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| Humanities and Social Sciences |

ECONOMICS

Paper 0455/01
Paper 1

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15	A	35	B
16	B	36	C
17	A	37	D
18	A	38	C
19	B	39	A
20	A	40	A

General comments

The mean mark was 18.8, which was very close to the mean mark in previous years.

The questions which proved to be easiest, with over 70% choosing the correct key, were **1**, **14**, **17**, **18**, and **34**. These tested a range of topics and skills including definitions and application of concepts to particular situations. There is, therefore, no one area of the syllabus or one particular skill that candidates find easier than others.

The questions that gave the most difficulty were **2**, **4**, **6**, **16**, **19**, **20**, **23**, **26**, **27** and **35**, where fewer than 35% chose the correct key. There are usually questions on costs, revenue and profits on this Paper. Three questions on this area caused candidates problems this year. It is recommended that candidates be aware of the differences between costs and revenues and profits and that they understand the relationships between these concepts.

Comments on specific questions

Question 2

27% chose the correct key **C**, but 37% chose **A**. **A** does not indicate what has been given up but what has been obtained.

Question 4

22% of the candidates chose the correct key of **D**. The other options were each selected by large of candidates, which may indicate guessing on this area of the syllabus.

Question 6

The term was known or understood by only 31% of candidates. However, those who scored well on the Paper overall chose the correct key for this question.

Question 16

50% of the candidates chose the incorrect option **C**. 28% chose the key of **B**. Maybe those who chose **C** thought the question referred to the supply of labour rather than the wage level.

Question 19

42% incorrectly chose **C** and only 26% the correct key of **B**. $100 is the change in the total cost from producing an extra 100 units. It is not clear why candidates confused this with average revenue.

Question 20

A similar confusion over costs and revenues occurred in this question, where only 17% chose the correct key of **A**. The other options were each chosen by a large number of candidates, which would indicate unfamiliarity with the meaning of the term and concept of maximum profits.

Question 23

39% chose the incorrect option **A**, which is the revenue obtained from selling 100 units, not the profit. The correct key was **D**.

Question 26

This was answered correctly by only 4% of the candidates. This question contained the commonly confusing situation where an indicator, in this case GDP, increases but at a decreasing rate. When presented with such information many candidates assume that the indicator is falling, rather than increasing, particularly if the information is presented on a graph. Questions such as this have been asked quite often in the past, and often result in errors by the candidates. 54% of the candidates chose option **B**, which also shows a confusion between the use of a percentage change and an absolute figure. No absolute figures were given in the chart for this question so it is not possible to decide whether the level of GDP in 1998 was the lowest. As GDP had increased by over 1.5% in 1995 and then by 1% in 1996 and then by over 0.5% in 1997 it is quite unlikely, even though no absolute figures are given, that a fall of 1% in 1998 would cause GDP to be the lowest among the years shown.

Question 27

33% of the candidates chose the correct key of **C**. 26% chose **B** and 27% **D**. The choice of the last two options would indicate a confusion over the items which are commonly used as direct taxes by governments.

Question 35

45% of candidates wrongly chose **D**, which is the opposite of the truth.

| Paper 0455/02 |
| Paper 2 - Structured Questions |

General comments

There were again some excellent answers to the Paper and those candidates are to be congratulated on their hard work. While most candidates conformed to the instructions on the Question Paper, a few answered more than the required number of questions.

However, there are several points that might be helpful in enabling other candidates to achieve higher marks by using their knowledge and understanding in a more effective manner.

- Candidates should understand that when a question asks for an explanation or a discussion, a simple list of items is insufficient. The points must be presented in the form of sentences and paragraphs with at least a brief comment on each one.

- A number of candidates did not seem to pay very much attention to the mark allocation in brackets at the end of each sub-section of a question, writing as much for a section carrying 7 marks as for a section carrying 3 marks.

- As has been mentioned many times in these reports, candidates should be encouraged to use diagrams where appropriate. When diagrams are used they should be presented clearly and accurately with correct labels. They should also be of a size that can easily be seen. It is surprising how many answers contain diagrams that are squashed up in the corner of the page and without correct labels.

