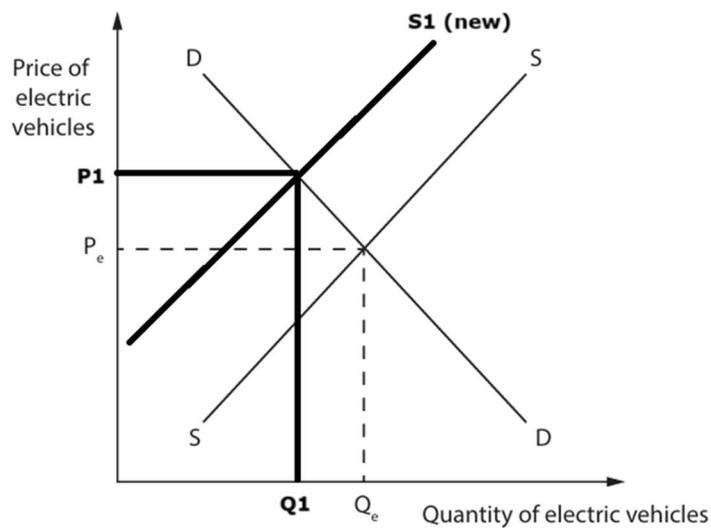
Question Number	Answer	Mark
2(e)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for identifying a relevant impact Award 1 mark for developing the impact Award 1 mark for the response being in context</p> <ul style="list-style-type: none"> • One impact is an increase in government spending on benefit payments. (1) The government will need to allocate more funds to unemployment benefits (1) to support the increasing number of those without work/no income (1) <p>Accept any other appropriate response</p>	(3)

Question Number	Using the diagram below, draw the effects of the new tariff on the equilibrium price and quantity of electric vehicles imported into the EU from China. Label the new curve, the new equilibrium price and new equilibrium quantity.	Mark
Answer		

2(f)

AO2 3 marks

Award 1 mark for a left shift of supply, labelled
 Award 1 mark for higher equilibrium price, labelled
 Award 1 mark for lower equilibrium quantity, labelled



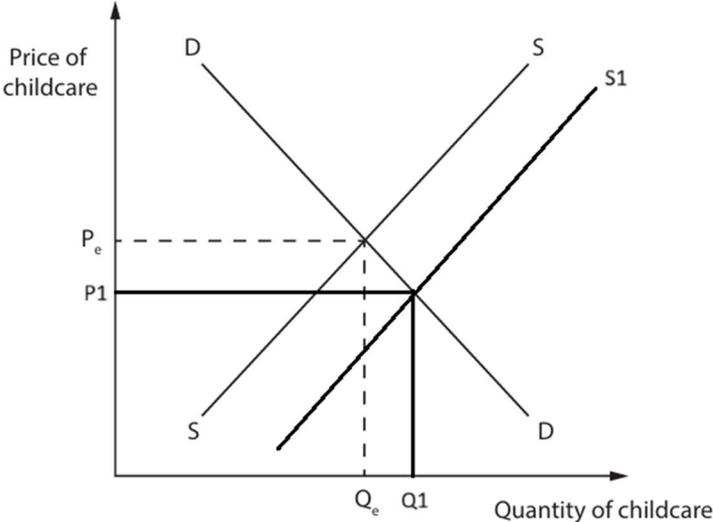
(3)

Question Number	With reference to the data above and your knowledge of economics, assess how effective monetary policy is likely to be in increasing output for a country such as New Zealand. Indicative content
2(g)	<p style="text-align: center;">AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • The central bank of New Zealand's recent reduction in the base rate to 5.25% could encourage businesses to borrow and invest, potentially boosting output in a difficult economic environment • The reduction makes loans more affordable for households, which can directly lead to increased spending and sales for firms • Lower interest rates may stimulate consumer spending, which has been weak, thereby increasing demand for goods and services and driving up production • Expansionary monetary policy can weaken the New Zealand currency, making exports more competitive and increasing output in export-driven industries • Monetary policy adjustments can be quickly implemented, providing a timely boost to economic output which is struggling with rising unemployment and low consumer confidence <p>AO4</p> <ul style="list-style-type: none"> • However, given the ongoing economic difficulties, including weak consumer confidence, the reduction in the base rate from 5.5% to 5.25% may not be sufficient to significantly boost spending and output • The small size of the rate cut may have only a minimal impact on boosting economic activity and increasing output • Firms in New Zealand may remain hesitant to invest despite the rate cut due to uncertainties like rising unemployment and reduced investment activity • Expansionary monetary policy can lead to inflationary pressures, which might offset gains in output by reducing purchasing power • Monetary policy may be less effective if the economy is already at or near full capacity, leading to limited increases in output

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	<ul style="list-style-type: none"> • Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4–6	<ul style="list-style-type: none"> • Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7–9	<ul style="list-style-type: none"> • Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).

