GradeMax

CAMBRIDGE
International Education

Cambridge International AS & A Level

ECONOMICS **9708/44**

Paper 4 A Level Data Response and Essays **October/November 2025**

MARK SCHEME

Maximum Mark: 60

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

© Cambridge University Press & Assessment 2025

GradeMax

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

© Cambridge University Press & Assessment 2025

GradeMax

Social Science-Specific Marking Principles (for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)

b DO credit alternative answers/examples which are not written in the mark scheme if they are correct

c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).

d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)

e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities

f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).

g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

© Cambridge University Press & Assessment 2025

GradeMax

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

© Cambridge University Press & Assessment 2025

GradeMax

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Correct point
	Incorrect point
	Unclear response
	Key information missing from response
	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Indicates where the answer has demonstrated analysis.
	Indicates appropriate reference to the information provided
	Expansion of point already made in response
	Indicates where the answer has demonstrated evaluation
	Indicates where the answer has demonstrated particularly strong/justified evaluation
	For use on **questions 2**, **3**, **4** and **5**. Indicates where the response has reached Level 1 in the Mark Scheme, Table A
	For use on **questions 2**, **3**, **4** and **5**. Indicates where the response has reached Level 2 in the Mark Scheme, Table A
	For use on **questions 2**, **3**, **4** and **5**. Indicates where the response has reached Level 3 in the Mark Scheme, Table A
	Used when the benefit of the doubt is given in order to reward a response.
	Used when the answer or parts of the answer do not answer the question asked.

© Cambridge University Press & Assessment 2025

GradeMax

Annotation	Meaning
SEEN	Indicates that the page or content has been seen by examiner, but no credit given.
TV	Used when parts of the answer are considered to be too vague to be given credit.

© Cambridge University Press & Assessment 2025

GradeMax

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The marker should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range (where middle marks are available).
- If the candidate's work **just** meets the level statement, award the lowest mark.

Social Sciences and Humanities Subject Specific Marking Principles (for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/ numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …)
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities, e.g. a scattergun approach to a question asking for *n* items
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted)
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

© Cambridge University Press & Assessment 2025

GradeMax

3 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Assessment objectives

AO1 Knowledge and understanding

- Show knowledge of syllabus content, recalling facts, formulae and definitions
- Demonstrate understanding of syllabus content, giving appropriate explanations and examples
- Apply knowledge and understanding to economic information using written, numerical and diagrammatic forms.

AO2 Analysis

- Examine economic issues and relationships, using relevant economic concepts, theories and information
- Select, interpret and organize economic information in written, numerical and diagrammatic form
- Use economic information to recognize patterns, relationships, causes and effects
- Explain the impacts and consequences of changes in economic variables.

AO3 Evaluation

- Recognise assumptions and limitations of economic information and models.
- Assess economic information and the strengths and weaknesses of arguments.
- Recognise that some economic decisions involve consideration of factors such as priorities and value judgements.
- Communicate reasoned judgements, conclusions and decisions, based on the arguments.

© Cambridge University Press & Assessment 2025

GradeMax

Table A: AO1 Knowledge and understanding and AO2 Analysis

Use this table to give marks for each candidate response for AO1 Knowledge and understanding and AO2 Analysis for **Questions 2**, **3**, **4** and **5**.

Level	Description	Marks
3	• A detailed knowledge and understanding of relevant economic concepts is included, using relevant explanations. Explanations are supported by examples, where appropriate. • The response clearly addresses the requirements of the question and explains economic issues, and fully develops these explanations. • Analysis is developed and detailed and makes accurate and relevant use of economic concepts and theories. Where necessary, there is accurate and relevant use of analytical tools such as diagrams and formulae, and these are fully explained. • Responses are well-organised, well-focused and presented in a logical and coherent manner.	11–14
2	• Knowledge and understanding of some relevant economic concepts is included, using explanations and examples that are limited, over-generalised or contain inaccuracies. • The response addresses the general theme of the question and the relevant economic issues, with limited development. • Analysis is generally accurate with some development but little detail. Uses analytical tools such as diagrams and formulae where necessary. Use of these tools is partially accurate or not fully explained. • Responses are generally logical and coherent but are sometimes lacking in focus or organisation.	6–10
1	• A small number of relevant knowledge points are included and the response is limited by significant errors or omissions. • The response has little relevance to the question. • Analysis where provided is largely descriptive. Use of analytical tools such as diagrams and formulae, where necessary, may contain significant errors or be omitted completely. • Responses show limited organisation of economic ideas.	1–5
0	No creditable response.	0