- In order to gain high marks in questions that ask for a discussion, candidates need to present more than one side of an argument and then come to a conclusion. They should also be prepared to state their own view of the matter. Many answers present the case for or against, the advantages and disadvantages, but then leave the matter without a conclusion. This is a pity and prevents the candidate achieving the highest marks. Candidates should be encouraged to read the question carefully and to realise that their view of the matter is significant. When they have presented the evidence required by the question, they should not be afraid to indicate what weight should be given to that evidence. They should decide whether, for example, the advantages outweigh the disadvantages, or the case for a given change mentioned in the question is greater than the case against. They should then clearly state what they conclude.

- It is also good practice to encourage candidates to leave a space at the end of each question in case they wish to add some material at a later stage. Many candidates think of extra information and then add this, almost randomly, throughout the script. This does not aid marking. There is a danger that such presentation will not receive due credit. Candidates should also check that the pages that they have written are in the correct order and that each question number or section is clearly shown.

Comments on specific questions

Section A

Question 1

(a)(i) Most candidates were able to calculate the reduction in profit between the third quarter of 1999 and the third quarter of 2000 as $159m by subtracting $96m from $255m. A number of candidates transcribed the figures incorrectly and subtracted $96 from $225 and not $255.

(ii) Nearly all candidates were able to calculate the change in the company's revenue between 1999 and 2000 correctly as an increase of $0.05 billion.

(iii) This proved to be quite a difficult question for a number of candidates. The better answers, however, recognised that profits depended on the difference between the revenue received by a firm and the various costs of production. Therefore, if a company had an increase in revenue and a fall in profits at the same time, it must have been because there had been an increase in the costs of production that were greater than the increase in revenue.

(b) The majority of candidates correctly realised that there was some evidence in the extract that Navistar was likely to be a public limited company, such as the large number of emp... the high levels of annual capital spending, revenue and profit or the fact that these figu... openly reported. Some candidates did not make best use of the information that they had... given, while others thought that public limited companies were run by the government.

(c) The better answers showed an awareness of two ways in which higher interest rates might have affected the company. First, they would affect the costs of the firm by making borrowing more expensive. Secondly, they would affect the willingness of consumers to take out loans in order to pay for the purchase of a truck and so the level of demand would be likely to fall. Most candidates answered using one or other of these approaches, but only the best answers had both effects. Some candidates thought that the companies set interest rates.

(d) Some of the answers to this last part of the question were rather short, despite the fact that 7 marks were available. There were a number of good answers, however, and these focused on the likely effect on the level of employment in the company by reducing the numbers employed, on the problems for future investment by the company, such as new technology, and on the shareholders, given that the share price and the value of the dividend were both likely to go down. Too many candidates confused cause and effect, and wrote about the causes of the fall in profits. There was also some confusion about net profits. Some candidates were treating costs as though they had not been deducted before the calculation of net profits.

Section B

Question 2

(a) Most candidates were able to identify correctly three possible causes of a change in the demand for a good. These included changes in the price of the good or in the prices of substitute or complementary goods, changes in consumers' income, successful advertising campaigns and changes in consumers' tastes and in fashion.

(b) Most candidates included a diagram to illustrate the demand and supply analysis, although it was not absolutely necessary to include one. Most candidates recognised that the excess supply would shift the supply curve to the right and that the weak demand would shift the demand curve to the left. The effect of both of these changes would lead to a fall in the price. Some candidates dealt with a shift in only demand or only supply, while others did not follow the answer through to the conclusion that the factors described in the question would lead to the fall in price mentioned in the question.

Question 3

(a) Most candidates were able to obtain two marks by choosing two from three aspects, which were visible, exports and the current account.

(b) This part of the question was answered extremely well by most candidates, who demonstrated a very clear knowledge and understanding of the two terms, pointing out that a tariff was a tax on an imported good whereas a quota was a restriction on the quantity imported of a particular good. Some candidates thought that tariffs were put on the country's exports as well as its imports.

(c) Most candidates recognised that cheap imports into the U.S. would affect U.S. companies adversely by providing stiff competition to those companies producing similar goods to those imported. A few candidates, however, pointed out that it could be advantageous to some U.S. companies by providing them with cheaper raw materials, helping to keep down the costs of production.

Question 4

(a) Most candidates were able to give a correct explanation of the difference between a direct tax, which is a tax on income or wealth, and an indirect tax, which is a tax on spending. They were also able to give a correct example of each from the statement. An income tax was an example of a direct tax and the tax on goods and services was an example of an indirect tax. Some candidates lost marks by choosing examples that were not mentioned in the statement.

