



Mark Scheme (Results)

Summer 2026

Pearson Edexcel International GCSE in Economics
4EC1/ 01R

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2026

Question Paper Log Number P79802A

Publication Code 4EC1_01R_2606_MS

All the material in this publication is copyright

© Pearson Education Ltd

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 is the selling of a government-owned enterprise to individuals or firms?	Mark
	Answer	
1(a)	<p style="text-align: center;">AO11 mark</p> <p>The only correct answer is:</p> <p>D Privatisation</p> <p>A is not correct because this is putting a new idea into practice B is not correct because this is increasing growth of crops through water usage C is not correct because this is the movement of people across borders</p>	(1)

Question number	What is the total revenue of the firm?	Mark
	Answer	
1(b)	<p style="text-align: center;">AO21 mark</p> <p>The only correct answer is:</p> <p>D €3 600 000</p> <p>A is not correct because this is the number of items sold - price B is not correct because this is the profit made C is not correct because this is the number of items sold x average cost per unit</p>	(1)

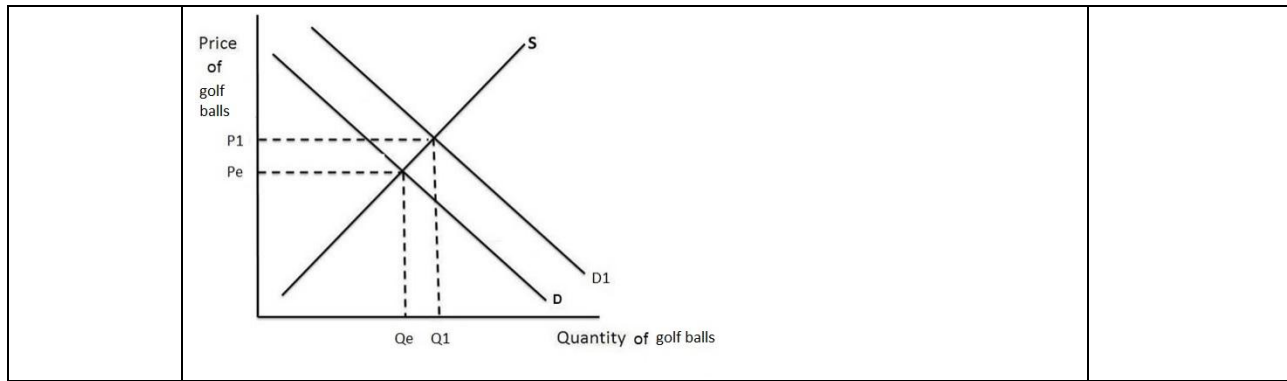
Question number	What is meant by the term trade union?	Mark
	Answer	
1(c)	<p style="text-align: center;">AO12 marks</p> <p>Award up to 2 marks for a correct definition</p> <ul style="list-style-type: none"> Organisation representing workers (1) to protect their rights/negotiate better pay (1) <p>Accept any other appropriate response</p>	(2)

Question number	State one factor that may influence price elasticity of demand (PED). Answer	Mark
1(d)	<p style="text-align: center;">AO11 mark</p> <p>Award 1 mark for a correct factor</p> <ul style="list-style-type: none"> • Substitutes • Degree of necessity • Percentage of income spent (on goods/service) • Time <p>Accept any other appropriate response</p>	(1)

Question number	Define the term risk. Answer	Mark
1(e)	<p style="text-align: center;">AO11 mark</p> <p>Award 1 mark for a correct definition</p> <ul style="list-style-type: none"> • Taking a chance that has potentially negative consequences <p>Accept any other appropriate response</p>	(1)

Question number	Calculate, to two decimal places, the price elasticity of supply (PES) for Luca's swimming lessons. You are advised to show your working. Answer	Mark
1(f)	<p style="text-align: center;">AO2 2 marks</p> <p>Award 1 mark for showing correct calculation</p> <ul style="list-style-type: none"> • $1.9\% / 2.5\%$ (1) <p>Award 1 mark for calculating correct PES</p> <ul style="list-style-type: none"> • $= 0.76$ (1) <p>Award 2 marks if PES is correctly calculated as 0.76, even if no calculations are shown</p> <p>Award 1 mark if PES is calculated as 0.76%, regardless of whether calculations are shown</p> <p>Do not award marks for the formula</p>	(2)

