

A-Level Economics

How to Answer Every Question - Exam Technique Guide

Edexcel Economics (9EC0)

A-Level

8 question types

THE NILE METHOD - every question, every time

1. Read the COMMAND WORD first - it tells you the skill (state / explain / evaluate).
2. Check the MARKS - roughly one developed point (or mark-scheme line) per mark.
3. Match the ASSESSMENT OBJECTIVES the marks reward (AO1 knowledge / AO2 application / AO3 evaluation).
4. PLAN before long answers - jot points, then write in clear PEEL / chain-of-reasoning paragraphs.
5. Use precise terminology, evidence and (where relevant) named studies or data.
6. For evaluation, write developed chains and a justified judgement - not a list.

Multiple Choice (Section A objective) · ""Which one of the following""

TESTS	Knowledge and quick application - a single correct option from four, worth 1 mark, usually opening Paper 1 and Paper 2 (and the supported MCQs that carry follow-on marks).
METHOD	1. Read the stem and underline exactly what is being asked before glancing at the options. 2. Predict the answer in your own words first, then look for the option that matches it. 3. Eliminate the two clearly wrong distractors, then separate the remaining pair on a precise definition or a directional rule. 4. For a calculation MCQ, work the number on scrap before reading options so a plausible-but-wrong figure cannot tempt you. 5. Pick one option for every question - there is no penalty, so never leave a blank.
STRUCTURE	One mark, one letter. Where the paper awards follow-on marks for explaining the choice, give a short two-step chain (cause → effect) referencing the data.
MODEL	<i>Stem: a rise in the price of a substitute. Reasoning: demand for the good shifts right → equilibrium price and quantity both rise → therefore the option showing higher P and higher Q is correct.</i>
PITFALLS	› Choosing the first option that looks reasonable instead of testing all four. › Confusing a movement along a curve with a shift of the curve. › Leaving the supported-explanation marks empty after picking the letter.

Calculate (quantitative) · ""Calculate""

TESTS	Accurate use of economic formulae and data from a table, chart or extract - typically 2–4 marks for figures such as price elasticity, percentage change, index numbers, real values or a multiplier.
METHOD	1. State the correct formula before substituting any numbers. 2. Substitute the data clearly, keeping units (£, %, index points) visible throughout. 3. Show every working line - method marks survive even if the final figure slips. 4. Round sensibly (usually 2 decimal places) and attach the correct unit or sign. 5. Sanity-check the answer: an elasticity should carry the right sign, a real value should be below the nominal when prices have risen.
STRUCTURE	Formula line → substitution line → worked answer with unit. Keep it to a few clean lines; full marks come from visible method plus the right figure.
MODEL	$PED = \% \Delta Q_d - \% \Delta P$. <i>Quantity falls 8% when price rises 20%: $PED = -8\% - 20\% = -0.4 \rightarrow$ demand is price-inelastic, so a price rise raises total revenue.</i>
PITFALLS	› Writing only the final number, so a slip loses all marks with no method to rescue. › Dropping the minus sign on PED or the % unit on a percentage change. › Confusing percentage change with percentage-point change on index or rate data.

Short Knowledge-and-Application (Explain / Define) · ""Explain" / "Define" / "With reference to the extract""

TESTS	Precise economic knowledge applied to the context - usually 2–5 marks. The mark scheme rewards a correct definition or point plus a developed application or a short chain of analysis tied to the data.
METHOD	1. Open with an accurate definition or the relevant concept in one sentence. 2. Anchor the answer in the extract - quote a figure or phrase to prove application. 3. Develop one clear chain of reasoning rather than listing several undeveloped points. 4. Match the depth to the tariff: a 2-marker needs a point plus development; a 5-marker needs a fuller linked chain.
STRUCTURE	Definition / point → application to the extract data → one logical link of development. No evaluation is required at this tariff.
MODEL	<i>A subsidy is a per-unit payment to producers to lower costs. Extract B notes a £40m solar subsidy → firms' marginal cost falls → supply shifts right → price falls and output rises, widening access to renewable energy.</i>
PITFALLS	› Listing many shallow points instead of developing one fully. › Ignoring the extract, so the application marks are lost. › Adding evaluation that earns nothing here and wastes time.

Diagram question (Draw / Illustrate) · ""Draw a diagram" / "Using a diagram" / "Illustrate""

TESTS	The ability to construct an accurate, fully labelled analysis diagram and use it to support a written chain - embedded in many KAA and evaluation answers across micro and macro.
METHOD	1. Title the diagram and label both axes correctly (price/quantity for micro; price level/real GDP for macro). 2. Draw the original curves, then show the shift or movement with a clear arrow and a new equilibrium. 3. Mark old and new points ($P_1Q_1 \rightarrow P_2Q_2$) so the change is unambiguous. 4. Refer to the diagram in the prose - the diagram earns its marks only when the writing explains the movement.
STRUCTURE	Accurate labelled diagram → written chain that reads the diagram: shift → new equilibrium → real-world consequence. Diagram and analysis must agree.
MODEL	<i>AD/AS: a cut in interest rates raises consumption and investment → AD shifts right ($AD_1 \rightarrow AD_2$) → real GDP rises from Y_1 to Y_2 and the price level rises from P_1 to P_2, showing demand-pull inflation.</i>
PITFALLS	› Unlabelled or mislabelled axes, which caps the diagram marks. › Drawing the diagram but never referring to it in the written answer. › Shifting the wrong curve, or showing a shift where only a movement along the curve occurs.