(b) There were some very good answers to this part of the question. Most candidates re[...]t taxes could be used to finance a range of publicly provided goods or services or to br[...] more equitable distribution of income or a different allocation of resources.

Question 5

(a) Most candidates correctly stated that rice farming was an example of the primary sector and that, with 60% of workers in Java in this industry, this was likely to be indicative of a developing country. However, relatively few candidates went on to contrast this with the situation in a developed economy where a smaller proportion would be working in the primary sector and the vast majority would be working in either the secondary or the tertiary sector.

(b) There were some very good answers to this part of the question, with many candidates demonstrating a good knowledge and understanding of the differences between developing and developed economies in such areas as health, education, housing, incomes, birth and death rates and the extent and quality of the infrastructure.

Paper 0455/03

Paper 3 (Extended)

Question Number	Key	Question Number	Key
1	D	21	D
2	C	22	D
3	D	23	B
4	D	24	B
5	D	25	B
6	C	26	C
7	A	27	C
8	A	28	C
9	B	29	D
10	C	30	B
11	D	31	C
12	C	32	B
13	A	33	B
14	B	34	C
15	A	35	B
16	B	36	C
17	A	37	D
18	C	38	B
19	B	39	A
20	D	40	A

General comments

The mean mark was 22.1, which was very close to the mean mark in previous years.

The easiest questions, with over 70% of the candidates choosing the correct answer, proved to be **1**, **12**, **17**, **21**, **23**, **34**, and **37**. These tested a range of topics and skills including definitions, the use of tables, and application. There is, therefore, no one area of the syllabus or one particular skill that candidates find easier than others.

There were only five questions which caused fewer than 40% of the candidates to choose the correct key. These were **4**, **14**, **26**, **35** and **39**.

Comments on specific questions

Question 4

32% of the candidates chose the correct key of **D**. The other options were each selected by roughly same percentage of candidates, which may indicate guessing on this area of the syllabus.

Question 14

This was the hardest on the Paper and only 7% chose the correct key **B**. 62% chose option **A**. It is recognised that this may have been because of the use of the word 'current' both in the question and in option **A** and that this may have been unfair for candidates whose first language is not English. Account was taken of this when fixing the grade boundaries for the Paper and an allowance was made for any disadvantage this may have caused the candidates.

Question 26

This was answered correctly by only 10% of the candidates. This question contained the commonly confusing situation where an indicator, in this case GDP, increases but at a decreasing rate. When presented with such information many candidates assume that the indicator is falling, rather than increasing, particularly if the information is presented on a graph. Questions such as this have been asked quite often in the past, and often result in errors by the candidates. 48% of the candidates chose option **B**, which also shows a confusion between the use of a percentage change and an absolute figure. No absolute figures were given in the chart for this question, so it is not possible to decide whether the level of GDP in 1998 was the lowest. As GDP had increased by over 1.5% in 1995 and then by 1% in 1996 and then by over 0.5% in 1997 it is quite unlikely, even though no absolute figures are given, that a fall of 1% in 1998 would cause GDP to be the lowest among the years shown.

Question 35

41% of candidates wrongly chose **D**, which is the opposite of the truth.

Question 39

This was answered correctly by 35% of the candidates (Key **A**). 49% chose option **C**, confused about either the meaning of 'cost of living' or the removal (rather than imposition) of a tax.

> **Paper 0455/04**
>
> **Paper 2 - Structured Questions**

General comments

There were again some excellent answers to the Paper and those candidates are to be congratulated on their hard work. While most candidates conformed to the instructions on the Question Paper, a few answered more than the required number of questions.

However, there are several points that might be helpful in enabling other candidates to achieve higher marks by using their knowledge and understanding in a more effective manner.

· Candidates should understand that when a question asks for an explanation or a discussion, a simple list of items is insufficient. The points must be presented in the form of sentences and paragraphs with at least a brief comment on each one.

· A number of candidates did not seem to pay very much attention to the mark allocation in brackets at the end of each sub-section of a question, writing as much for a section carrying 10 marks as for a section carrying 3 marks.

· As has been mentioned many times in these reports, candidates should be encouraged to use diagrams where appropriate. When diagrams are used they should be presented clearly and accurately with correct labels. They should also be of a size that can easily be seen. It is surprising how many answers contain diagrams that are squashed up in the corner of the page and without correct labels.

