Coimisiún na Scrúduithe Stáit
State Examinations Commission

LEAVING CERTIFICATE EXAMINATION 2009

ECONOMICS

ORDINARY LEVEL CHIEF EXAMINER'S REPORT

HIGHER LEVEL CHIEF EXAMINER'S REPORT

CONTENTS

1.   General Introduction

1.1   The Syllabus

The current syllabus in Leaving Certificate Economics has been on the curriculum of Senior Cycle since 1969 and was assessed for the first time in 1971. Some minor revisions were made to the syllabus in the late 70's and the revised syllabus was examined in 1981. A revision of the syllabus was undertaken by the National Council for Curriculum and Assessment (NCCA) and completed in 2005. It has been approved by the Department of Education and Science (DES) and is currently with the DES awaiting implementation. The existing syllabus is available on the website of the DES (www.education.ie) under the topic headed: 'Curriculum, Syllabus and Teaching Guides'.

A common syllabus exists for Higher and Ordinary levels. However, the Higher Level demands a more in-depth knowledge of economic concepts and theories and the ability to apply this knowledge to real life situations. As economic issues become more prominent in everyday life examiners commented favourably on the increasing ability of candidates to link economic theory to everyday situations.

1.2   The Examination

The Economics examination at both Ordinary Level and Higher Level consists of a terminal written examination of two and a half hours duration. The syllabus enables candidates from a wide ability range to demonstrate achievement. The examination paper has a mark allocation of 400 marks in total and consists of two sections as follows:

Section A: 100 marks (25%) – This section consists of nine short response type questions. Candidates are required to attempt six of the nine questions. To obtain full marks candidates are required to attempt the last four questions with a mark allocation of 17 marks each and any two other questions from the remaining five questions with a mark allocation of 16 marks each. Questions range over the entire syllabus. The section is returned with the candidate's answer book on completion of the examination.

Section B: 300 marks (75%) – This section consists of eight questions and candidates are required to attempt any four of these. All questions require constructed responses and carry an equal weighting of 75 marks each.

All sections of the syllabus, including both macro and micro economics, are assessed at both levels. Any particular question may draw on two or more sections of the syllabus content. Information/statistics and relevant data on contemporary economic issues are also required.

1.3 The Candidature

Table 1 shows the number of candidates and the % taking Leaving Certificate Ordinary Level and Higher Level Economics in the period 2006-2009

Year	Total Number of Leaving Certificate Candidates	Number (and %) of total LC candidature taking Economics	Number (and %) of Ordinary Level Economics Candidates	Number (and %) of Higher Level Economics Candidates
2006	50,955	4,362(8.6%)	955(1.9%)	3,407(6.7%)
2007	50,873	4,444(8.7%)	951(1.9%	3,493(6.9%)
2008	52,144	4,423(8.5%)	997(1.9%)	3,426(6.6%)
2009	**54,196**	**4,578(8.4%)**	**1,053(1.9%)**	**3,525(6.5%)**

Table 1: Number (and %) of Leaving Certificate candidates taking Economics

This report should be read in conjunction with the examination paper and the marking scheme for 2009. These can be downloaded from the SEC website at **www.examinations.ie**. While economics continues to be the least popular business subject at senior cycle, participation rates have remained relatively stable over the last decade at 8.4/9% of the LC cohort. The percentage male/female is 63% males and 37% females, similar to previous years at both the Higher and Ordinary levels.

2.   Ordinary Level

2.1   Introduction

A total of 1,053 candidates presented for the Leaving Certificate Ordinary Level Examination in 2009. The candidature has remained fairly steady over the last ten years and represents around 23% of the total cohort of candidates sitting the Economics Examination.
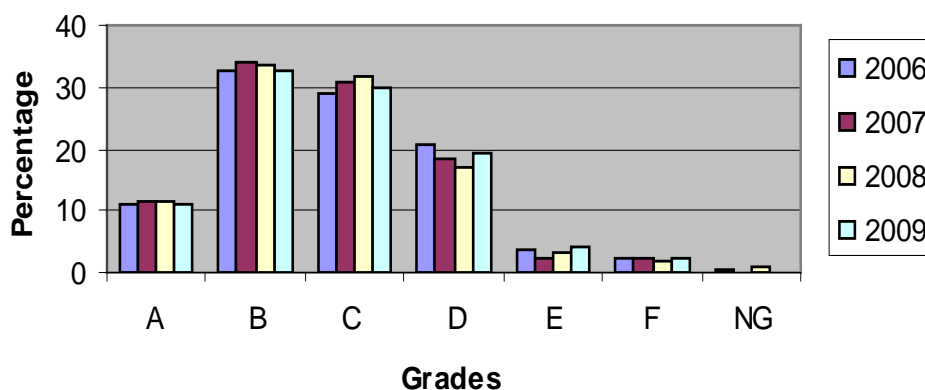

2.2   Performance of Candidates

Table 2 shows the percentage of candidates achieving each grade in the LC Ordinary Level Economics examination in the period 2006-2009.