© Cambridge University Press & Assessment 2025

GradeMax

Table B: AO3 Evaluation

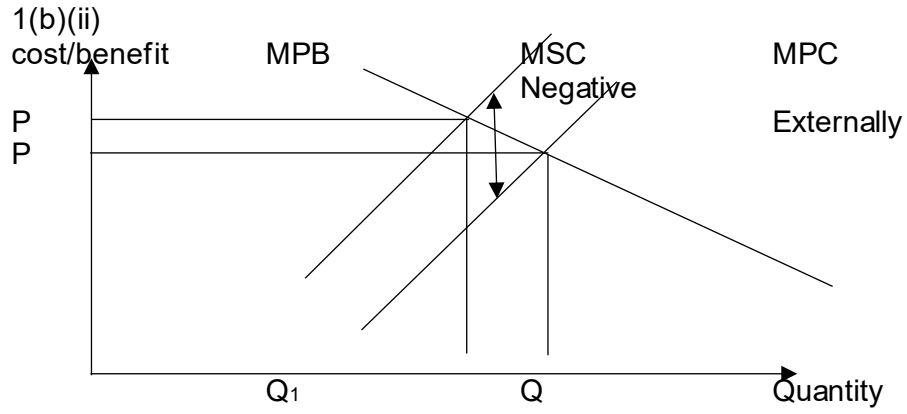
Use this table to give marks for each candidate response for AO3 Evaluation for **Questions 2**, **3**, **4** and **5**.

Level	Description	Marks
2	• Provides a justified conclusion or judgement that addresses the specific requirements of the question. • Makes developed, reasoned and well-supported evaluative comment(s).	4–6
1	• Provides a vague or general conclusion or judgement in relation to the question. • Makes simple evaluative comment(s) with no development and little supporting evidence.	1–3
0	No creditable response.	0

© Cambridge University Press & Assessment 2025

GradeMax

Section A Data response

Question	Answer	Marks
Follow the point-based marking guidance at the top of this mark scheme.		
1(a)	**Explain the meaning of 'allocative and productive efficiency'.** Allocative efficiency is when firms produce what consumers want **(1)** MC=AR/MC =P. **(1)** Productive efficiency is producing goods and services with the least use of resources. **(1)** Production on the lowest average cost curve/ minimum average cost/AC =minimum **(1)** Producing on the PPC **1**	**4**
1(b)(i)	**Explain what is meant by a negative production externality.** A cost **1** that is born by someone other than the producer of the good/a third party **1**	**2**
1(b)(ii)	**Identify from the extract, a negative production externality resulting from steel production.** Noise, dirt or polluted air **1** **Max 1 mark**	**1**
1(b)(iii)	**Explain, with the aid of a diagram, the consequences for output and price if the steel market is required to take into consideration negative production externalities.**  Labels **1** Axes **1** and explicit indication of negative externality **1** Comment: Quantity falls from Q to Q_1 **1** and Price increases from P to P_1 **1** Welfare loss explained **1**	**5**

GradeMax

Question	Answer	Marks
1(c)	**Consider whether 'a monopoly always operates against the interests of the consumer'.** In favour of monopoly : • Economies of scale **1,** + explanation **1** • Investment in research and development **1,** + explanation **1** Natural monopoly e.g. railways **1,** + development **1** **Max 4** Against monopoly: Loss of productive efficiency **1** + explanation **1** Loss of allocative efficiency **1** + explanation **1** Lack of dynamic efficiency**1** + explanation Or: A diagram showing the loss of allocative and productive efficiency Axes/Labels **1** correct costs and revenues **1** loss of AE **1** loss of PE **1** **Max 4** **Max 7 for argument** Conclusion: **1**	**8**

© Cambridge University Press & Assessment 2025

GradeMax

Section B Microeconomics essay

Question	Answer	Marks
EITHER		
2	**Evaluate, with the aid of a diagram whether the diminishing marginal utility theory of demand provides an adequate explanation of the market demand curve for all goods and services.** Use Table A: AO1 Knowledge and understanding and AO2 Analysis and Table B: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **Indicative content** Responses may include: **AO1 Knowledge and understanding and AO2 Analysis** Assumptions of marginal utility analysis including: • rational consumers who prefer more to less, a two-good world, the goods can be substituted for each other, perfect knowledge of the market. • Definition of marginal and total utility. • Explanation of diminishing marginal utility. • The analysis of the change in the price of a good and the explanation of how much the consumer will purchase as the price changes. • The use of the equi-marginal principle to establish how consumers 'balance' their expenditure on goods as the price of one of them changes. • The horizontal addition of individuals' demand curves to achieve the market demand curve. **AO3 Evaluation** • Consumer rationality: marginal utility theory assumes that consumers act rationally. They are of a calculating mind, carrying numerous combinations of different commodities in their heads, can substitute one for the other, compare their total utilities and make a rational choice between various combinations of goods. • Marginal utility theory has no provision for income and substitution effects so does not explain inferior goods. • It is difficult to compare the concept of changing the demand for expensive goods which are purchased infrequently with goods such as consumables. which are one-off indivisible purchases and the choice is between, for example, 1 fridge and 4 weeks' food. • A consumer is faced with a much more complex world than the two-good world of the model because a consumer buys not just two but a large number of commodities to satisfy their innumerable wants. • Accept all valid responses.	**20**
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