- In order to gain high marks in questions that ask for a discussion, candidates need to [obscured] than one side of an argument and then come to a conclusion. They should also be [obscured] state their own view of the matter. Many answers present the case for or against, the adv[obscured] and disadvantages, but then leave the matter without a conclusion. This is a pity and preven[obscured] candidate achieving the highest marks. Candidates should be encouraged to read the ques[obscured] carefully and to realise that their view of the matter is significant. When they have presented the[obscured] evidence required by the question, they should not be afraid to indicate what weight should be given to that evidence. They should decide whether, for example, the advantages outweigh the disadvantages, or the case for a given change mentioned in the question is greater than the case against. They should then clearly state what they conclude.

- It is also good practice to encourage candidates to leave a space at the end of each question in case they wish to add some material at a later stage. Many candidates think of extra information and then add this, almost randomly, throughout the script. This does not aid marking. There is a danger that such presentation will not receive due credit. Candidates should also check that the pages that they have written are in the correct order and that each question number or section is clearly shown.

Comments on specific questions

Section A

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(ii) Nearly all candidates were able to calculate the change in the company's revenue between 1999 and 2000 correctly as an increase of $0.05 billion.

(iii) This proved to be quite a difficult question for a number of candidates. The better answers, however, recognised that profits depended on the difference between the revenue received by a firm and the various costs of production. Therefore, if a company had an increase in revenue and a fall in profits at the same time, it must have been because there had been an increase in the costs of production that were greater than the increase in revenue.

(b) The majority of candidates correctly realised that there was some evidence in the extract to suggest that Navistar was likely to be a public limited company, such as the large number of employees and the high levels of annual capital spending, revenue and profit or the fact that these figures were openly reported. Some candidates did not make best use of the information that they had been given, while others thought that public limited companies were run by the government.

(c) The better answers showed an awareness of two ways in which higher interest rates might have affected the company. First, they would affect the costs of the firm by making borrowing more expensive. Secondly, they would affect the willingness of consumers to take out loans in order to pay for the purchase of a truck and so the level of demand would be likely to fall. Most candidates answered using one or other of these approaches, but only the best answers had both effects. Some candidates thought that the companies set interest rates.

(d) Some of the answers to this last part of the question were rather short, despite the fact that 7 marks were available. There were a number of good answers, however, and these focused on the likely effect on the level of employment in the company by reducing the numbers employed, on the problems for future investment by the company, such as new technology, and on the shareholders, given that the share price and the value of the dividend were both likely to go down. Too many candidates confused cause and effect, and wrote about the causes of the fall in profits. There was also some confusion about net profits. Some candidates were treating costs as though they had not been deducted before the calculation of net profits.

Section B

Question 2

(a) Most candidates were able to identify correctly three possible causes of a change in the demand for a good. These included changes in the price of the good or in the prices of substitute or complementary goods, changes in consumers' income, successful advertising campaigns and changes in consumers' tastes and in fashion.

(b) Most candidates included a diagram to illustrate the demand and supply analysis, although it was not absolutely necessary to include one. Most candidates recognised that the excess supply would shift the supply curve to the right and that the weak demand would shift the demand curve to the left. The effect of both of these changes would lead to a fall in the price. Some candidates dealt with a shift in only demand or only supply, while others did not follow the answer through to the conclusion that the factors described in the question would lead to the fall in price mentioned in the question.

(c) This proved to be quite a hard question for some candidates, although the majority were able to state that price elasticity of demand was a means of measuring the responsiveness of the demand for a product when there was a change in its price. Most candidates gave the correct explanation of how price elasticity is calculated.

(d) Some answers to this last part of the question were very brief, despite the fact that 7 marks were available. Some candidates were able to explain that the demand for clothing was likely to be relatively inelastic and that the demand for electrical products was likely to be relatively elastic. Better answers went further by sub-dividing the two broad categories of products into smaller and more precise types of goods, with appropriate examples. For instance, the demand for basic clothing would be likely to be relatively inelastic, whereas the demand for more expensive types of clothing, such as those with designer labels, would be likely to be more relatively elastic. Too many candidates thought that the elasticities for both types of goods would be the same, usually price-inelastic.

Question 3

(a) Most candidates were able to obtain two marks by choosing two from three aspects, which were visible, exports and the current account.

(b) This part of the question was answered extremely well by most candidates, who demonstrated a very clear knowledge and understanding of the two terms, pointing out that a tariff was a tax on an imported good whereas a quota was a restriction on the quantity imported of a particular good. Some candidates thought that tariffs were put on the country's exports as well as its imports.

