



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

The downward trend in the numbers of candidates was reversed this year and, although the increase was marginal, it was, nevertheless, encouraging. There was also strong evidence to suggest that last year's high average standard of candidates was maintained this year, although, as usual, some centres did markedly better than others. Most markers felt the paper was fair but demanding – especially in certain questions. A large number of candidates attempted both essay 2 and essay 6, and most answered them very well. Essays 4 and 5 were the least popular.

Areas in which candidates performed well

SECTION A

Item A

- Most candidates correctly explained the effect of panic buying in question (d), although a number thought that it was the suppliers who were panicking.
- In question (e), the effects of increases in the price of timber on the UK trade balance and sterling were well explained by the majority of candidates.
- Question (f) was well answered, with most candidates mentioning increasing efficiency and lower profit margins.
- Question (g) was well answered by the majority; however a significant number explained the effect on demand but did not go on to explain the effect on total revenue.
- Both parts of question (h) were well answered.

Item B

- Most candidates were aware of the basic aims of the WTO (question (a)(i)), and nearly everyone knew the difference between real and money rates of growth (question (b)(i)).
- The majority of candidates answered (b)(ii) well and virtually every candidate knew the meaning of deflation (question (c)(ii)).
- Most answers to (d)(i) were good, although some candidates thought that the question was more difficult than it actually was and, as a result, gave some very convoluted explanations.
- The questions on China ((e) and (g)) were well answered – especially (e).
- Although the answers to (f) were satisfactory, most candidates did not mention the effect on both imports and exports, and therefore dropped a mark.

SECTION B

- Question 1 was both popular and well answered, although few candidates gained full marks in part (a).
- In question 2, part (b) was generally well answered and most answers to part (c) were excellent.
- In question 3, part (b) was well done, with most candidates drawing accurate diagrams. Although part (c) was also well answered, a number of candidates thought that a high exchange rate and/or a low interest rate were government objectives.
- In question 4 (a), although most descriptions of the law of diminishing marginal utility were accurate, the explanations of its influence on the slope of a demand curve were generally weak. On the other hand, in part (ii), the explanations for regressive demand curves were excellent.
- Question 5 was not popular but was reasonably well answered by those who attempted it.
- In question 6, most answers to part (a) scored high marks and in (c) most candidates knew the main arguments for and against membership of the eurozone, although some discussed the case for joining the single market instead.

Areas which candidates found demanding

SECTION A

Item A

- A large number of candidates got off to a poor start and threw away marks in the first three questions.
- Answers to question (a) were very disappointing. Most candidates either had no idea what derived demand meant, or confused it with joint demand.
- Although most diagrams in question (b) showed the decrease in supply, few showed the increase in demand.
- Although question (c) specifically referred to the short run, the vast majority of candidates gave long run suggestions.

Item B

- The majority of answers to (a)(ii) were disappointing. Although some candidates gave correct examples, few gave the correct definition of economic infrastructure.
- Hardly any candidates gained full marks in (c)(ii). Most did not understand what 'exporting deflation' meant, and nearly everyone failed to appreciate the importance of the word 'allowed'.
- The answers to (d)(i) were disappointing as most candidates did not understand the term 'investment'.

SECTION B

- In question 2(a) a significant majority thought that the question was about the high level of unemployment. Although this may be understandable, given the present state of the economy, the stem specifically refers to May 2007.
- Definitions of sustainable growth were, on the whole, poor.
- Question 4(b) was not well answered. Most candidates failed to explain the link between returns and marginal cost.
- The answers to question 6(b) were disappointing as few candidates gave detailed explanations of the working of the multiplier.

Advice to centres for preparation of future candidates

- Candidates should be encouraged to give detailed and fully developed explanations which clearly address the issue posed by the question.
- Candidates should be told to take time to decide which essays to attempt. A significant number of this year attempted to answer questions about which they knew very little. They were obviously attracted by the one part of the question which they could answer well. For example, most candidates who attempted question 4+ gained high marks in part (a)(ii), but scored very poorly in parts (a)(i) and (b).
- Although pupils should be encouraged to keep their economic knowledge as up-to-date as possible (such knowledge is often useful when answering Higher questions), it must be remembered that the paper is written well in advance of the exam. Candidates should therefore be encouraged to read all questions carefully to ensure that they answer the question that is asked, and not the one that they thought (or hoped) was going to be asked.

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.