Year	Total	A	B	C	ABC	D	E	F	NG	EFNG
2006	955	11.2	32.6	29.1	72.9	20.8	3.6	2.3	0.4	6.3
2007	951	11.5	34.1	30.9	76.5	18.5	2.5	2.2	0.2	4.9
2008	997	11.7	33.5	31.5	76.7	17.2	3.2	1.8	0.8	5.8
2009	**1,053**	**11.2**	**32.7**	**30.0**	**73.9**	**19.3**	**4.2**	**2.4**	**0.2**	**6.8**

Table 2: Economics (Ordinary Level) 2006-2009

Economics (Ordinary Level) 2006-2009

The performance of candidates was broadly in line with previous years. The ABC rate has fallen slightly and the EFNG rate has increased slightly on recent years. Examiners noted that candidates who attained a EFNG grade in general did not attempt the required number of questions and/or had little understanding of economics. There was very little written on the examination paper and in some cases candidates had difficulty in expressing themselves.

Grade	A1	A2	B1	B2	B3	C1	C2	C3	D1	D2	D3	E	F	NG	Total
Total No	48	70	97	116	132	116	108	92	81	56	66	44	25	2	1053
Total %	4.6	6.6	9.2	11.0	12.5	11.0	10.3	8.7	7.7	5.3	6.3	4.2	2.4	0.2	
No Female	15	24	32	42	49	32	41	29	32	26	26	12	7	2	369
% Female	4.1	6.5	8.7	11.4	13.3	8.7	11.1	7.9	8.7	7.0	7.0	3.3	1.9	0.5	
No. Male	33	46	65	74	83	84	67	63	49	30	40	32	18	0	684
% Male	4.8	6.7	9.5	10.8	12.1	12.3	9.8	9.2	7.2	4.4	5.8	4.7	2.6	0.0	

Table 3: Economics summary by gender 2009 (Ordinary Level)

2.3 Analysis of Candidate Performance

Table 4 below is derived from an analysis carried out on the marks awarded in the initial sample of 20 scripts chosen at random by each examiner. It shows the average mark scored in percentage terms per question, the rank order of individual questions in terms of average score, the percentage of candidates who answered each question, and the order of popularity of individual questions. While Section A has questions ranging over the entire

syllabus, in Section B the first three questions were micro economic questions and the remaining five were macro economic questions.

Question	%Attempt	Popularity	Average Mark	Average %
Section A: Compulsory	100		86	86%
Section B				
Q.1	75	1	52	69%
Q.2	45	4	42	56%
Q.3	66	3	42	56%
Q.4	41	5	37	49%
Q.5	39	7	42	56%
Q.6	40	6	34	45%
Q.7	30	8	37	49%
Q.8	73	2	43	57%

Table 4: Statistical data on the answering of Ordinary Level Economics examination

Candidates continue to perform very well in the short response questions in Section A. The average mark was 86% and this has been the trend for the past number of years. The average mark was 82% when the last Chief Examiner Report was published in 2005. In Section B the micro economic questions were the most popular questions, except for Q.8 – the macro economic question on 'Trade'.

Question Analysis

Section A

Total Marks: 100

This section is mandatory. The questions in Section A are short response type questions where candidates attempt six out of nine questions. These questions require direct, concise and precise answers. The majority of candidates performed to a high standard in Section A.

Question 1. Abbreviations
This was well answered. Most candidates could identify the EU and ECB. The IMF presented some difficulty.

Question 2. Emigration
This was a very popular and a very well answered question. Some misread 'immigration' for 'emigration'.

Question 3. Economic Good

The concept 'utility' was generally well explained. However, 'transferability' proved difficult for some candidates.

