2015 NCEA Assessment Report

Commentary

Both the Achievement Standard and the Teaching and Learning guide for Economics provide guidance to the possible range of contemporary issues and economic objectives that may be covered in the examination. In particular, many candidates seemed unaware of what the government operating balance represented.

Candidates should read the entire question and make sure that their answer address the question rather than answering individual bullet points in isolation. Bullet points are designed to assist with scaffolding of a concise, comprehensive answer, but they are not, by themselves the entire question.

Candidates should read the resource material as this provides the context for the question. Reference should be made to the resource material when appropriate, if excellence grades are sought.

Referencing economic models is also a requirement for candidates seeking to gain merit and excellence grades.

All parts of all questions should be attempted as evidence is collected throughout the paper to count towards the overall result. Many candidates that left blank pages found themselves with overall scores just below the cut-score needed for a higher grade.

When comparing and contrasting, both detailed explanations should have similar depth and detail. Evidence should be comparable and not unique to each explanation, especially in reference to the impact on specific groups in New Zealand society.

Part B: Report on standards

1. Assessment Report for 91222: Analyse inflation using economic concepts and models

Achieved	Candidates who were assessed as Achieved commonly: • identified and used economic concepts in their explanations • identified and used money flows and not real flows when using the AD/AS model • referred to the model and resource material in the question • shifted the correct economic variable, in the correct direction, in both the model and in the explanation • correctly identified, or explained, impact of types of inflation on different groups in New Zealand society.
Not Achieved	Candidates who were assessed as Not Achieved commonly: • used statements and not an explanation • answered questions without using economic variables or concepts • applied the incorrect model or did not use an economic model in their answer • identified or changed an incorrect variable in the economic model and/or explanation • shifted curves in the wrong direction on the model or in their explanation • omitted to answer all parts of each question.
Achieved with Merit	Candidates who were assessed as Achieved with Merit commonly: • applied the correct economic concepts in their full explanations of causes and impacts of inflation • referenced full explanations using both the economic model and resource material specified in the question • provided full explanations that correctly identified the direction, and magnitude of impacts in the economic model on inflation.

Achieved with Excellence	Candidates who were assessed as Achieved with Excellence commonly:
	• provided equally detailed explanations of different impacts on either an economic model, or a specific group in New Zealand society when comparing and contrasting
	• specifically referenced evidence from the economic models and/or resource material to support their answer
	• distinguished clearly between short run and long run impacts on inflation using the Quantity Theory of Money model.
Standard specific comments	Consistency within an explanation of what variables are being used to cause an event and of the impact of that change is necessary. In some cases, candidates had unstructured or lengthy answers that contradicted their conclusions over the question as a whole. In Question Three, some candidates correctly identified the types of inflation during the phases of the business cycle, then contradicted themselves when applying this to the impacts on either savers and/or the government operating balance.

2. Assessment Report for 91223: Analyse international trade using economic concepts and models

Achieved	Candidates who were assessed as Achieved commonly:
	• identified two top goods that NZ exports by value
	• stated the impact on the dairy industry and current account correctly
	• shifted the curve correctly on economic models
	• explained the impact on the value of the New Zealand dollar
	• located the world price correctly on the two-country model
	• explained how different groups in society are affected by trade.
Not Achieved	Candidates who were assessed as Not Achieved commonly:
	• identified one, or none, of New Zealand's top exports by value
	• shifted curves incorrectly
	• gave inadequate explanations about how groups would be affected by trade.
Achieved with Merit	Candidates who were assessed as Achieved with Merit commonly:
	• provided full explanations of impacts on trade, including references to a labelled model to support their explanation
	• linked causes of change to economic models, impacts and flow-on effects
	• fully explained the impact on one group with reference to labelled models, or gave a full explanation of why trade occurs at trade price referencing surpluses and shortages being exported and imported respectively.
Achieved with Excellence	Candidates who were assessed as Achieved with Excellence commonly:
	• integrated the model and resource material into a full explanation of impacts on the dairy industry and the current account
	• compared and contrasted the impact of different events on the New Zealand dollar exchange rate, by providing a full explanation that referenced the model.

3. Assessment Report for 91224:   Analyse economic growth using economic concepts and models

Achieved	Candidates who were assessed as Achieved commonly:
	• accurately made changes on economic models using appropriate labelling
	• explained that economic growth was an increase in real output
	• explained the effect of a change in aggregate demand, or aggregate supply, on economic growth
	• referred to the evidence in the resource material
	• explained the effect of an increase in economic growth on various groups in society.

Not Achieved	Candidates who were assessed as Not Achieved commonly:
	• shifted the incorrect curve on the AD/AS model
	• defined economic growth incorrectly
	• omitted to recognise future economic growth as an increase in productive capacity
	• failed to correctly identify the components of aggregate demand
	• identified, but did not explain, the impact of an event that may cause economic growth on various groups in society
	• gave inappropriate, and unrealistic, explanations of impacts on various groups in society.
Achieved with Merit	Candidates who were assessed as Achieved with Merit commonly:
	• referred to economic models, in explaining the change evident in the resource material and relating the overall effect on economic growth
	• fully explained the effect of an increase in real output relating it to resource use and/or impact on types of economic goods
	• fully explained the effect of an increase in productive capacity relating it to resource expansion
	• fully explained the effect of an event on aggregate demand using components of aggregate demand, linking the impact on various components with changes in the model, and the impact on economic growth
	• fully explained the effect of an event on aggregate supply using the relationship between costs and profit, linking this with the model, and the impact on economic growth
	• fully explained the effect of economic growth on at least one group and the implications for the group in the future.
Achieved with Excellence	Candidates who were assessed as Achieved with Excellence commonly:
	• integrated changes made on economic models into their written explanations
	• contrasted an increase in real income with an increase in productive capacity on economic growth using the PPF model to explain the different impact of resource use and resource expansion
	• compared and contrasted the impacts of short and long term changes to aggregate demand and supply, understanding the trade-off effects over a 50-year time period
	• explained the effect of economic growth on a number of groups and the implication for those groups in the future.
Standard specific comments	Candidates must ensure they are clear which paper they are answering and frame their responses accordingly. This was the economic growth paper and so the focus should be on economic growth – its causes and effects.