

Principal Assessor Report 2004

Assessment Panel:

Business Education

Qualification area

**Subject(s) and Level(s)
Included in this report**

Economics — Intermediate 2 and Higher

Statistical information: update

Number of entries in 2003	
Intermediate 2	182
Higher	971

Number of entries in 2004	
Intermediate 2	188
Higher	847

General comments re entry numbers

Intermediate 2

Although the numbers continue to increase, the rate of increase has slowed down — it is thought that this trend will continue next year as more schools switch from Standard Grade to Intermediate 2.

Higher

The past trends in entry numbers are evident again this year ie a significant decrease in quantity but an increased performance.

Statistical Information: Performance of candidates

Distribution of awards

Intermediate 2

	Number of candidates %
A	55.0%
B	13.7%
C	12.8%
D	4.2%
No Award	14.3%

Higher

A	28.8%
B	23.7%
C	24.5%
D	8.4%
No Award	14.6%

Comments on any significant changes in percentages or distribution of awards

Intermediate 2

Although the Grade Boundaries were the same as last year. The percentage of A grades has increased considerably. This reflects the significant increase in the quality of candidates — some displayed a level of understanding that was more akin to Higher than Intermediate 2.

Higher

The Grade Boundaries were the same as last year but the percentage of A grade increased, and the percentage of No Awards decreased.

Grade boundaries for each subject area included in the report

Intermediate 2				
Distribution of awards	%	Cum %	Number of candidates	Minimum mark
A	55.0	55.0	103	39
B	13.7	68.7	26	32
C	12.8	81.5	24	26
D	4.2	85.7	8	23
No award	14.3	100.0	27	

Higher				
Distribution of awards	%	Cum %	Number of candidates	Lowest mark
A	28.8	28.8	244	70
B	23.7	52.5	201	58
C	24.5	77	207	46
D	8.4	85.4	71	43
No award	14.6	100		

General commentary on passmarks and grade boundaries

- While SQA aims to set examinations and create mark schemes which will allow a competent candidate to score a minimum 50% of the available marks (notional passmark) and a very well-prepared, very competent candidate to score at least 70%, it is almost impossible to get the standard absolutely on target every year, in every subject and level
- Each year we therefore hold a passmark meeting for each subject at each level where we bring together all the information available (statistical and judgmental). 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 senior management team at SQA
- We adjust the passmark downwards if there is evidence that we have set a slightly more demanding exam than usual, allowing the pass rate to be unaffected by this circumstance
- We adjust the passmark upwards if there is evidence that we have set a slightly less demanding exam than usual, allowing the pass rate to be unaffected by this circumstance
- Where the standard appears to be very similar to previous years, we maintain similar grade boundaries
- 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 are different. This is also the case for exams set in centres. And just because SQA has altered a boundary in a particular year in say Higher Chemistry 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
- Our main aim is to be fair to candidates across all subjects and all levels and maintain standards across the years, even as arrangements evolve and change.

Comments on grade boundaries for each subject area

As the standard of both Intermediate 2 and Higher exams were comparable, and had the same level of difficulty to last year, the Grade Boundaries for both exams were identical to those of last year.

Comments on candidate performance

General comments

Intermediate 2

The overall performance of the candidates was excellent, as evidenced by the fact that over half of the candidates gained an A pass and 20 scored over 90%. Most candidates were therefore very well prepared for the exam and this augurs well for the Higher next year. However, around 10% of the candidates scored fewer than a third of the total available marks, which implies that some centres should consider offering Intermediate 1 next session.

Higher

Candidate performance was higher than in previous years and there was a record percentage of excellent scripts. It appears that most teachers are used to the style of the paper and a high percentage of pupils has obviously been very well prepared to meet the demands of the exam. Most Markers also commented that the standard of English, as well as the level of economic understanding, was relatively high this year. Nevertheless, there were still several very weak candidates, who perhaps would have been better presented for Intermediate 2; the number was however significantly lower than in previous years.

Areas of external assessment in which candidates performed well

Intermediate 2

In part 1 most candidates displayed an excellent understanding of variable costs, international trade and the affects of exchange rate changes. In Part 2 the average mark for essay 2 (markets), was slightly under 70% and the average for essay 3 (taxation, unemployment and inflation), which was the most popular essay, was 75%. The answers to essay 3 (national income) were even more impressive, with the average mark being 80%.

Higher

Item A proved straightforward for most candidates with many displaying a sound understanding of the microeconomic topics covered in the questions.

Essay 3 was very well answered by the majority of candidates who attempted it. The uses and limitations of National Income statistics were well explained and most candidates were able to explain fully the problems of, and cures for, unemployment.

Essay 4 was also well answered, with very few candidates failing to pass part (a). Part (b) was also well done, although most answers were stronger on the benefits of inward investment than they were on the costs. The quality of the answers to part (c) indicated that many centres are teaching current economic topics (such as EU enlargement)

Areas of external assessment in which candidates had difficulty

Intermediate 2

In Item A, fewer than 40% of the candidates could explain why average total cost might fall and even fewer could accurately define productivity. In essay 1 the level of understanding of scarcity and less developed economies was barely satisfactory and most candidates failed to explain adequately how efficiency could be increased.

Higher

Many candidates found Item B demanding — especially questions (c), (d)(i), (g) and (h).

Some candidates scored very poor marks in part (c) of essay 1, as they failed to make any attempt to compare or contrast LDCs and NICs.

Essay 5 was not very well answered with few candidates scoring high marks. In part (a) some candidates, instead of explaining the Law of Demand, either described the determinants of demand or explained elasticity of demand. Part (d) was also poorly answered on the whole, with few candidates realising that the supply curve should shift to the left.

Although essay 6 was very well answered by some candidates, exchange rates still remain a difficult topic for many Higher students.

Recommendations

Feedback to centres

Stress to pupils the importance in Section A of relating any definitions asked for to the passage.

Look out for possible areas of confusion over economic terms eg budget deficits and trade deficits, interest rates and exchange rates.

Stress the importance of doing exactly what the question asks eg if it asks pupils to 'compare and contrast', they must do both, if it says 'discuss', both sides of the argument must be covered.

Encourage pupils to take time to decide which essays to answer, and remind them that this decision is more difficult nowadays as all the questions are now integrative and their favourite topic might be combined with their least favourite one.