Question 4. Government Aims

There was some overlap in the points presented e.g. 'improving health' and 'improving education' were given as two distinct points. Some candidates gave 'improving infrastructure' as an answer, even though it was already referred to in the question.

Question 5. Factors of production

This was a popular question and the majority of candidates scored full marks.

Question 6. Entrepreneurs

The majority of candidates gave one relevant point but had difficulty giving a second distinct point.

Question 7. Elasticity of Demand

The majority of candidates scored nine out of seventeen marks here. The symbols Y_1 and Y_2 were often incorrectly labeled as price, rather than income.

Question 8. Economic benefits of litter reduction

This question was generally very well answered. Some candidates, however, did not give two distinct points.

Question 9. Economists

The question was generally not well answered. Candidates did not appear to have sufficient knowledge of the economists and their respective economic ideas.

Section B

Total marks: 300

Candidates are required to attempt four out of eight questions in this section. All questions are equally weighted at 75 marks. The micro questions are generally the most popular questions. However, this year Q.8 on Trade was second in order of popularity and attracted a very good average mark.

Question 1.   Perfect Competition

> *Attempt Frequency: 75%*
>
> *Average mark: 69%*

This was the most popular question in Section B, receiving the highest average score.

(a) This section was well answered with most candidates identifying the labels and locating the points on the diagram. The main reason for loss of marks was the incorrect location of point C_1 on the diagram.

(b) Most candidates could state the characteristics of perfect competition but in a significant number of cases there was very little development of the points. Candidates should note that marks are lost for non-development of points. One/two-word answers will not suffice when asked to write brief notes.

(c) Most candidates could give a clear definition of 'close substitutes' and were able to back it up with examples. However, in part (ii) a common error was giving MP3 players/iPods as a substitute for CDs. Identifying an economic advantage of close substitutes for producers in (iv) proved difficult for many candidates.

Question 2.   Demand and Supply

Attempt Frequency: *45%*

Average mark: *56%*

This was the fourth most popular question out of a possible eight with the third highest score.

(a) Many candidates scored full marks in this section. Most candidates were able to draw an accurate demand and supply diagram, using the figures provided. Some candidates, however, drew two separate diagrams and thereby failed to identify the equilibrium price and quantity on the diagram. It is essential to read the question carefully to avoid losing marks.

(b) Most candidates could give a reasonable written explanation of the effect of the factors identified, on the demand curve. However, the direction of the shift on the diagram was incorrect in many cases. Some candidates did not indicate the direction of the shift thereby proving very difficult for examiners to determine the original demand curve and the new demand curve. Candidates are advised to pay particular attention to areas of the course involving diagrammatic representations as lack of knowledge in relation to these results in a significant loss of marks.

(c) The candidates in general applied their theoretical knowledge of demand well to the particular context of the question. In part (ii), while most candidates could identify the effect of the falling demand for cars on the Irish Motor Industry and the Government's Current Budget, there was very limited development of points. The most common answer for the Government's Current Budget was 'the budget will go down' without any explanation given. Candidates in general tend to perform well in questions with a topical element.

Question 3.   Costs, The Minimum Wage

Attempt Frequency: *66%*

Average mark: *56%*

This was the third most popular question with the third highest score.

(a) Candidates in general were able to calculate the TC (Total Cost) but the concept of MC (Marginal Cost) proved challenging for some candidates. Marks were lost for not showing

workings, which were required in the question. If the workings required are not shown, candidates will lose marks, even if the correct answer is given.

Sections (b) and (c) were very topical elements and responses were in general disappointing. In relation to the question on how the government could increase consumer demand, many candidates misread the question and discussed how firms could increase demand through advertising and sales promotion techniques. Reference to a reduction in taxation was given by some candidates but no reference was made to the actual taxes involved e.g. VAT, Stamp Duty etc. Examiners can only award marks for addressing the question asked. It is essential to always read the question carefully to avoid losing marks.

Question 4.   Budgeting, Taxation and Black Economy

Attempt Frequency: *41%*

Average mark: *49%*

This was fifth in order of popularity and had a low average score.

(a) This section was generally well answered. Examiners identified the following errors:
  * Inability to distinguish between government 'current' and 'capital' expenditure
  * General terms such as 'Education' and 'Health' given as separate examples of current expenditure
  * Absence of the minus sign (-) for the Current Budget Deficit
  * Omission of response to question (iii) on how the measures identified could affect the standard of living within a country.

