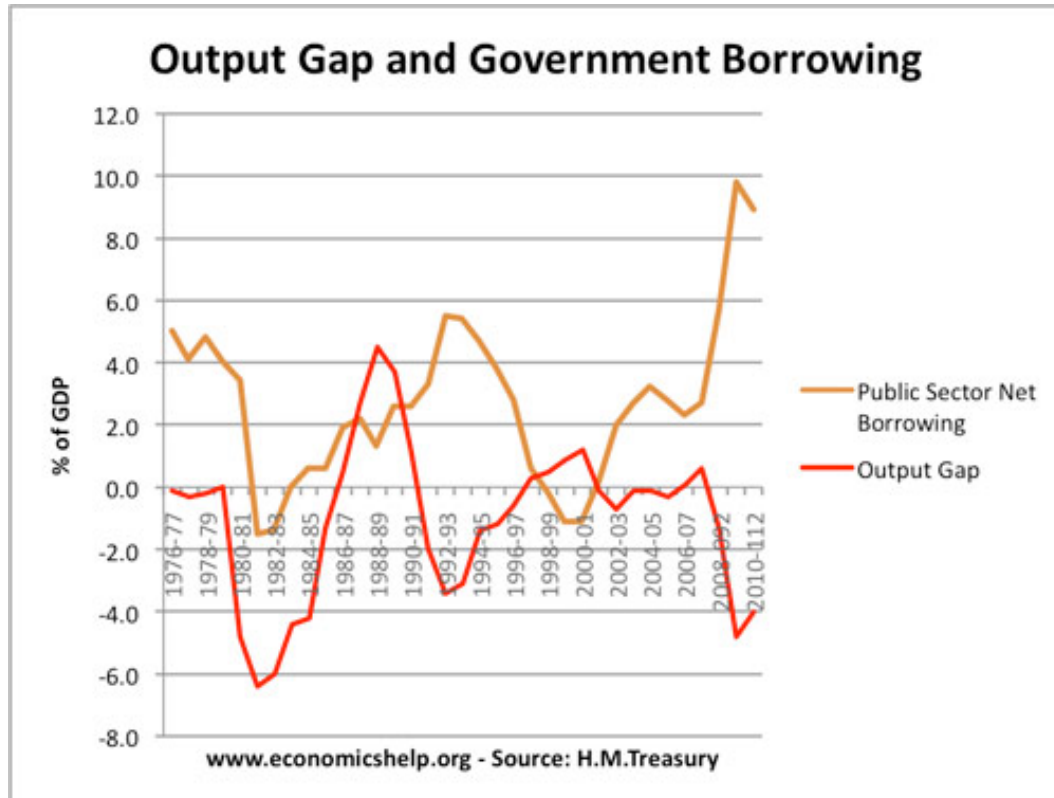


# 10. Section Data Response

Extract: A



**Question 1: Using Source A, explain the relationship between the public sector net borrowing and the Output Gap. (5)**

Generally, there seems to be an inverse relationship between the output gap and public sector net borrowing. For example, between 2008 and 2009, there is a sharp rise in borrowing to 10% of GDP. The negative output gap rises to over -4% of GDP. In 199, there was a positive output gap; this corresponds to negative public sector borrowing. In 1993, the output gap rose to 3% of GDP and public borrowing rose to nearly 6% of GDP.

However, there is an exception, in 1981, the output gap was negative but public sector borrowing also fell.

## Key Points.

- Look for the overall picture
- Use statistics to say how much borrowing was. E.g. don't just say in 2009 in borrowing was high. Say borrowing rose to over 10% of GDP.
- Look for exceptions. E.g. in 1981

- Don't worry about giving an explanation why this occurs.

### Tips for understanding question

1. Don't forget. EOPATQ – At the end of the paragraph make sure you are answering the question set. Keep referring back to the question throughout your answer.
2. Don't prejudge questions. You may know the topic, but the important thing is to answer exactly what they are asking (and not what you would like the question to be).
3. Often questions have unnecessary sub-clauses to make them longer. Try rewriting in simpler terms so you understand the main essence of it.

## 2. I know my material, but I have difficulty in knowing what to write.

Another common problem. Students know their material reasonably well, but struggle when faced with essay questions, data responses. To some extent this comes down to practising past papers. Don't just revise by memorising your notes.

- It is also good to know your syllabus. This gives you more ideas on topics that can be included in particular topics. For example, if you have a question.

## Discuss factors that determine efficiency of firms in Oligopoly?

If you know different aspects of your syllabus, you will be able to include different topics such as:

- Economies of scale,
- barriers to entry / contestability of market
- Profit objectives of firms

## Q. I find it difficult to evaluate questions

**1. Always identify where evaluation is required.** Mentally write down the marks reserved for evaluation. This will typically be 40-50% of questions.

The first thing is to understand and remember the mark scheme. Suppose, you get a question such as: **Discuss policies to reduce a current account deficit (30).**

A mark scheme will typically give:

- **(3)** for understanding what a current account deficit
- **(3)** (3 \*1) for identifying three policies
- **(12)** (3\*4) for explaining how each policy helps reduce a current account deficit.

This gives (18) for basic explanation.

This leaves **(12)** (3\*4) for evaluation of three policies.