Question Number	In times of inflation, which one of the following is a shoe leather cost when purchasing a mobile phone online?	Mark
Answer		
3(a)	<p style="text-align: center;">AO2 1 mark</p> <p>The only correct answer is: D The cost to consumers of looking for the lowest price of mobile phones</p> <p>A is not correct because this describes menu costs B is not correct because this is a cost of production C is not correct because this is a cost of shopping online</p>	(1)

Question Number	Calculate the trade balance between the UK and Spain in 2023.	Mark
Answer		
3(b)	<p style="text-align: center;">AO2 1 mark</p> <p>The only correct answer is: C A trade deficit of £24.3bn</p> <p>A is not correct because this is imports – exports B is not correct because this is exports + imports and assumes a surplus D is not correct because this is exports + imports and assumes a deficit</p>	(1)

Question Number	Using the diagram below, draw the effects of the introduction of a subsidy on the equilibrium price and quantity of childcare in Northern Ireland. Label the new curve, the new equilibrium price and new equilibrium quantity.	Mark
3(c)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for a rightward shift of supply, labelled Award 1 mark for a lower equilibrium price, labelled Award 1 mark for a higher equilibrium quantity, labelled</p> <div style="text-align: center;">  <p>The diagram is a supply and demand graph. The vertical axis is labeled 'Price of childcare' and the horizontal axis is labeled 'Quantity of childcare'. A downward-sloping demand curve is labeled 'D'. Two upward-sloping supply curves are shown: the original supply curve 'S' and a new supply curve 'S1' shifted to the right. The initial equilibrium is at the intersection of S and D, with price P_e and quantity Q_e. The new equilibrium is at the intersection of S1 and D, with price P_1 and quantity Q_1. Dashed lines indicate the equilibrium points, and solid lines connect the new equilibrium to the axes.</p> </div>	(3)

Question Number	With reference to the data above and your knowledge of economics, analyse why fewer tariffs and quotas have resulted in an increase in globalisation. Indicative content
3(d)	<p style="text-align: center;">AO2 (3 marks)/AO3 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • Fewer tariffs and quotas reduce the cost of importing and exporting goods, making international trade more accessible and widespread • Lower trade barriers encourage countries to specialise in producing goods where they have an advantage, increasing global trade efficiency • The reduction in tariffs and quotas encourage competition among businesses, leading to innovation and the spread of new technologies across different countries • Consumers benefit from a wider variety of goods and services at lower prices, enhancing global interconnectedness • Easier access to international markets allows businesses to expand globally, creating stronger economic ties between countries

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	<ul style="list-style-type: none"> • Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3).
Level 2	3-4	<ul style="list-style-type: none"> • Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3).
Level 3	5-6	<ul style="list-style-type: none"> • Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3).

Question Number	With reference to the data above and your knowledge of economics, assess the advantages of multinational corporations (MNCs) for the countries in which they operate. Indicative content
3(e)	<p style="text-align: center;">AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • MNCs such as Levi Strauss & Co can create employment opportunities, improving the standard of living for workers in countries where they operate • Worker well-being programmes can enhance the health, education and financial stability of employees, leading to a more productive workforce • MNCs often bring advanced technology and management practices to host countries, contributing to economic development and skill enhancement • Many MNCs invest in infrastructure such as roads in the countries in which they operate in order to get goods to market • The presence of MNCs can increase tax revenues for the host country's governments, which can be used for public services and infrastructure development • MNCs may engage in sustainable practices, such as water conservation and reducing greenhouse gas emissions, benefiting the local environment <p>AO4</p> <ul style="list-style-type: none"> • However, MNCs might prioritise profits over the welfare of local workers, potentially leading to poor working conditions despite well-being programmes • Local businesses may struggle to compete with large MNCs, which can limit the growth of domestic industries • MNCs could exploit natural resources or contribute to environmental degradation, despite some efforts at sustainability • The economic benefits of MNCs might be unevenly distributed, with most profits flowing back to the MNC's home country rather than staying in the host country • MNCs might influence local governments and policies in ways that favour their interests over those of the local population • Some MNCs might move profits abroad rather than invest in the countries in which they operate

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-3	<ul style="list-style-type: none"> • Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness (AO4).
Level 2	4-6	<ul style="list-style-type: none"> • Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness (AO4).
Level 3	7-9	<ul style="list-style-type: none"> • Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness (AO4).