(b) Many candidates stated only one reason for the decrease in income from taxation, even though two reasons were required. Most candidates were aware of the increasing level of unemployment in the Irish economy. However, marks were lost for not explaining the loss in tax revenue to the state as a result. The effect of the increased VAT rate on consumer purchases was generally well answered. However, many candidates had little knowledge or understanding of the effect of an increase in the VAT rate on the Government's Current Budget. A common answer was 'the budget is gone down'.

(c) Appropriate examples of Black Economy activities were plentiful. As in part (b) above many candidates gave only one measure the government could take to discourage black economy activities, while two were required and failed to explain the effect these could have on the Government's Current Budget. It is essential to read questions carefully and ensure all sub-sections are completed before moving on to the next question.

Question 5.   National Income

Attempt Frequency: *39%*

Average mark: *56%*

While this was not a popular question the candidates who attempted it scored well.

(a) The majority of candidates could explain the letters CSO. In relation to identifying the three methods of estimating National Income, most candidates knew at most two methods. The most common error was stating "input" method rather than "income" method.

(b) This section presented very few problems. The majority of candidates did the calculation correctly. However, many candidates omitted the € sign and the letter 'm' to indicate millions. Examiners noted a growing tendency for candidates to write down a number as a final answer without giving it any meaning.

(c) Some candidates had difficulty identifying the initials GNP, with 'profit' rather than 'product' given as the most common incorrect answer. Examiners have noted a tendency for some candidates to give a minimum of detail in their answers. Section (c) (ii) and (iii) lacked development in a significant number of cases. Many candidates appear to be unfamiliar with the requirements of question cues such as 'outline', 'explain' or 'discuss'. Candidates must appreciate the depth of response required in the different question cues and also must note the number of points required.

Question 6.   Population, Unemployment, Economic Development

   Attempt Frequency: 40%

   Average mark: 45%

This was sixth in order of popularity and had the lowest average score.

Part (a) referring to the 'greying population' was generally not well answered, despite providing an explanation of the term 'greying population' in the question.

(b) This section on unemployment was well answered in general. Many candidates had up-to-date knowledge of the unemployment situation in Ireland, its effect on the economy and how both consumers and the Irish Government could help reduce unemployment. Sub-section (i) referring to the economic reasons for the increasing unemployment was less well answered. A common answer was 'businesses are shutting down' without any explanation as to why they were shutting down.

(c) Some candidates wrote about population growth and unemployment experienced by LDCs, even though both of these economic problems were given as exemplars in the question. Candidates should re-read questions carefully before beginning to write answers as marks were lost by not reading the question carefully. In relation to sub-section (iii) referring to measures Irish citizens could take to help reduce problems experienced in LDCs, answers such as 'give money', 'give clothes and food' etc. were treated as one point in the awarding of marks. Candidates must ensure that the required number of distinct points is given to ensure that full marks can be awarded.

Question 7.   **Money and Interest Rates**

Attempt Frequency: *30%*

Average mark: *49%*

This was the least popular question and had a low average score.

(a) In relation to the functions of money, 'medium of exchange' and 'store of wealth' were the most common functions explained. However, some candidates did not refer to savings when explaining 'store of wealth'.

(b) Candidates had a very good understanding of the effect/impact of a decrease in interest rates on households. However, the impact on businesses proved difficult for many candidates. The impact on the Irish Economy was generally misunderstood.

(c) Many candidates omitted any reference to income when defining 'savings'. Candidates should ensure that certain basic economic definitions are accurate and precise. Past examination papers and marking schemes should be used as a guide in relation to basic economic definition type questions.

In relation to the economic effects of an increase in the level of savings on the Irish economy, the majority of candidates could give only one distinct economic effect. Some designated class time should be given to candidates to engage in critical thinking so that candidates may be more willing to answer questions where candidate judgment/opinion is sought in relation to current economic issues.

Question 8.   **International Trade**

Attempt Frequency: *73%*

Average mark: *57%*

This question was second in order of popularity and had the second highest average score. The candidates in general performed very well in this question. The table provided helped candidates in their calculation of 'Balance of Trade'.

(a) A common answer was 'the sale of Irish goods and services' for visible exports and 'the purchase of foreign goods and services' for visible imports. In some cases examples were not provided, as was required in the question. Definitions must be accurate to be awarded full marks.

(b) The majority of candidates could identify reasons why imports and exports are important for the Irish economy but many answers lacked appropriate development.

