IQM4009

LEVEL 4 · INDIVIDUAL OPEN-RESOURCE COURSEWORK

INTO QUALIFICATIONS

Macroeconomics and Global Financial Systems

Sample economic policy brief: regional rail electrification and productivity

STAFF ONLY · Staff marking and administration guide

Assessment
IQM4009 A1

Status
SAMPLE ASSESSMENT

Total marks
50

Release timing
at coursework release

Sample set
2026-S

Response length
1,000 words ±10% (references excluded)

AI condition
AIAS Level 2 planning only; candidate independently authors analysis, evaluation and recommendation; acknowledge permitted use.

Administration and delivery

Weighting and permitted materials. The coursework contributes 30% of the module and is open-resource. Relevant data, independently selected and read sources, and normal research and planning notes may be used. A calculator is not applicable.

Authenticity controls. Evidence of planning, source selection and working files must be retained. At least one supervised progress checkpoint must be completed by the centre. A short verification discussion may be conducted where necessary. Unresolved authenticity concerns must be managed under the Academic Regulations.

- Coursework AI planning limits and declaration apply.
- No external source is required for synthetic data; ensure citations support any additional factual claims.
- Markers record criteria separately and reconcile to 50.

Mark scheme and indicative content

Model response [See rubric marks]

- Policy brief: Westmere rail investment and sustainable growth Recommendation Westmere should proceed only through staged investment gates. Protect early funding for accessible station access, service reliability and grid-readiness work, but do not commit the full electrification programme until an independent appraisal confirms deliverability, additionality and value relative to the projects displaced from the fixed capital budget. The programme could support growth, but its forecast benefits are not guaranteed and the region’s productivity gap does not establish that rail is its cause. Macroeconomic rationale The proposed £420m public capital programme is an injection into aggregate demand. During construction, spending on contractors, wages and materials raises demand for goods and services. Some recipients may spend additional income, creating further rounds of expenditure. The multiplier will be larger when resources are under-used and domestic supply can respond, and smaller where households save, pay tax or buy imports. If construction capacity is already stretched, extra demand may mainly raise wages and tender prices rather than real output. The forecast average of 1,100 full-time-equivalent jobs is a delivery-period estimate, not evidence of 1,100 net new jobs throughout the region. The committee should ask whether workers would otherwise be unemployed, whether they are transferred from other infrastructure projects, and what skills or supply bottlenecks exist. Short-run impact and evidence The five-year programme can support demand over several years rather than in one instant. Contractors’ purchases and workers’ incomes may support local businesses, but some expenditure will leak to suppliers and employees outside Westmere. The fixed transport budget is important: if this scheme displaces another project, the correct comparison is the additional output and welfare relative to that alternative, not the gross £420m spend alone. Import purchases are a potential trade leakage and can limit the local multiplier. Conditionally, currency depreciation could raise imported capital-input costs, while tighter global funding could raise financing or opportunity costs if foreign borrowing were used. The case provides no import-content, exchange-rate or borrowing evidence, so these channels are sensitivity tests, not observed effects; compare them with displaced projects under the fixed budget. A short-run AD increase is not the same as sustainable growth. If demand rises beyond available capacity, prices and project costs may increase; if there is spare capacity, real output and employment effects are more plausible. Long-run productivity pathway The intended supply-side channel is credible but conditional. An 18-minute reduction between the two largest towns could lower commuting time and business travel costs. Better station access and dependable services may widen the area in which workers can search for jobs and employers can recruit, improving matching and labour mobility. Firms may reach customers and suppliers more reliably. If these effects raise output per worker or encourage productive investment, potential output and long-run aggregate supply could

