



External Assessment Report 2009

Subject	Economics
Level	Intermediate 1 and Intermediate 2

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

Int 1

The number of entries fell this year from 11 down to 7. However, there were several indications that the quality of candidates had increased.

Int 2

The number of candidates continued to rise as more schools switched to Int 2 from Standard Grade and there was also a marked increase in the average ability of the candidates. The latter situation resulted in an increase in both the percentage pass rate and the percentage gaining an A pass.

In the optional section, essay 1 was, by far, the most popular.

Areas in which candidates performed well

Int 1

Candidates found most of the questions accessible and in Item A showed a clear understanding of fixed and variable costs, reasons for demand increases and opportunity cost.

Int 2

In Part 1, Item A was very well done by the majority of candidates with most of them displaying a sound understanding of demand, supply and opportunity cost. Although candidates found Item B slightly more demanding, the causes and problems of inflation and unemployment were well described by most of them.

In Part 2, question 1 was both popular and well answered; question 2 was well answered, although some of the descriptions of economies of scale (part (c)) were poor. In question 3 most candidates knew 2 other government aims and were able to explain correctly the role of monetary policy; the difference between direct and indirect taxation was also well explained by most candidates. In question 4, most candidates correctly described the uses of national income statistics and the section on developing economies (part (c)) was well answered. Part (b) in question 5 was well answered, as most candidates realised that UK tourists about to visit Paris would benefit from an increase in the exchange rate of Sterling and, in part (b) many candidates drew excellent income flow diagrams and gave full explanations of the affect an increase in exports would have on the equilibrium level of national income.

Areas which candidates found demanding

Int 1

Candidates found Item B to be more difficult than Item A, although the causes of inflation and the effects of unemployment were well described and most candidates understood the meaning of inflation. However some had difficulty in correctly defining a Balance of Trade deficit and very few understood the relationships between the rate of income tax and unemployment and inflation.

Int 2

In Part 1, Item A, surprisingly few candidates knew the difference between the short run and the long run. In Item B, most explanations of economic growth were poor and many answers to (b) (i) and (ii) (concerning the price of oil) were disappointing.

In Part 2, economies of scale (essay 2) were poorly described and few candidates gave a full explanation of the difference between progressive and regressive taxation (essay 3) and the difference between capital and current expenditure (essay 4). In essay 5, although some candidates gave excellent descriptions of the influences on the demand for and supply of Sterling, other candidates offered answers which were totally meaningless. In part (c), many candidates thought that investment was a component of the Current Account.

Advice to centres for preparation of future candidates

Int 1

As a common word in Int 2 questions is 'describe', pupils would benefit from being given plenty of instruction in writing descriptions eg of the causes and effects of inflation and unemployment. In the exam each description is worth 2 marks; therefore pupils should be encouraged to write descriptions which are full enough to gain 2 marks.

Int 2

Candidates should be encouraged to read every part of every essay in Part 2 of the paper before deciding which one to attempt. Although the first part of an essay may appear relatively straightforward, there is often a more demanding part later in the question.

Intermediate 1
Statistical information: update on Courses

Number of resulted entries in 2008	11
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Number of resulted entries in 2009	7
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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 - 40				
A	14.3%	14.3%	1	28
B	14.3%	28.6%	1	24
C	57.1%	85.7%	4	20
D	14.3%	100.0%	1	18
No award	0.0%	100.0%	0	-

Intermediate 2
Statistical information: update on Courses

Number of resulted entries in 2008	294
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Number of resulted entries in 2009	340
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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 - 60				
A	68.2%	68.2%	232	40
B	16.5%	84.7%	56	33
C	8.2%	92.9%	28	26
D	1.8%	94.7%	6	22
No award	5.3%	100.0%	18	-

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.