GradeMax

Question	Answer	Marks
OR		
3	**Subnormal and supernormal profits are only experienced in the short run and only by firms in perfect competition.** **With the help of diagrams, evaluate this statement.** Use Table A: AO1 Knowledge and understanding and AO2 Analysis and Table B: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **Indicative content** Responses may include: **AO1 Knowledge and understanding and AO2 Analysis** • Definition of short run, subnormal and supernormal profits. • Statement of the conditions for perfect competition. • Analysis of the applicability of the concepts of subnormal and supernormal profits in the context of perfect competition. • The resolution of subnormal and/or supernormal profits to equilibrium normal profits in perfect competition in the long run. • A relevant diagram to show the analysis. **AO3 Evaluation** • The analysis of monopolistic competition to show subnormal and supernormal profits and their resolution to normal profit. • Monopoly analysis to show that supernormal profits may exist in the long run. • Analysis of oligopoly to show that there may or not be subnormal or supernormal profits in the both the short run and the long run. Accept all valid responses.	**20**
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

GradeMax

Section C Macroeconomics

Question	Answer	Marks
EITHER		
4	**A country imposes a tariff of 20% on imported goods and restricts the number of immigrants entering the country.** **Evaluate, with the aid of a diagram(s), the impact of these <u>two</u> policies on the rate of inflation in that country.** Use Table A: AO1 Knowledge and understanding and AO2 Analysis and Table B: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **Indicative content** Responses may include: **AO1 Knowledge and understanding and AO2 Analysis** • Definition of a tariff and analysis of the effect of a tariff on the price of goods and a development of this in terms of the direct effect on the price of goods bought by consumers. • The analysis may also be in terms of the cost of imported raw materials and cost push inflation. • Analysis of impact on macroeconomy in terms of leftwards shift of aggregate supply (AS) promoting cost push inflation. • A similar analysis of the effect of restricting the supply of labour and reducing any potential decrease in the general wage rate. • A relevant diagram to show either the effect of a tariff on cost/prices, the restriction of immigrants and the effect on wages **and** the impact on AS **AO3 Evaluation** • The elasticity of supply of domestically produced goods subject to the tariff. • The availability of domestic labour force prepared to do jobs. • The rate of inflation will also depend on the level of aggregate demand (AD). The restriction on immigrants will reduce the level of demand and hence demand pull inflation. • Limited migration may allow domestic workers to claim higher wages and contribute to cost push inflation. Accept all valid responses.	**20**
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

© Cambridge University Press & Assessment 2025

GradeMax

Question	Answer	Marks
OR		
5	**Evaluate whether an increase in a government's budget deficit will always lead to economic growth.** Use Table A: AO1 Knowledge and understanding and AO2 Analysis and Table B: AO3 Evaluation to mark candidate responses to this question. AO1 and AO2 out of 14 marks. AO3 out of 6 marks. **AO1 Knowledge and understanding and AO2 Analysis** • Definitions of budget deficit, economic growth. • Use of AD/AS models or 45° model to analyse government budget deficit. • Use of the circular flow of income to explain the effect of an increase in government spending increases the level of aggregate demand within the economy. • Reference to the short run and long run economic growth. • Reference can be made to employment, inflation, the balance of payments • Impact of supply side expenditure of budget deficit on education/investment **AO3 Evaluation** Evaluation may be by individual measure or by comparing the measures. • Closeness of economy to full employment. • Use of Phillips' Curve to reflect inflationary impact. • Commentary on the size of marginal propensity to consume and its effects on the size of the multiplier. • The role of expectations in determining the reactions to expansionary fiscal policy • Reference to the multiplier being an analysis of the trade cycle which exists for only a short run and that the accelerator effect is needed to increase investment and an outwards shift in the production possibility curve for the long run effects. Accept all valid responses	**20**
	AO1 Knowledge and understanding and AO2 Analysis	14
	AO3 Evaluation	6

© Cambridge University Press & Assessment 2025