increase. The forecast rise from 8.0m to 9.2m annual journeys is 1.2m, or 15% of the initial figure. Patronage is an intermediate measure, not proof of productivity: some additional journeys may be leisure travel, diverted trips, or existing journeys shifted from another mode. The region's stated productivity level is 7% below the UK average. This identifies a policy concern, but does not show that inadequate rail access caused the gap. Skills, management, capital, sector mix, health, digital connectivity and urban structure may also matter. To test the transport mechanism, measure journey times, reliability, labour-market reach, business recruitment, output per worker and new investment against a baseline and plausible comparison areas. Avoid attributing every post-project change to the railway. Sustainability, distribution and risk A contract forecast to use 70% renewable electricity by year five could reduce operational emissions relative to a more carbon-intensive supply, but only if the supply and additionality assumptions are credible. Construction materials, land use, embodied emissions, grid upgrades, maintenance and induced travel also matter. The possible 18-month delay in grid work could leave a completed line unable to deliver the intended service, postponing benefits while costs continue. Contracts should assign responsibilities for interfaces and delay, with contingency rather than unsupported optimism. Benefits may accrue to commuters and businesses close to stations, while people in rural areas, disabled travellers or low-income households may receive little benefit if access, fares or service frequency are poor. Accessible station design and integrated feeder buses should be assessed as core inputs, not optional additions. Construction disruption can affect existing passengers and local businesses. The committee should publish how costs, access and service benefits are distributed across places and groups. Alternatives and decision The fixed budget makes opportunity cost central. Compare electrification with bus-priority corridors, station accessibility, targeted service-frequency improvements, skills investment and digital connectivity. These may have different capital costs, lead times and geographic coverage. Use a common appraisal period and transparent assumptions for demand, maintenance, carbon, reliability, additional jobs and residual value. A portfolio could retain low-regret station-access and reliability improvements while deferring irreversible contracts until grid readiness is evidenced. The committee should release funding in gates: first verify grid capacity, land and permissions; second secure accessible design, costed service plans and construction risk allocation; third confirm forecast demand and benefits against an independently reviewed baseline; and finally release the main works budget only if the scheme remains preferable to alternatives. During delivery, report actual cost, schedule, additional employment, journey times, reliability, passenger numbers, access by income/disability/location and lifecycle emissions. If the grid delay approaches 18 months or costs materially exceed the appraisal, pause and re-test the case rather than treating sunk expenditure as justification to continue. Conclusion Rail electrification could raise short-run demand and, in the longer term, improve connectivity and productive capacity. The strongest case is not the temporary job estimate or the forecast passenger increase alone; it is a demonstrated chain from reliable, accessible transport to better labour matching, lower business frictions and measurable productivity. Given the delivery delay, environmental uncertainty and fixed budget, a staged proceed decision preserves potential benefits while limiting exposure. The recommendation should change if measured additionality is low, distribution is poor, or another intervention produces greater benefit for the same resources.

Illustrative model response: data presentation

Table 1 summarises the Westmere case data used in the brief.

Case measure	Case figure	Implication in the brief
Public capital programme	£420m	Demand injection; compare with displaced projects.
Delivery employment forecast	1,100 FTE	Forecast only; test additionality and displacement.

Case measure	Case figure	Implication in the brief
Journey-time reduction	18 minutes	Potential access and labour-mobility gain; test reliability.
Annual journeys	8.0m → 9.2m (+15%)	Intermediate forecast, not proof of productivity.
Renewable electricity by year five	70%	Environmental benefit depends on supply and additionality.
Grid-work delay	18 months	Delivery risk may postpone benefits while costs continue.

Source: IQM4009 A1 candidate paper, 2026-S, synthetic Westmere case data (candidate task brief, pp. 1–2).

The AD and multiplier interpretation, and the productive-capacity pathway, follow the IQM4009 Module Guide (2026).

References

- IQM4009 A1 candidate paper, 2026-S, “Economic policy brief: regional rail electrification and productivity”, pp. 1–2. Synthetic case figures and task requirements.
- Macroeconomics and Global Financial Systems Module Guide, AY2026–27, sections on aggregate demand, multiplier effects, productivity, productive capacity and sustainable growth.

Assessment rubric

Criterion	Marks	Marking focus
Knowledge and understanding	10	Accurate real-growth, AD and trade-leakage concepts; capital, productivity/LRAS, externalities and sustainability; evaluate global-financial channels within evidence limits.
Application	10	Use Westmere forecasts accurately; evaluate import leakage and conditional depreciation/imported-capital-cost and global-financing-cost channels against displaced projects, treating missing import-content, exchange-rate and borrowing evidence as limits rather than observed effects.
Analysis	15	Causal chains linking spending to demand/employment and infrastructure/access to productivity/capacity; recognises time lags, spare capacity and constraints.
Evaluation	10	Balanced, conditional judgement covering additionality, grid delay, opportunity cost, distribution, lifecycle environmental effects and credible alternatives.
Communication and academic practice	5	Concise brief, coherent recommendation, appropriate diagram/evidence and accurate referencing.

Standardisation guidance

- Any well-reasoned recommendation (proceed, stage, redesign or defer) can receive full credit where supported with evidence and a clear counterfactual.