

**LRN International AS/A Level: Economics
(7141)**



Paper 3: Economics
(2 hour 15 minutes)

May/June 2024
Marking Scheme

Case Study

Q1a) Analyse the factors that contributed to TechTrend Inc.'s initial success in the market. (10 marks)

Criteria: <ul style="list-style-type: none"> • Identification of factors contributing to initial success. • Explanation of how these factors led to success. • Use of evidence/examples from the case study. • Clarity, coherence, and structure of the response. 		
Mark Band	Descriptor	Example
1-3 marks	<ul style="list-style-type: none"> • Basic identification of 1-2 factors. • Limited or no explanation of how the factors contributed to success. • Minimal or no reference to the case study. • Poor structure or clarity. 	A top-band answer might highlight the innovative app features, the growth in demand for productivity tools, effective partnerships, and diversified revenue streams, explaining how these contributed to TechTrend Inc.'s meteoric rise.
4-6 marks	<ul style="list-style-type: none"> • Identification of 2-3 factors with some explanation of their contribution to success. • Some reference to the case study, but lacks depth or detail. • Reasonable structure and clarity, though with minor lapses. 	
7-10 marks	<ul style="list-style-type: none"> • Comprehensive identification of 3-4 factors. • Detailed and well-explained links between the factors and the company's success. • Clear, specific references to the case study (e.g., innovative app features, rapid growth, global partnerships). • Well-structured and clearly articulated response. 	

Q2a) Using the concept of market structure, assess the level of competition faced by TechTrend Inc. in the technology sector. (12 marks)

Criteria: <ul style="list-style-type: none"> • Understanding of market structure concepts (e.g., perfect competition, monopoly, oligopoly). • Application of market structure theory to the case study. • Assessment of competition faced by TechTrend Inc. with relevant examples. • Clarity and coherence of analysis. 		
Mark Band	Descriptor	Example
1-4 marks	<ul style="list-style-type: none"> • Basic definition of market structure with little or no application to TechTrend Inc. • Limited mention of competition, with few or no examples. • Minimal or unclear analysis. 	A high-level answer might identify TechTrend Inc. as operating in an oligopolistic market, explain how competitors with better features eroded its market share, and evaluate how this intense competition impacted its profitability.
5-8 marks	<ul style="list-style-type: none"> • Reasonable explanation of market structure concepts. • Some application to TechTrend Inc.'s situation, referencing competitors or features in the case study. • Moderately detailed assessment of competition, though not fully developed. 	
9-12 marks	<ul style="list-style-type: none"> • Thorough explanation of relevant market structure(s), such as oligopoly or monopolistic competition. • Well-applied theory to TechTrend Inc., with specific examples (e.g., competitors offering superior features). • Comprehensive assessment of competition faced and its impact on the company's performance. • Clear, coherent, and well-organised response. 	

Q3a) Explore the macroeconomic indicators that signalled trouble for TechTrend Inc. as it approached bankruptcy. (12 marks)

Criteria: <ul style="list-style-type: none"> • Identification of macroeconomic indicators (e.g., market demand, inflation, interest rates). • Explanation of how these indicators impacted TechTrend Inc. • Use of case study examples to support the analysis. • Clarity and organisation. 		
Mark Band	Descriptor	Example
1-4 marks	<ul style="list-style-type: none"> • Basic mention of 1-2 macroeconomic indicators without detailed explanation. • Limited or no link to TechTrend Inc.'s performance. • Weak structure and minimal clarity. 	<p>A top response might cite declining market demand, reduced investor confidence, and regulatory pressures as key indicators, explaining how these contributed to TechTrend Inc.'s financial struggles.</p>
5-8 marks	<ul style="list-style-type: none"> • Identification of 2-3 relevant macroeconomic indicators. • Some explanation of how these indicators signalled trouble for the company. • Occasional reference to the case study. • Reasonable clarity and structure. 	
9-12 marks	<ul style="list-style-type: none"> • Comprehensive identification and analysis of 3-4 macroeconomic indicators. • Clear explanation of how these indicators (e.g., declining market demand, stricter regulations, reduced investor confidence) signalled trouble. • Specific and accurate references to the case study. • Well-organised and clearly presented analysis. 	

Q4a) Examine the role of government regulations and policies in shaping the competitive landscape for tech startups like TechTrend Inc. (16 marks)

Criteria: <ul style="list-style-type: none"> • Identification of relevant government regulations and policies. • Explanation of their impact on tech startups. • Use of case study examples to illustrate points. • Depth of analysis, including potential benefits and challenges. • Coherence, structure, and presentation. 		
Mark Band	Descriptor	Example
1-5 marks	<ul style="list-style-type: none"> • Limited identification of regulations/policies. • Minimal explanation of their impact. • Vague or unclear reference to the case study. • Weak structure and analysis. 	A high-band answer could discuss the transition from a lax regulatory environment to stricter data protection laws and antitrust investigations, illustrating how these impacted TechTrend Inc.'s ability to compete and adapt.
6-10 marks	<ul style="list-style-type: none"> • Identification of some relevant regulations/policies. • Some explanation of their impact on TechTrend Inc. and other tech startups. • References to the case study with moderate depth. • Reasonable clarity and structure. 	
11-16 marks	<ul style="list-style-type: none"> • Detailed identification and analysis of several regulations/policies (e.g., data protection laws, antitrust investigations). • Clear explanation of how these shaped the competitive landscape for TechTrend Inc. • Specific references to the case study, evaluating both benefits and challenges. • Thorough, well-structured, and clearly written response. 	