



External Assessment Report 2009

Subject	Economics
Level	Higher

The statistics used in this report are pre-appeal.

This report provides information on the performance of candidates which it is hoped will be useful to teachers/lecturers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding. It would be helpful to read this report in conjunction with the published question papers and marking instructions for the Examination.

Comments on candidate performance

General comments

Candidate entries continue to fall but the quality of the average candidate was higher this year. There was a slight increase in the pass rate and a significant increase in the percentage of A passes. As usual, the quality of the candidates from centres varied tremendously, with some centres receiving almost all A's and the majority of candidates from other centres struggling to pass. The overall impression of the paper from the markers was that it was as demanding as ever – especially in certain parts – but was a fair test of candidates' economic ability and understanding.

In Section A, most candidates scored more highly in Item B than in Item A.

Areas in which candidates performed well

Section A

In Item A, most candidates knew how a trade deficit might be reduced and the majority of candidates knew why American companies might wish to set up in the UK; they also gave plausible explanations for the difference in productivity levels. Not surprisingly, nearly everyone found question (f) very straightforward. In Item B, most candidates displayed a sound understanding of the meaning and implication of a minimum guaranteed price; most understood how increased unemployment affects government finances; the majority drew the correct diagram in question (e) and nearly everyone scored highly in (f).

Section B

Question 1 was quite popular and well answered by most of the candidates, although the explanations of absolute and comparative advantage tended to be polarised and were either very good or very poor. Question 2 was, by far, the most popular question and most parts of it were quite well answered – especially the parts on taxation and price elasticity of demand. Part (c) on government intervention was also well answered, although some candidates did not relate their answer to market failure and simply explained the effects of taxes, subsidies etc without explaining why they were imposed. In question 3, the section on measures to increase employment (part (c)) was very well answered by most candidates as were parts (a) and (c) in question 4 – the determinants of the demand for Sterling and the problems of a large fall in interest rates. There were some extremely good answers to part (b) in question 5 – especially on the explanations of the shape of short run average total cost curves. Part (b) in question 6 was also very well answered, with most candidates displaying a sound understanding of National Income.

Areas which candidates found demanding

Section A

In Item A, many candidates explained globalisation purely in terms of the growth of multi-national corporations. Although question (b) asked for the benefits of growth, many candidates described the causes of growth. In question (d), few candidates correctly explained the importance of labour productivity. In Item B, many of the explanations of technical efficiency (question (b) (i)) were poor and a large number of candidates failed to explain correctly how the value of the Euro would be affected by the changes in the EU's sugar trade.

Section B

As mentioned above, in question 1 some explanations of absolute and comparative advantage were weak and thoroughly confused. Part (a) (i) in question 2 was very badly answered, with few candidates relating their answer to the stem of the question (despite being specifically asked to do so in the question). In addition, a large number of candidates did not answer the question they were asked; they wrote about demand being income elastic or inelastic, although the question asked about positive and negative income elasticity. The first 2 parts of question 3 were not well answered. Many answers to part (a) displayed a lack of up-to-date knowledge of the Scottish economy. In part (b), many descriptions of the multiplier were weak and did not explain the relationship between spending and income. Question 4 was not popular, and the few candidates who did attempt it had difficulty in scoring highly in part (d). Many of the answers to part (a) of question 5 were poorly constructed and did not answer the question that was asked. Few candidates made any attempt to 'compare and contrast'; most simply listed the characteristics of perfect competition and monopoly, losing marks in the process. Although 'sustainable development' is explicitly mentioned in the new syllabus, hardly any of the candidates who answered question 6 knew what it meant. Their decision to attempt the question was probably based on the fact that parts (a) and (b) were relatively straightforward.

Advice to centres for preparation of future candidates

Although it has been stated before, candidates must be advised to read all questions very carefully and answer the question that has been asked – not the one they hoped they were going to be asked. They should also attempt to allocate their time more or less equally among every part of the paper in order to avoid having to rush their last question. Candidates should also be encouraged to read the economics/business section in a 'good' daily newspaper; articles which are particularly relevant could be discussed in class and candidates could give up-to-date examples in their exam answers. Teachers should also ensure that they cover every part of the revised syllabus.

Statistical information: update on Courses

Number of resulted entries in 2008	620
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Number of resulted entries in 2009	632
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Statistical information: Performance of candidates

Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark - 100				
A	32.1%	32.1%	203	67
B	24.2%	56.3%	153	56
C	19.5%	75.8%	123	46
D	5.9%	81.6%	37	41
No award	18.4%	100.0%	116	-

General commentary on grade boundaries

- While SQA aims to set examinations and create marking instructions which will allow a competent candidate to score a minimum of 50% of the available marks (the notional C boundary) and a well prepared, very competent candidate to score at least 70% of the available marks (the notional A boundary), it is very challenging to get the standard on target every year, in every subject at every level.
- Each year SQA therefore holds a grade boundary meeting for each subject at each level where it brings together all the information available (statistical and judgemental). The Principal Assessor and SQA Qualifications Manager meet with the relevant SQA Business Manager and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the management team at SQA.
- The grade boundaries can be adjusted downwards if there is evidence that the exam is more challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- Where standards are comparable to previous years, similar grade boundaries are maintained.
- An exam paper at a particular level in a subject in one year tends to have a marginally different set of grade boundaries from exam papers in that subject at that level in other years. This is because the particular questions, and the mix of questions are different. This is also the case for exams set in centres. If SQA has already altered a boundary in a particular year in say Higher Chemistry this does not mean that centres should necessarily alter boundaries in their prelim exam in Higher Chemistry. The two are not that closely related as they do not contain identical questions.
- SQA's main aim is to be fair to candidates across all subjects and all levels and maintain comparable standards across the years, even as arrangements evolve and change.