



## External Assessment Report 2014

Subject(s)	Economics
Level(s)	Intermediate 2

The statistics used in this report are prior to the outcome of any Post Results Services requests

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

Many candidates were well prepared for the examination and demonstrated excellent knowledge and understanding. The best candidates were able to apply their knowledge and understanding in Section A of the paper.

## Areas in which candidates performed well

Part 1: Item A was generally well done, with many candidates demonstrating excellent knowledge and understanding of the Basic Economic Problem, opportunity cost and the factors influencing supply and demand.

Part 1: Item B(e) was well done, with many candidates producing accurate demand and supply diagrams.

Part 2: Essay 1(a) and (b) on fixed and variable costs allowed candidates to demonstrate excellent knowledge of this aspect of the syllabus.

Essay 5 (a) and (b) on development allowed candidates to demonstrate their knowledge of this area.

## Areas which candidates found demanding

Part A: Item B(a)(ii): Many candidates confused real income with disposable income and did not mention inflation in their answer. Some candidates struggled to use the data in the table to tackle question (b). Question (d)(i) was poorly answered because candidates lacked knowledge of the components of the Current Account of the Balance of Payments. Some candidates confused a deficit on the Current Account of the Balance of Payments with a budget deficit.

Essay 1(c) Many candidates were unable to explain economies of scale.

Essay 2(a) and (b) on the exchange rate was a poor choice for a few candidates who lacked the knowledge and understanding to tackle questions relating to exchange rates.

## Advice to centres for preparation of future candidates

- ◆ Make sure that the course is covered in full.
- ◆ Accurate and fully labelled diagrams should be practised by candidates.
- ◆ Candidates should be encouraged to take heed of mark allocations and make sure they develop points using relevant points or examples when appropriate.

## Statistical information: update on Courses

Number of resulted entries in 2013	345
Number of resulted entries in 2014	181

## 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	70.7%	70.7%	128	40
B	16.6%	87.3%	30	33
C	7.7%	95.0%	14	26
D	1.7%	96.7%	3	22
No award	3.3%	-	6	-

## 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.