# NZQA
New Zealand Qualifications Authority
Mana Tohu Matauranga O Aotearoa

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# Assessment Report

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## Level 2 Economics 2020

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## Part A: Commentary

Overall, candidates improved their use of both graphs and examples or ideas within the resource material to provide more depth to their explanations.

Careful reading of both the resource material and each question is necessary, to improve a candidate's understanding of what economic concepts are being covered and the context the question requires it to be applied to.

Some candidates did not demonstrate an understanding of the difference between statements, explanations, detailed explanations (either depth or range). At Excellence, candidates need to be careful that arguments they use to support their conclusions do not contradict other points or conclusions in the same answer

## Part B: Report on standards

# 91222: Analyse inflation using economic concepts and models

Candidates who were awarded **Achievement** commonly:

- demonstrated basic knowledge of economic concepts, models, and a simple application of both in an explanation relevant to the context

- explained the impact of changes in inflation on different groups

- understood the difference between aggregate demand and supply, when developing a cause or impact within an explanation

- explained the components of aggregate demand

- stated the components of the quantity theory of money.

Candidates who were awarded **Not Achieved** commonly:

- had a weak understanding of, and sparing use of, economic concepts. They were more likely to use non-economic concepts within statements and explanations

- did not follow questions or instructions correctly

- made omissions when using economic models

- did not accurately state the variables of the quantity theory of money or confused the terms of the quantity theory of money.

Candidates who were awarded **Achievement with Merit** commonly:

- made the link between the Q variable in the quantity theory of money and the Y label of real output on the AD / AS model, providing depth to their explanations

- used the labels on the economic models accurately in their explanations

- added detail to their answers to explain why such changes would occur to economic models, specifically, when context or examples were contained in the resource material

- used economic concepts accurately, such as revenue, income and profit.

Candidates who were awarded **Achievement with Excellence** commonly:

- used labels from graphs and variables from the quantity theory of money consistently and accurately, which allowed explanations to be compared or

contrasted

- linked the AD / AS model and the quantity theory of money accurately and concisely

- drew accurate conclusions about the impact of changes in inflation on various groups in society

- used the resource material appropriately to add reasoning to their answers.

**Standard specific comments**

The resource material often provides guidance on viable strategies and examples that should be included in explanations. Candidates will benefit from carefully reading both the resource material and questions to identify what is required from a question.

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## 91223:  Analyse international trade using economic concepts and models

Candidates who were awarded **Achievement** commonly:

- completed graphs correctly with accurate labels

- explained the changes shown on graphs

- explained benefits / advantages and / or disadvantages for two affected groups

- combined affected groups in some answers (e.g., exporters / harvesters and sushi producers / consumers in question 1)

- shifted curves correctly

- stated effects in wide and general terms, without referencing the graph e.g., NZD will appreciate, exports will go up.

Candidates who were awarded **Not Achieved** commonly:

- did not complete graphs accurately

- did not explain benefits / advantages and / or disadvantages to affected groups

- confused appreciation and depreciation of the NZD and the effects of this

- did not attempt all parts of the question

- shifted curves incorrectly

- left full questions incomplete

- used the AD / AS model as the basis of their explanation, instead of the model required within the question.

Candidates who were awarded **Achievement with Merit** commonly:

- referred to graphs in their answers, including reference to all changes made, and labels

- identified shortages or surpluses and the effects of these on trade

- identified that a transfer or exchange must happen

- identified flow-on effects

- answered one question poorly, especially the graph – preventing what otherwise might have been an Excellence-level response

- stated effects without explaining the causes in detail.

Candidates who were awarded **Achievement with Excellence** commonly:

- explained all aspects of the question (including reference to all affected groups)

- referenced graphs in their explanations

- identified where there may be some ambiguity on impacts of events

- referred to the models (e.g., NZ as a price taker) and graphs in explanations

- explained flow-on effects to all affected groups

- correctly used all economic terminology

- applied the resource material in context e.g., stating that 64 000 electric cars is not a lot

- understood the key aspects of the model and the dynamics at play

**Standard specific comments**

Reference to graphs (and resource material, when appropriate) in answers is vital to achieving at a Merit and Excellence level. Many candidates wrote detailed explanations, however, not referring to graphs (and resource material) cost many candidates a Merit or Excellence grade.

Candidates are advised to explain by giving reasons for curve shifts or effects on groups of people. The word 'because' is especially useful in these answers.

Candidates should be as specific as possible when explaining effects. Using words such as 'costs of production', 'revenue', 'profits, 'quantity demanded', 'quantity supplied' typically meant candidates scored higher grades in their answers. Some words are distinct to specific groups, graphs, or models.

## 91224:  Analyse economic growth using economic concepts and models

Candidates who were awarded **Achievement** commonly:

- attempted all questions with appropriate statements and at least one explanation within the paper

- attempted to go beyond statements and wrote explanations

- correctly shifted, and labelled shifts in, AS or AD with an explanation

- defined the key concept or model and used that as a basis for what to include in their explanation

- explained a weakness or strength of a measurement of growth, but not both

- explained a positive or negative for households or firm, but not both

Candidates who were awarded **Not Achieved** commonly:

- did not attempt all questions

- made only statements, or listed ideas

- did not use appropriate Level 2 Economics terminology

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- indicated that a shift of the AS curve to the left represented an increase in aggregate supply

- listed generic reasons for shifts of AS and AD, rather than explained them

- stated that changes in consumption / employment / income shifted the production possibility frontier

- did not understand the concepts of GNP and Net Social Welfare.

Candidates who were awarded **Achievement with Merit** commonly:

- explained shifts in AS or AD, demonstrating depth or range in the response

- demonstrated understanding of reasons why the production possibility shifts

- explained a weakness and strength of a measurement of growth

- explained in-depth positive and negative impacts on either workers or firms in the new port location

- explained positive and negative impacts that did not contradict their previous answers in the same question.

Candidates who were awarded **Achievement with Excellence** commonly:

- wrote full explanations of shifts of AS and AD

- compared and contrasted the key variables being examined

- referenced both the appropriate model and stimuli material in detailed explanations

- explained a weakness and strength of both measurements of growth

- explained in-depth positive and negative impacts on both workers and firms in the new port location.

**Standard specific comments**

Many candidates were unable to accurately define or explain Net Social Welfare.

Candidates are, overall, stronger in identifying and explaining positives (or strengths) than negatives (or weaknesses), which makes obtaining the Merit and Excellence criteria more challenging.

# Economics subject page

**Previous years' reports**

2019 (PDF, 131 KB) (PDF, 131KB),     2018 (PDF, 103KB),     2017 (PDF, 50KB)