

National Certificate of Educational Achievement

2011 Assessment Report

Economics Level 2

- 90794 Describe inflation and its causes and effects using economic models**
- 90795 Describe international trade and its causes and effects using economic models**
- 90796 Describe economic growth and its causes and effects using economic models**
- 90798 Describe government policies in relation to economic issues**

COMMENTARY

This was the final year for examinations to assess these achievement standards.

The standard of answers was generally higher than previous years across all of the four standards as candidates were more familiar with the qualitative requirements for each level of achievement. For example, candidates knew that they had to link relevant economic concepts in a detailed explanation if they were to attain an Excellence grade.

Candidates should answer all parts of all questions. Evidence for achievement can come from all parts of each question.

Candidates who received a grade of Not Achieved often either misinterpreted the question or gave a valid reason for the result without stating what the result was e.g. giving a valid reason for output increasing without specifically stating that output would increase. Not showing a knowledge of basic facts and not using correct economic terminology were also common issues.

Many candidates made good use of the detailed scaffolding provided and addressed the key ideas stated in the bullet points. Candidates who gained Excellence used relevant examples to support their detailed explanations, and displayed an in-depth understanding of key economic concepts and models.

Merit candidates were able to give valid reasons for their answers in a detailed explanation and generally could describe the relationships between economic variables. However, a failure to fully explain the linkages and flow-on effects, plus the use of imprecise language and key errors, prevented these candidates from achieving at a higher level.

Graphs were generally well-presented using the required conventions for working with sketch graphs. Rulers should have been used when equilibrium amounts were being identified and demand or supply curves were shifted.

STANDARD REPORTS

90794 Describe inflation and its causes and effects using economic models

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- attempted all questions
- recognised economic concepts
- recalled economic formulae
- labelled economic models and shifts of the curves appropriately
- demonstrated understanding of relationships between economic concepts and models
- demonstrated understanding of economic 'causes and effects'.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- misinterpreted stimulus material and/or questions
- provided incomplete explanations.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- provided sound general explanations of economic concepts
- used economic terminology appropriately
- provided economic explanations of causes of inflation rather than mathematical explanations
- provided valid economic explanations of the effects of inflation expectations on consumption and consumer borrowing.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- demonstrated comprehensive understanding of economic concepts and related these specifically to the question and the stimulus material
- developed explanations to link relevant key economic concepts and ideas
- supported their answers with appropriate economic terminology.

OTHER COMMENTS

There is some concern that candidates continue to make the same errors when labeling the AD/AS model. The expectation demonstrated in previous assessment schedules has been consistently applied for some time now.

90795 Describe international trade and its causes and effects using economic models

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- followed basic graphing conventions, clearly showing the required changes
- used economic terminology correctly
- attempted to answer all parts of a question, even if at a basic level.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- did not use a ruler to complete graphs accurately
- did not attempt the question on balance of payments
- did not distinguish between the impact of an event on consumers and on producers.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- described the impact of an event and expanded it by giving one flow-on effect
- demonstrated an understanding of the relationship between the financial and current accounts.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- used relevant examples to support explanations
- correctly addressed all bullet points in the “fully explain” questions
- demonstrated an understanding of the complexity of economic “cause and effect”.

90796 Describe economic growth and its causes and effects using economic models

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- used economic terminology correctly
- related economic models to particular situations
- showed cause and effect
- showed changes in economic models
- applied understanding of economic concepts to particular situations
- referred to key parts of the question in their answer.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- misinterpreted questions
- were imprecise in their use of economic terminology
- did not show the effect of change correctly using the Production Possibility Frontier model
- did not refer to key parts of the question in their answer.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- explained the impact of change on economic growth
- explained the impact of change on various groups

- explained the flow-on effects of change
- referred to resource material in their answer.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- correctly addressed all bullet points in the “fully explain” questions
- gave detailed explanations using correct economic terminology
- compared the benefits to different groups and explained why the benefits to one group were bigger
- weighed up positive and negative effects and made an overall judgement
- explained effects and fully developed the flow-on effects to others.

90798 Describe government policies in relation to economic issues

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- attempted at least four of the questions and at least two parts from each question
- referred to the highlighted part of the question in their answer
- described correctly the effect of a fiscal and monetary policy
- stated the correct direction of change (increase or decrease) in growth/inflation/trade
- identified the correct relationship between economic variables.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- attempted three or fewer questions
- did not answer the question e.g. for Question One did not state how growth would be affected
- attempted only one part of a question
- struggled to recall basic facts related to aggregate demand, aggregate supply, fiscal and monetary policy.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- completed the “explain” sections of at least four questions
- gave valid reasons for their answers
- used correct economic terminology when giving reasons for their answers
- developed an explanation by linking the effect of a policy on other issues
- incorporated concepts related to aggregate demand and supply in their detailed explanations

- made a key error or omission in an otherwise good detailed explanation.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- made no errors when giving detailed explanations
- linked all of the relevant economic concepts in their detailed explanations, using correct economic terminology
- displayed an in-depth understanding of aggregate demand and aggregate supply
- used sketch diagrams to help illustrate their answers
- displayed an in-depth understanding of the effects of fiscal and monetary policy.

OTHER COMMENTS

Candidates seemed to have a good understanding of the requirements for Merit and Excellence i.e. Merit requires giving a valid reason(s) and Excellence requires the linking of relevant economic concepts in the detailed explanation.