Question number	Using the diagram below, draw the likely effect on the market for golf balls following a fall in the price of golf clubs. Label the new curve, the new equilibrium price and the new equilibrium quantity. Answer	Mark
1(g)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for a rightward shift of the demand curve, labelled</p> <p>Award 1 mark for a higher equilibrium price, labelled</p> <p>Award 1 mark for a higher equilibrium quantity, labelled</p>	(3)



Question number	Explain one advantage of using division of labour for the calculator manufacturing firm.	Mark
	Answer	
1(h)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for identifying an advantage Award 1 mark for developing the advantage Award 1 mark for the advantage being in context</p> <ul style="list-style-type: none"> The firm may benefit from decreased unit costs (1) because workers may become more skilled at the task (1) meaning they are more productive at component assembly (1) <p>Accept any other appropriate response</p>	(3)

Question number	<p>With reference to the data above and your knowledge of economics, analyse why the free rider problem may have led the Uzbekistan Government to provide defence.</p> <p>Indicative content</p>
1(i)	<p style="text-align: center;">AO2 (3 marks)/AO3 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> Defence is an example of a public good as it is provided by the Uzbekistan Government This provision is likely to occur because the private sector may not be willing to provide services such as defence (nor spend \$2.8 bn, the highest in Central Asia) due to the free rider problem Public goods are non-excludable. Therefore, no one can be excluded from the benefits of the defence This means defence is available to people/free riders whether they have paid for it (through taxes) or not Therefore, the Uzbekistan Government has to provide defence because the private sector has no incentive to do so

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 occurs when a firm's average costs fall due to the growth of the industry?	Mark
2(a)	Answer	
	<p style="text-align: center;">AO11 mark</p> <p>The only correct answer is:</p> <p>B External economies of scale</p> <p>A is not correct because this would be a benefit as a firm grows</p> <p>C is not correct because this is an internal economy of scale</p> <p>D is not correct because this would lead to rising average costs</p>	

Question number	Which one of the following most accurately describes this value of PED?	Mark
2(b)	Answer	
	<p style="text-align: center;">AO21 mark</p> <p>The only correct answer is:</p> <p>C PED is unitary price elastic</p> <p>A is not correct because the value of PED would be 0</p> <p>B is not correct because the value of PED would be less than 1</p> <p>D is not correct because the value of PED would be greater than 1</p>	

Question number	Calculate the total costs per month for the firm. You are advised to show your working. Answer	Mark
2(c)	<p style="text-align: center;">AO2 2 marks</p> <p>Award 1 mark for showing the correct calculation</p> <ul style="list-style-type: none"> • $(520 \times €32) + €5\,722$ (1) <p>OR</p> <ul style="list-style-type: none"> • $€16\,640 + €5\,722$ (1) <p>Award 1 mark for correctly calculating the total costs per month</p> <ul style="list-style-type: none"> • $= €22\,362$ (1) <p>Award 2 marks if the total costs per month are correctly calculated as €22 362, even if no calculations are shown</p> <p>Award 1 mark if the answer given is 22 362, with or without calculations shown</p> <p>Do not award marks for a formula</p>	(2)

Question number	What is meant by the term income elasticity of demand? Answer	Mark
2(d)	<p style="text-align: center;">AO1 2 marks</p> <p>Award up to 2 marks for a correct definition</p> <ul style="list-style-type: none"> • Responsiveness of demand (1) to a change in income (1) <p>Accept any other appropriate response</p>	(2)

Question number	Describe one reason why producers do not always maximise their profit from the production of a product.	Mark
	Answer	
2(e)	<p style="text-align: center;">AO1 2 marks</p> <p>Award 1 mark for reference to the reason and 1 mark for development of the reason</p> <ul style="list-style-type: none"> • They may complete charitable work (1) so charge lower prices/receive less revenue (1) • They may prioritise caring for customers (1) therefore increasing costs (1) <p>Accept any other appropriate response</p>	(2)