Examine (5-mark application chain) · ""Examine""

TESTS	A sustained chain of reasoning applied to the data - typically 5 marks. Examiners want logical links ($A \rightarrow B \rightarrow C$) developed in context, with no judgement required.
METHOD	1. Identify the precise concept the question targets and define it in context. 2. Build one developed chain of at least three linked steps using a connective each time ("which means", "leading to", "as a result"). 3. Support the chain with a specific figure or quotation from the extract. 4. Add a supporting diagram where it strengthens the analysis (for example cost or AD/AS curves).
STRUCTURE	Point → chain of reasoning (link → link → link) → applied conclusion tied to the data. Depth of the single chain matters more than breadth.
MODEL	<i>A weaker pound raises import prices → imported raw-material costs rise for UK firms → short-run aggregate supply shifts left → the price level rises, so a depreciation can be inflationary for an import-dependent economy.</i>
PITFALLS	› Breaking the chain - jumping from cause to outcome with the middle links missing. › Asserting effects rather than analysing why each step follows. › Writing several short stubs instead of one fully developed chain.

Assess / Discuss (8, 10 and 12-mark evaluation) · ""Assess" / "Discuss" / "Evaluate""

TESTS	Balanced KAA and evaluation on a data-response point - usually 8, 10 or 12 marks. The mark scheme splits credit between analysis (developed chains, often with a diagram) and evaluation (counter-arguments and a judgement).
METHOD	1. Define the key term and set up the argument in context using the extract. 2. Develop one or two analytical chains, supported by a relevant diagram. 3. Evaluate: give the other side and the conditions it depends on (short vs long run, magnitude, elasticity, ceteris paribus). 4. Reach a justified judgement that prioritises - which effect dominates and why, not a fence-sitting summary.
STRUCTURE	KAA paragraph (point → chain → diagram, applied) → evaluation paragraph (counter-point → it depends on...) → reasoned judgement that weighs the two. Roughly half analysis, half evaluation.
MODEL	<i>A minimum wage rise lifts low-paid incomes → spending and AD rise → output and employment can grow. However, if labour demand is elastic, firms cut hours → unemployment rises. Judgement: the net effect depends on elasticity and the size of the rise; a modest increase in a tight labour market is likely to raise welfare more than it costs jobs.</i>
PITFALLS	› Analysis with no genuine evaluation, so the answer self-caps in the lower bands. › Evaluation that just lists "on the other hand" points without a supported judgement. › A judgement that restates both sides instead of prioritising one with a reason.

15-mark evaluation essay (open-response chain) · ""Assess" / "Evaluate" / "To what extent""

TESTS	Extended analysis and evaluation without an extract - typically 15 marks on Paper 1 or Paper 2. Rewards two well-developed sides, diagrams and a prioritised, justified conclusion.
METHOD	1. Open with a sharp definition and a brief plan of the line of argument. 2. Build at least two distinct analytical chains, each with a supporting diagram where relevant. 3. Evaluate each chain - magnitude, time frame, likelihood and the assumptions behind it. 4. Conclude with a judgement that prioritises by criterion (size of effect, short vs long run, key dependencies).
STRUCTURE	Definition and plan → KAA chain 1 with diagram → KAA chain 2 with diagram → evaluation of both → prioritised judgement. Balance developed analysis against meaningful evaluation.
MODEL	<i>Cutting corporation tax could raise investment → higher long-run aggregate supply → faster growth. But the effect depends on business confidence; in a downturn firms hold cash, so the response is weak. Judgement: tax cuts are most effective when confidence is high, so their growth impact is conditional rather than guaranteed.</i>
PITFALLS	› Only one side developed, leaving the evaluation thin and the answer mid-band. › Diagrams omitted or drawn but never explained in the prose. › A conclusion that summarises rather than prioritises with a stated criterion.

25-mark evaluation essay (top tariff) · ""Evaluate" / "To what extent" / "Discuss""

TESTS	The highest-tariff response - 25 marks, choice of essay on Paper 1, Paper 2 and the synoptic Paper 3. Demands wide, accurate analysis, strong evaluation across multiple points and a fully justified, prioritised conclusion that may draw micro and macro together.
METHOD	1. Define the terms, state your line of argument and plan two-to-three substantive points. 2. Develop each point as a full chain of reasoning with a relevant, labelled diagram. 3. Evaluate throughout - counter-arguments, magnitude, time horizon, stakeholders and the dependence on assumptions. 4. On Paper 3, bring in synoptic links across markets and the wider economy where the question invites it. 5. Write a substantial conclusion that prioritises: state which factors matter most and why, and note what the judgement depends on.
STRUCTURE	Intro (define and plan) → 2–3 KAA-plus-evaluation paragraphs each with a diagram → weighed, prioritised conclusion. Top bands need analysis and evaluation that are both developed and contextual, not listed.
MODEL	<i>Protectionist tariffs may protect infant industries → domestic output and jobs rise short run. But retaliation and higher input costs → net welfare can fall, especially long run as protected firms lose the incentive to become efficient. Judgement: tariffs are justified only for genuine, time-limited infant-industry cases with a credible exit plan; as a general policy the long-run efficiency loss outweighs the short-run gain.</i>
PITFALLS	› Listing many undeveloped points instead of fewer fully analysed and evaluated ones. › Leaving evaluation to a single closing paragraph rather than weaving it through. › A conclusion that sits on the fence instead of prioritising with explicit, justified criteria.