2019 Stage 2 Economics Subject Assessment Advice

Overview

Subject assessment advice, based on the previous year’s assessment cycle, gives an overview of how students performed in their school and external assessments in relation to the learning requirements, assessment design criteria, and performance standards set out in the relevant subject outline. They provide information and advice regarding the assessment types, the application of the performance standards in school and external assessments, and the quality of student performance.

Teachers should refer to the subject outline for specifications on content and learning requirements, and to the subject operational information for operational matters and key dates.

School Assessment

Assessment Type 1: Skills and Applications Tasks

Students complete a minimum of two tasks for Skills and Applications Tasks. Students need to be provided with multiple opportunities to demonstrate all performance standards including at the highest level. All tasks need to include opportunities for analysis and evaluation through extended responses. Whilst the subject outline does not specify maximum word counts teachers should design tasks that can be completed with a manageable word count and consider student workload. Teachers should also consider including more analysis and evaluation questions in the assessment tasks in preparation for the examination.

The more successful Skills and Application tasks commonly

* referred to both costs and benefits when evaluating an issue
* accurately used economic terminology
* demonstrated effective use and integration of accurate and fully labelled economic models to support analysis
* demonstrated effective skills of analysis of new economic data
* integrated examples to support arguments.

Less successful Skills and Application tasks commonly

* lacked depth and included simplistic explanations
* included a high number of multiple choice questions (please note that there are no multiple choice questions in the exam)
* included limited use of accurate economic terminology
* did not explicitly respond to questions asked in assessment tasks
* were descriptive and demonstrated little analysis and evaluation
* provided lists of advantages and disadvantages (or costs and benefits) rather than evaluating.

Assessment Type 2: Folio

Students complete a minimum of two tasks. Overall, tasks in this type allowed more opportunities for students to demonstrate all assessment design criteria. Tasks should provide students with opportunities to move beyond Knowledge and Understanding towards an outcome that shows Analysis and Evaluation of information researched. Teachers should set some parameters such as word counts and the need for correct referencing. Teachers should also consider student workload when determining the number of tasks for the Folio.

More successful folios commonly:

* integrated economic models into analysis
* included explanations showing causality and links to theory
* included relevant examples to support a case
* were well researched
* demonstrated clear and accurate communication of economic terms, principles and models
* demonstrated insight by drawing together findings from a range of researched sources to support a viewpoint.

Less successful folios commonly:

* included errors, inconsistencies and gaps when communicating economic principles and when using economic terminology
* lacked depth of explanation
* were superficial and lacked relevant examples
* did not link diagrams and/or models into responses
* often limited discussion to one viewpoint rather than assessing a range of different viewpoints.

External Assessment.

Assessment Type 4: Examination

Students complete a 130-minute examination made up of short answer questions and one essay question. Please note that there are no multiple choice questions in the examination. Teachers are advised that the Subject Outline includes inferred content e.g. fixed and floating exchange rates and the concept of comparative advantage and that this content may appear in the examination.

Part A — Short Answer

Question 1

More successful responses commonly:

* identified that the supply curve had moved to the right and clearly explained that this was the result of new technology and/or new suppliers in the marketplace
* presented a case supporting oligopoly as the most appropriate market structure citing the high set up cost and need for supernormal profits to undertake required research and development
* explained that the supply curve for car parks was perfectly inelastic because of the long production period
* explained policies to deal with issues such as negative externalities, support for disadvantaged or infrastructure, legal and environmental matters.

Less successful responses commonly:

* included incomplete or inaccurate diagrams
* lacked depth and detail in their explanations.

Question 2

More successful responses commonly:

* explained that the economy was in a recovery or boom
* correctly identified that imports were increasing and that this would lead to a deteriorating trade balance and a negative impact on current account
* correctly defined the labour force participation as the number employed and unemployed as a percentage of the working age population
* explained that the data showed that monetary and fiscal policy were both contractionary
* recognised that contractionary policies were likely to be ineffective given current economic conditions
* correctly showed the impact of increased productivity by shifting PPC outwards and shifting both SAS and LAS to the right.

Less successful responses commonly:

* recognised a recovery or boom but justification lacked detail
* often incorrectly stated that imports were decreasing
* incorrectly defined the term labour force participation rate as the number working as a percentage of the population
* did not refer to the data and information provided and incorrectly referred to expansionary policies.

Question 3

More successful responses commonly:

* correctly defined comparative advantage as a lower opportunity cost of production
* explained that an increase in foreign capital inflow could increase capital or improve technology and thus increase efficiency and improve comparative example
* considered both the benefits and possible costs of influencing foreign capital inflow.

Less successful responses commonly:

* explained changes in efficiency but could not link changes in foreign capital inflow to this
* included very superficial reasons for the effects of changes in foreign capital inflow
* discussed the imposition of tariffs or the actual importation of capital equipment rather than foreign capital inflow.

Part B — Essays

More successful responses commonly:

* clearly and accurately communicated relevant content and evaluated the given statement through a discussion of reasons why it may be true or false
* demonstrated strong economic literacy and effectively used appropriate economic terminology and fully labelled diagrams where relevant to support discussion
* included relevant examples to support their assessments
* were logically structured and coherent
* discussed all parts of the question and linked their knowledge to the specifics of the question being asked.

Less successful responses commonly:

* only outlined or described rather than providing a fuller discussion
* did not focus on key words in a statement
* demonstrated very little analysis and evaluation
* only agreed or disagreed with the statements without considering alternative arguments
* showed inconsistency, gaps in knowledge and a general inability to support statements with examples
* showed confusion between microeconomic and macroeconomic models.

Question 4

This was the most popular question.

More successful responses commonly:

* used appropriate AD/AS diagrams to support their response
* explained that fiscal policy has costs as well as benefits e.g. conflict of objectives
* discussed the appropriateness and effectiveness of other policies such as monetary policy and supply management policies
* recognised that a combination of policies would be more appropriate.

Less successful responses commonly:

* focussed on the theoretical nature of fiscal policy without reference to real world examples
* failed to evaluate the effectiveness of fiscal policy
* did not discuss alternative policy options.

Question 5

This was the second most popular question.

More successful responses commonly:

* accurately described both indicators and models, explained these could help a government make decisions but also discussed limitations
* clearly showed an understanding of the complexity of economic decision making.

Less successful responses commonly:

* demonstrated some knowledge and understanding of indicators and models but included very little analysis and evaluation of the given statement
* did not include or had limited examples to support their argument.

Question 6

This was the least popular question.

More successful responses commonly:

* accurately described a range of types of inflation including demand-pull, cost-push and stagflation
* included fully labelled diagrams and relevant examples
* identified why both demand management and supply management policies were most effective in the long run.

Less successful responses commonly:

* struggled to identify and describe the main types of inflation
* often confused the demand and supply model with the aggregate demand and aggregate supply model
* did not cover a range of policy options or explain how these could fight inflation.