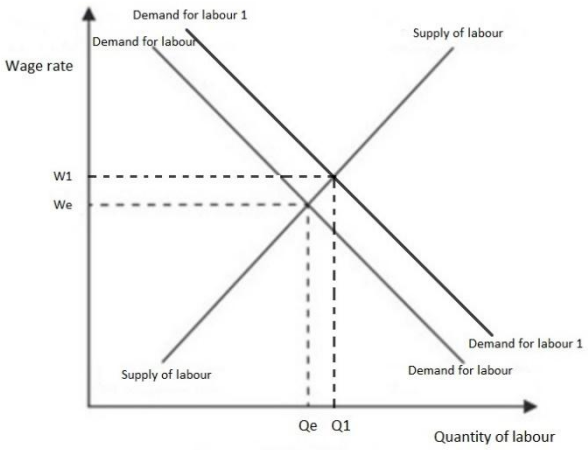
Question number	Explain one effect on the supply of maize following a change in the price of maize.	Mark
	Answer	
2(f)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for identifying a relevant effect Award 1 mark for developing the effect Award 1 mark for the response being in context</p> <ul style="list-style-type: none"> • A price increase would increase the quantity supplied (1). An increase from \$208 to \$218 leads to more supply (1) because there would be a movement up the supply curve (1) • A price decrease would decrease quantity supplied (1). A decrease from \$228 to \$218 leads to less supply (1) due to less profit for the supplier (1) <p>Accept any other appropriate response</p>	(3)

Question number	<p>With reference to the data above and your knowledge of economics, assess whether a decrease in the school-leaving age is the most likely way to increase the supply of labour.</p> <p>Indicative content</p>
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"> • A decrease in the school-leaving age is likely to increase the supply of labour • This is because there would be an increase in the number of people of working age • Those aged 14 and 15, if both able and willing, could work as well as those aged 16 and over • Those not keen on education and/or eager to earn a wage are likely to take on an apprenticeship at an earlier age if legally able • Therefore, the supply of labour could increase even further if a trade is developed, allowing for increased productivity as well <p>AO4</p> <ul style="list-style-type: none"> • However, an increase in the retirement age is also likely to increase the supply of labour because those aged 66 may need to continue to work before reaching the pensionable age at 67 • This may be dependent on whether they are still both willing and able to work, as well as whether they have savings/alternative means available • It may depend on the types of jobs available and the skills required, as some people may not be able to/familiar with/comfortable taking on different types of work with which they are not familiar • The age distribution of the population in Scotland is likely to affect the degree to which either an increase in the retirement age or a decrease in the school-leaving age may increase the supply of labour • It depends on whether there are more potential school leavers than those retiring in these age groups

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	Which one of the following is a factor of production? Answer	Mark
3(a)	<p style="text-align: center;">AO11 mark</p> <p>The only correct answer is:</p> <p>B Capital</p> <p>A is not correct because this would be a diseconomy of scale C is not correct because this would give legal protection D is not correct because this is a type of legislation</p>	(1)

Question number	In which one of the following sectors is farming? Answer	Mark
3(b)	<p style="text-align: center;">AO11 mark</p> <p>The only correct answer is:</p> <p>B Primary</p> <p>A is not correct because this sector does not involve the use of materials from the earth C is not correct because this sector would include construction and manufacturing D is not correct because this sector focuses on providing services</p>	(1)

Question number	On the diagram below, draw the effect on the labour market if there is an increase in demand for the final product produced by that labour. Label the new curve, the new equilibrium wage rate and the new equilibrium quantity of labour. Answer	Mark
3(c)	<p style="text-align: center;">AO2 3 marks</p> <p>Award 1 mark for a rightward shift of labour demanded, labelled (1) Award 1 mark for a higher equilibrium wage rate, labelled (1) Award 1 mark for a higher equilibrium quantity of labour, labelled (1)</p>  <p>The diagram is a coordinate system with 'Wage rate' on the vertical axis and 'Quantity of labour' on the horizontal axis. It features two upward-sloping lines labeled 'Supply of labour' and two downward-sloping lines labeled 'Demand for labour 1'. The original equilibrium is at the intersection of the first demand and supply curves, with dashed lines leading to 'We' on the vertical axis and 'Qe' on the horizontal axis. A second, rightward-shifted demand curve is drawn, and its intersection with the supply curve is marked with dashed lines leading to 'W1' on the vertical axis and 'Q1' on the horizontal axis.</p>	(3)

Question number	With reference to the data above and your knowledge of economics, analyse why the production of sugar cane decreases if the production of rice increases. 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"> • The resources available in the country mean it is only possible to produce a certain combination of goods • Therefore, the production possibility curve (PPC) shows the maximum productive potential of sugar cane and rice in the economy • Unless there is an outward shift in the PPC (caused by economic growth) all resources are fully employed when producing on the PPC • Thus, in order to increase production of rice, resources would need to be switched away from production of sugar cane, moving from point A to point B on the PPC • This would cause an opportunity cost: the sacrifice of production of sugar cane from S1 to S2 in order to increase production of rice from R1 to R2