(c) Most candidates recognised that cheap imports into the U.S. would affect U.S. companies adversely by providing stiff competition to those companies producing similar goods to those imported. A few candidates, however, pointed out that it could be advantageous to some U.S. companies by providing them with cheaper raw materials, helping to keep down the costs of production.

(d) The majority of candidates were able to put forward a number of possible reasons why free trade is often considered advantageous to a country, such as providing consumers with a greater variety of goods, especially those goods that would not otherwise be available to buy in the country. However, few answers really took the analysis further to discuss such issues as the advantages of specialisation and the benefits of absolute and comparative advantage.

(e) Most candidates were able to discuss the potential benefits of a tariff as a protective measure, such as to help an infant or a strategic industry, but they didn't always go on to contrast this with the possible loss of benefits of free trade or the risk of retaliation by another country.

Question 4

(a) Most candidates were able to give a correct explanation of the difference between a direct tax, which is a tax on income or wealth, and an indirect tax, which is a tax on spending. They were also able to give a correct example of each from the statement. An income tax was an example of a direct tax and the tax on goods and services was an example of an indirect tax. Some candidates lost marks by choosing examples that were not mentioned in the statement.

(b) There were some very good answers to this part of the question. Most candidates re[...] taxes could be used to finance a range of publicly provided goods or services or to br[...] more equitable distribution of income or a different allocation of resources.

(c)(i) This proved to be a difficult question for many candidates who argued that the number of tou[...] was likely to go down whereas the correct answer was that it was likely to have gone up, as show[...] by the revenue from the tax on goods and services doubling and the fact that Singapore depended on its tourist trade for part of its wealth.

(ii) Similarly, a number of candidates wrote that the level of unemployment was likely to go up. In fact, the increase in the revenue from income tax, along with the increase in revenue from the indirect taxes, would be more likely to be a reflection of more people in work causing the level of unemployment to go down. In both of these sub-sections there was often a confusion of cause and effect.

Question 5

(a) Most candidates correctly stated that rice farming was an example of the primary sector and that, with 60% of workers in Java in this industry, this was likely to be indicative of a developing country. However, relatively few candidates went on to contrast this with the situation in a developed economy where a smaller proportion would be working in the primary sector and the vast majority would be working in either the secondary or the tertiary sector.

(b) There were some very good answers to this part of the question, with many candidates demonstrating a good knowledge and understanding of the differences between developing and developed economies in such areas as health, education, housing, incomes, birth and death rates and the extent and quality of the infrastructure.

(c) Again, there were some good answers to this part of the question, developing what had been said in the previous section and trying to explain and analyse the reasons for these differences, such as the availability and development of economic resources or factors of production in different countries or as a result of the different prices charged on exports from different countries and the relative terms of trade.

(d) Most candidates were able to list one or two economic indicators but, in many cases, there was very little description and even discussion of how they could be used to measure the standard of living in a country.

Question 6

(a) Answers to this first part of the question varied a great deal. Some candidates did not really have very much idea of what is meant by the concept of opportunity cost, while others had some idea but could not really explain it very clearly. Some candidates, however, demonstrated a very clear knowledge and understanding of the concept, explaining it in terms of the next best alternative forgone or sacrificed, and they were able to illustrate it by referring to the natural environment in the statement and the possible uses that could be made of this.

(b)(i) There were some rather confused answers to this part of the question, especially by those candidates who thought that external cost was the same as social cost. A number of candidates, however, did correctly explain it in terms of the social cost minus the private cost. Some candidates incorrectly linked external costs with international trade.

(ii) Again, a number of candidates were unsure of the meaning of the term social benefit, although there were some good answers that correctly defined it as being equal to the private benefit plus the external benefit.

(c) Many of the answers to this last part of the question were very brief, even though 10 marks were allocated to it. However, there were some good answers with candidates contrasting the benefits of development in a rural area, such as increased employment, with the possible costs, such as the increased pollution, and then going on to compare this with development in a city centre.

Question 7

(a)   Most candidates had some idea of the meaning of the term economic growth but they ~~always explain it very fully.~~ Some candidates, however, did provide a clear and full explana~~tion~~ terms of increased output, income, employment and economic welfare. Some candidates wen~~t~~ to illustrate it by showing the shifting outwards of the production possibility curve or frontier. Thi~~s~~ approach was rewarded although the concept is outside the scope of this syllabus. It is always the policy of Examiners to reward and relevant knowledge and understanding that goes beyond the expectations of the syllabus.

