



## External Assessment Report 2011

Subject	<b>Economics</b>
Level	<b>Intermediate 2</b>

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 overall standard was high and many candidates scored highly despite the paper being quite challenging. As usual, a large number of answers were well above the standard required for this level.

As in previous years, the marks were very much centre-dependent, but this year there was evidence of the marks also being question-dependent. For example, candidates who answered essay 2 invariably gained much higher marks than those who answered essay 4 or 5.

## Areas in which candidates performed well

### Item A

Question (b) (i) and (ii): Most candidates showed a sound understanding of the UK's current account.

Question (c): Most definitions of a recession were very good, although a few candidates were confused about the duration of negative growth.

Questions (e) and (f): The cost and profit calculations were correctly made by most candidates.

Question (h): The advantages and disadvantages of specialisation were, on the whole, very well described.

### Item B

Question (a) (i) and (ii): The definitions of inflation and growth were, in the main, sound.

Question (b): Most candidates correctly explained how inflation could be reduced.

Question (c): The answers were very mixed — some were excellent but others were very poor. As a result, the candidates tended to score 2 or zero.

Question (d): Most candidates knew how a cut in interest rates will affect demand and unemployment.

## Part 2

Question 1: This was well answered by the majority, but the methods of increasing labour mobility suggested by some of the candidates were weak.

Question 2: This was very well answered by a large majority of the candidates, with most of them drawing excellent circular flow-of-income diagrams in part (c).

Question 3: This was well answered, apart from part (c), where most candidates' diagrams showed a decrease in demand rather than a decrease in supply.

## Areas which candidates found demanding

### Item A

Question (a): Very few candidates linked NICs to high growth rates.

Question (d) (i): The definition of average revenue given by most candidates was wrong.

Question (g): A large majority of candidates thought that the most efficient level of output was the one which resulted in the greatest profit.

### Item B

Question (f) (ii): Although a majority of candidates knew the meaning of a budget deficit, most based their answer on how a recession can be cured by a budget deficit instead of explaining how a recession can cause a budget deficit.

### Part 2

Question 4: The few candidates who attempted this question found it, on the whole, to be quite demanding and, as a result, most of the marks were poor. In part (b), few candidates knew what could cause the value of sterling to fall and, in part (c), most diagrams failed to show either a surplus or a shortage. In part (d), many of the reasons given for government intervention were vague and bore no relationship to either markets or a market economy.

Question 5: This was the most unpopular question and it was, in the main, not well answered — especially parts (c) and (d). Few candidates knew how trade deficits could increase unemployment and even fewer described how the budget can reduce unemployment by boosting demand.

## Advice to centres for preparation of future candidates

- ◆ Stress to candidates that the time allocation for the exam is quite generous and there is therefore no need to rush through it.
- ◆ Candidates should be encouraged to read all questions carefully and to think before answering them. Most importantly, they should be encouraged to read every part of each essay and take time to decide which one to answer. This will not only save them time in the long run, it should also help them to choose the essay best suited to them.
- ◆ Candidates should also be told to link the length of their answers to the marks awarded — especially in essays. Many candidates failed to take note of this and to provide responses of an appropriate length and depth.
- ◆ Stress to candidates the need for diagrams to be large, fully labelled and well drawn using a ruler.

## Statistical information: update on Courses

### Intermediate 2

Number of resulted entries in 2010	362
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Number of resulted entries in 2011	318
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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	59.1%	59.1%	188	40
B	17.9%	77.0%	57	33
C	8.8%	85.8%	28	26
D	4.1%	89.9%	13	22
No award	10.1%	100.0%	32	-

## **General commentary on grade boundaries**

SQA aims to set examinations and create marking instructions that 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, though, very challenging to get the standard on target every year, in every subject at every level.

Each year, therefore, SQA 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 Head of Service 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.