(c) The majority of candidates had the statements correct, but inadequate development was evident in many answers. Candidates should practise answering examination style questions in class, especially the macro economic questions.

2.4   Conclusions

- The examination paper was considered to be candidate friendly with a good choice of relevant topics. The candidates in general responded well to the topical subject matter, such as, minimum wage, black economy, falling demand for new cars etc.

- Candidates' performance was broadly in line with that of previous years.

- Many candidates continue to demonstrate high levels of achievement in relation to the assessment objectives.

- Candidates who performed less well tended to do so because they had not studied all sections of the syllabus and/or did not complete the required number of questions/sections.

- Some candidates failed to read the questions carefully and/or wrote a minimal amount of detail.

- The language used in the questions was appropriate and there did not appear to be any evidence of misinterpretation of questions by the generality of candidates.

- The break down between the Higher Level and Ordinary Level is 77% Higher Level and 23% Ordinary Level. The same breakdown existed when the Chief Examiner Report was last published in 2005.

- Some candidates omitted some sub-sections of questions especially in Q. 6 and Q. 7 which may indicate that candidates did not read the questions carefully.

- Marks continue to be lost through non-development of points made e.g. "State and explain two reasons…". One-word answers will not achieve full marks when asked to explain or write brief notes.

- In Section A, almost all candidates attempted the required six questions, with a significant number attempting all of the nine questions. The standard of answering for Section A was generally very good and candidates continue to be well prepared for this section.

- Basic economic definitions continue to prove difficult for some candidates.

2.5   Recommendations to Teachers and Students

It is recommended that teachers:

- use the syllabus as the base document for studying the subject

- use the published marking scheme, available on the SEC website, as a resource and a guide when teaching the subject

- advise students to record their examination number on the Section A as well as on the answer book and secure Section A with the treasury tag provided by the examination superintendent

- keep the subject relevant and topical by providing students with up-to-date knowledge and real life examples of economic concepts and theories

- encourage students to give their view points on various economic issues and advise them that often there isn't just one correct answer to a question

- refer students to the "Formulae and Tables" booklet pg. 28 where different economic formulae are recorded and will be available to them for the examination

- bring the following common errors, highlighted by the examining team, to the attention of students:

    Non completion of required number of questions
    Omitting sub-sections of questions
    Writing a minimal amount/lack of development
    Repetition of points
    Poor choice of questions
    Key points omitted in answers

It is recommended that students :

- have a knowledge and understanding of the economic concepts which are central to the aims and objectives of the economics syllabus

- be familiar with the meaning of outcome verbs such as 'explain' 'describe' 'outline' as used in the examination

- have regular practice in examination type questions and use them as a guide to question layout and content

- learn the basic economic definitions

- present their understanding of economic concepts in clear and precise language

- choose questions carefully as the wrong choice could result in loss of marks

- answer the required number of questions and all sections of questions selected, where appropriate

- label all diagrams and show directional changes if required

- find the marking schemes and support notes on the internet at **www.examinations.ie** and use them as an additional resource when preparing for the economics examination

- link the subject content as far as possible with its application in everyday life

- state the unit of measurement and the sign, if applicable, in calculation type questions

- align efforts to the marks available, giving more detailed answers when required.

3.   Higher Level

3.1   Introduction

A total of 3,525 candidates presented for the Leaving Certificate Higher Level Examination in 2009. The candidature has remained fairly steady over the last ten years and represents around 77% of the total cohort of candidates taking the Leaving Certificate Economics Examination.
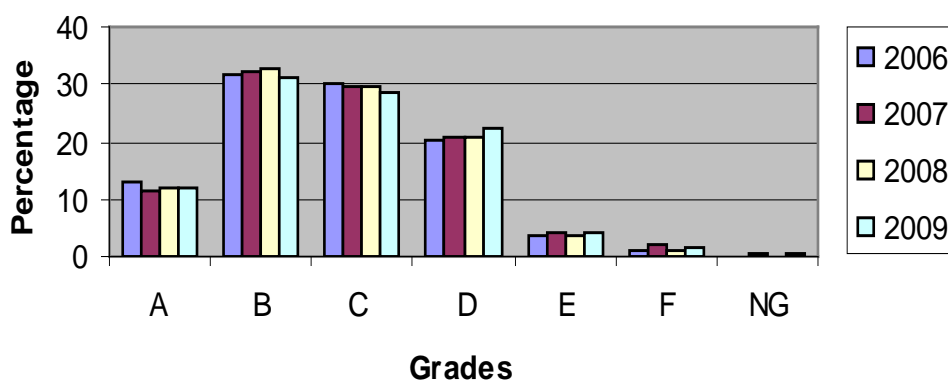
3.2   Performance of Candidates

Table 5 shows the percentage of candidates achieving each grade in the LC Higher Level Economics examination in the period 2006-2009.