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	<p>With reference to the data above and your knowledge of economics, assess whether an increase in the use of technology is the best way to increase efficiency in shops.</p> <p>Indicative content</p>
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"> • The amount of output that can be produced with a given amount of resources can be increased with more advanced technology • By using AI to record products bought by shoppers, it can reduce the time they take because there is no need to queue and pay in the shop • Phone alerts would also make shopping both faster and more convenient, as customers would no longer need to look around to find products they want • The shop would not need as many employees, as the technology would carry out the work previously done by labour • As a result, costs may be reduced, possibly enabling shop owners to increase profit • Therefore, technology makes the process more efficient for both the customer and the shop owners <p>AO4</p> <ul style="list-style-type: none"> • However, there is likely to be a significant cost to implementing the technology • Cameras, sensors and technology to hold customer accounts may be expensive to install and maintain • Thus, costs may not be reduced, especially not in the short term • Problems such as ensuring customer accounts are actually settled, accuracy of the technology, satisfaction of customers in selection/quality of products and demotivation of remaining employees who are concerned for their jobs may all be negative factors • Therefore, efficiency in shops may decrease as a result • Alternative ways such as increasing training and/or motivation of employees may be more effective

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	Using the information in Figure 6, calculate the excess supply of goods in the market at a price of \$50. You are advised to show your working. Answer	Mark
4(a)	<p style="text-align: center;">AO2 2 marks</p> <p>Award 1 mark for showing correct calculation</p> <ul style="list-style-type: none"> • $50 - 20$ (1) <p>Award 1 mark for correctly calculating the excess supply</p> <ul style="list-style-type: none"> • $= 30$ (1) <p>Award 2 marks if the excess supply is correctly calculated as 30, even if no calculations are shown</p> <p>Do not award marks for the formula</p>	(2)

Question number	With reference to the data above and your knowledge of economics, analyse why the market for sunglasses may be described as a monopoly.
	Indicative content
4(b)	<p>AO2 (3 marks)/AO3 (3 marks)</p> <p>AO2 and AO3</p> <ul style="list-style-type: none"> • There is only one firm dominating the market for sunglasses • Luxottica owns more than 80% of the market, meaning choice of sunglasses may be limited for customers despite the different brands available • This may mean that the Luxottica Group acts as a price maker because it can control whether it offers unique products or charges a higher price for certain brands • Barriers to entry, due to potential high start-up/running costs of technology to produce and distribute eyewear, may mean it is unlikely that new firms will easily be able to enter the market for sunglasses, again showing features of a monopoly • Market dominance could allow high profits due to the potential to charge a high price, especially when making sales across so many brands, such as Oakley and Ray-Ban. Therefore, the Luxottica Group may be able to afford extensive advertising which acts as a barrier to entry

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	<p>With reference to the data above and your knowledge of economics, evaluate whether subsidies are an effective way of dealing with externalities.</p> <p>Indicative content</p>
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"> • Private transport causes an externality because high volumes of traffic lead to an external cost, such as pollution, for the people of Romania • One method of government intervention to reduce externalities is to offer subsidies to users of services, such as providing free travel every Friday on public transport in Cluj-Napoca • These subsidies will encourage the use of more travel by public transport, reducing the volume of private transportation used, thus reducing congestion and pollution • The extent to which this is the case may be higher, given there are a number of universities and thus younger people in the city • The Romanian Government offers these subsidies in an attempt to reduce pollution and therefore reduce the externalities to the public in Cluj • As Green Friday has been in place since 2021, over time, some residents may have made the decision to get rid of their car/van in order to reduce their living expenses and to support the campaign <p>AO4</p> <ul style="list-style-type: none"> • However, as some people will already own a car/van and pay for its upkeep, they may choose to continue to use private transport on Fridays, as they do the rest of the week • This is especially true as it is likely to be more comfortable and more convenient than relying on public transportation • Therefore, the demand for private transport may not reduce (much) even with free alternatives being on offer • As the population of Cluj is about 335,000, there is potentially a lot of private vehicles being driven, meaning a reduction may not have a large impact anyway • The young/student population may be less likely to drive private transport in the first place and so Green Friday may have a reduced impact • Other policies may be more effective, such as taxation of private vehicles on the road and/or regulation regarding when they can be used in the city • There may be an opportunity cost of providing the subsidies, such as reduced revenue to cover education and/or health care

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).