(b)   The majority of candidates were able to demonstrate an understanding of the link between trade, investment and economic growth, such as through an increase in aggregate demand, although some candidates were uncertain about the meaning of the term investment and thought that it simply referred to the saving or spending of money.

(c)   Many of the answers to this section were again rather brief, although 10 marks were allocated to it. Some candidates did try and discuss why economic growth should be an important aim for a government, in terms of the potential benefits, but relatively few considered whether it should be the main aim of a government. The better answers, however, did this and contrasted the aim of economic growth with other possible aims, such as a low rate of inflation, a low level of unemployment or equilibrium in the balance of payments.

> ### Paper 0455/06
> ### Paper 6 - Alternative to Coursework

Comments on specific questions

Question 1

(a)(i)   This question required a straightforward calculation and the majority of candidates were able to provide accurate answers. Mistakes that did occur usually related to a failure to multiply $2.7m by two.

(ii)   This question was also generally well answered. Errors were made regarding the incorrect placing of the decimal point but these were relatively few.

(b)   Many candidates found this question difficult. To gain high marks it was essential to compare the situation before and after the introduction of controlled sales of legal ivory. In particular it was expected that these comparative comments would focus on changes relating to conservation, local community, government revenue/expenditure and research. Some candidates discussed the effects of removing the ban on ivory trading in Kenya whilst some discussed the effects of imposing a ban. Others appeared to be uncertain about what to write, and simply quoted comments from the passage. As a result many answers gained less than half marks for this question.

(c)   A significant number of candidates were able to provide the correct solution to this question and show their workings. A relatively small number of answers failed to subtract the remaining population (13%) from the total, and therefore failed to gain full marks for this question.

(d)   This question produced a wide range of responses. Candidates needed to read this question carefully. It was not simply a case of discussing the advantages and disadvantages of tourism. The emphasis needed to relate to how one would discover whether tourism had benefited the people of Kenya. Some answers were excellent and covered a wide range of both potentially positive and negative outcomes based on sound economics. Marks were gained for references to changes in invisible earnings, employment, infrastructure, income and the possibility of an increase in social costs. Weaker candidates focused on the role of elephants as a tourist attraction or simply listed a few general points relating to tourism.

(e)(i) Candidates were expected to show some understanding of supply and demand an able to apply this in the context of the specific question. Good answers recognised the of demand from other countries and linked this to a shortage of supply and ultimately a ris that in turn determined the level of illegal killing. Whilst few candidates established all of the a many were able to link demand, price and level of killing and therefore gained high marks. We candidates simply relied on copying sections from the text, often irrelevantly.

(ii) This part was dealt with quite effectively. A large number of candidates were able to identify changes in the level of the elephant population and many referred to changes in demand, although not always specifying that this was from Japan. Few referred to the price paid for ivory in Japan. Again there was some indiscriminate copying from the text.

Question 2

(a) Few candidates gained full marks for this question. Although many correctly concluded that the level of population would probably fall, only a small proportion were able to expand upon this and consider the possible effects of immigration. Some candidates concluded that population would rise, whilst a significant number proceeded to discuss changes in the distribution of population. Again this reinforces the importance of reading the question carefully.

(b)(i) A surprisingly large number of responses produced accurate answers supported by clear method. Hence many were able to gain full marks.

(ii) Although this question required a final answer in percentage form it did not otherwise require much more than the use of the information in the text that by 2040 one in four people would be over 65 and half the population would be under 45. Instead, many candidates engaged in complex calculations and obtained incorrect answers.

(c) The overwhelming majority of candidates were able to use the text to identify higher immigration and a lower than previously assumed death rate as the two key changes.

(d) This question required candidates to say what they would need in order to compare the living conditions of present and future generations of people over 65. This should have produced a discussion which incorporated key changes involving income, pensions, housing, health care, welfare policy, wealth distribution plus other general factors such as the environment and other social indicators. Some answers were excellent and discussed many of the above issues and attempted to reach an appropriate conclusion based on the evidence. Marks could also be gained for identifying the sources of information. For example, very good answers referred to the population census and the importance of changes in dependency ratios. Less effective answers failed to focus on the specific question and simply commented upon factors that impacted upon the living standards of those over 65.