Question Number	Calculate, to two decimal places, the total value of UK exports to France in euros (€bn) in 2023. You are advised to show your working. Answer	Mark
4(a)	<p style="text-align: center;">AO2 2 marks</p> <p>Award 2 marks for calculating the total value of UK exports in euros</p> <p>£45bn x €1.15 (1)</p> <p>= €51.75bn (1)</p> <p>Award 2 marks if the total value of exports is accurately calculated as €51.75bn even if no calculations are shown</p> <p>Award 1 mark if € or bn is missing i.e. 51.75 with or without calculations shown</p> <p>No marks for formula</p>	(2)

Question Number	<p>With reference to the data above and your knowledge of economics, analyse why an improvement in the quality of UK goods may result in a positive impact on the UK's current account.</p> <p>Indicative content</p>
4(b)	<p style="text-align: center;">AO2 (3 marks)/AO3 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • UK firms exporting to France must prioritise delivering high-quality goods to stand out in a very competitive market where consumers have many luxury options • An improvement in the quality of UK goods enhances their competitiveness in the French market • This could result in increased exports as French consumers opt for superior UK products over others • Increased exports of higher-quality UK goods to France can contribute to a positive impact on the UK's current account by boosting export revenues and potentially narrowing the trade deficit • Improvements in quality can lead to higher prices for UK goods in France, increasing the value of exports and further positively impacting the UK's trade balance and current account position

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	<ul style="list-style-type: none"> • Demonstrates basic knowledge and understanding by developing relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3).
Level 2	3-4	<ul style="list-style-type: none"> • Demonstrates partial knowledge and understanding by developing relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Interpretation of economic information will be good, with some analysis of issues (AO3).
Level 3	5-6	<ul style="list-style-type: none"> • Demonstrates clear knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Interpretation of economic information will be excellent, with a thorough analysis of issues (AO3).

Question Number	With reference to the data above and your knowledge of economics, evaluate the possible impact of economic growth from tourism on the environment for a country such as the UK.
	Indicative content
4(c)	<p style="text-align: center;">AO2 (4 marks)/AO3 (4 marks)/AO4 (4 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • Economic growth from tourism such as the visitors to the Lake District can provide 32,000 jobs for the local community in Cumbria • Therefore, economic growth can provide the UK with more financial resources through higher tax revenues and tourism income • Some of the £2.6bn generated by tourism can be directed towards the conservation and protection of natural areas, supporting initiatives like the establishment and maintenance of national parks • Economic growth can enable the UK to promote sustainable tourism, as seen in the Lake District national park • This allows the country to attract environmentally conscious tourists who appreciate the natural beauty, resulting in revenue generation while minimising negative impacts on the environment <p>AO4</p> <ul style="list-style-type: none"> • However, expansion of businesses such as hotels and restaurants can lead to habitat destruction and pollution • Building on natural areas can disrupt ecosystems, potentially harming plants and animals that rely on those habitats • Economic growth can increase the demand for resources such as water and energy for tourists staying in hotels • The local transport infrastructure is often overwhelmed and litter may be left by tourists • If not managed sustainably, overconsumption can put a strain on local resources and lead to pollution, which can negatively impact both the environment and communities • Overall, whilst there are benefits to be gained from economic growth, there are potential risks and challenges that need to be managed effectively by the government to ensure the long-term health of the environment

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<ul style="list-style-type: none"> • Demonstrates isolated elements of relevant knowledge and understanding; may lack development of relevant points. Limited application of economic terms, concepts, theories and calculations (AO2). • Information presented will lack selectivity and organisation. Chain of reasoning may be attempted. Interpretation of economic information will be limited, with a lack of analysis of issues (AO3). • Only offers one viewpoint, meaning there is an unbalanced and incomplete evaluation, showing limited understanding and awareness. A judgement or conclusion is unlikely to be attempted (AO4).
Level 2	5–8	<ul style="list-style-type: none"> • Demonstrates partial selectivity and some accurate knowledge and understanding by developing some relevant points. Partial application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate some selectivity and organisation. Chain of reasoning will be present but may be limited. Interpretation of economic information will be good, with some analysis of issues (AO3). • Offers more than one viewpoint but the argument may lack balance, leading to an evaluation that may not demonstrate full understanding and awareness. A judgement or conclusion is attempted, but may not be fully supported (AO4).
Level 3	9–12	<ul style="list-style-type: none"> • Demonstrates specific and accurate knowledge and understanding by developing relevant points. Appropriate application of economic terms, concepts, theories and calculations (AO2). • Information presented will demonstrate excellent selectivity and organisation. Chain of reasoning will be coherent and logical. Interpretation of economic information will be excellent with a thorough analysis of issues (AO3). • Offers more than one viewpoint. The argument is well balanced and coherent, leading to an evaluation that demonstrates full understanding and awareness. A supported judgement or conclusion is present (AO4).