Year	Total	A	B	C	ABC	D	E	F	NG	EFNG
2006	3407	13.2	31.6	30	74.8	20.4	3.7	1	0.1	4.8
2007	3,493	11.5	32.1	29.4	73.0	20.7	3.9	1.9	0.3	6.1
2008	3,426	12.1	32.7	29.7	74.5	20.9	3.4	1.1	0.1	4.6
2009	**3,525**	**11.9**	**31.1**	**28.7**	**71.7**	**22.3**	**4.3**	**1.5**	**0.3**	**6.1**

Table 5: Percentage Grades Awarded Economics (Higher Level) 2006-2009

Economics (Higher Level) 2006-2009

As seen from the data in table 5 candidate performance was broadly in line with that of previous years, with a slight drop in the ABC rate and a slight increase in the EFNG rate.

The paper discriminated well between candidates of different abilities and a full range of performance was observed. The majority of candidates attempted the required number of questions. However, examiners noted that some candidates had not completed the required number of questions and wrote 'shortage of time' on their scripts. In such cases candidates had in general written very extensive/lengthy responses to some questions. Given the nature of the examination paper and the time limit involved, candidates must focus on the questions asked and allocate their time accordingly.

Examiners commented very favourably on many candidates' knowledge about recent economic events and their ability to link the knowledge to the specific questions asked. The quality of some answers would suggest that topical economic issues are being discussed in classrooms. Some responses, however, lacked meaningful engagement, analysis, and evaluation of economic topics, which is a particular requirement at the Higher Level. Candidates who could make valid connections between economic theoretical principles and real-world events scored very well.

Grade	A1	A2	B1	B2	B3	C1	C2	C3	D1	D2	D3	E	F	NG	Total
Total No.	120	299	259	381	457	327	340	345	218	249	317	150	53	10	3525
Total %	3.4	8.5	7.3	10.8	13.0	9.3	9.6	9.8	6.2	7.1	9.0	4.3	1.5	0.3	
No. Female	53	115	87	146	171	114	130	127	81	100	107	54	22	1	1308
% Female	4.1	8.8	6.7	11.2	13.1	8.7	9.9	9.7	6.2	7.6	8.2	4.1	1.7	0.1	
No. Male	67	184	172	235	286	213	210	218	137	149	210	96	31	9	2217
% Male	3.0	8.3	7.8	10.6	12.9	9.6	9.5	9.8	6.2	6.7	9.5	4.3	1.4	0.4	

Table 6: Economics summary by gender 2009 (Higher Level)

3.3 Analysis of Candidate Performance

Table 7 below is derived from an analysis carried out on the marks awarded in the initial sample of 20 scripts chosen at random by each examiner. It shows the average mark scored in percentage terms per question, the rank order of individual questions in terms of average score, the percentage of candidates who answered each question, and the order of popularity of individual questions. While Section A has questions ranging over the entire syllabus, in Section B the first three questions were mainly micro economic questions and the remaining five were macro economic questions.

Question	%Attempt	Popularity	Average Mark	Average %
Section A: Compulsory	100		77	77%
Section B				
Q.1	80	2	45	60%
Q.2	87	1	46	61%
Q.3	58	4	44	58%
Q.4	36	6	45	60%
Q.5	60	3	36	48%
Q.6	30	7	32	42%
Q.7	32	8	29	39%
Q.8	48	5	38	50%

Table 7: Statistical data on the answering of Higher Level Economics

Candidates continue to perform very well in the short response questions in Section A. The average score was 77% and there has been a general improvement in the score for the past number of years. The average score was 72% when the last Chief Examiner Report was published in 2005. In Section B the micro economic questions continue to be the most popular questions, including Q.5 on National Income. Questions 6 and 7, both macro economic questions, were the least popular questions and attracted the lowest average scores.

Question Analysis

Section A

Total Marks: 100

This section is mandatory. The questions in Section A are short response type questions, where candidates attempt six out of nine questions. The first five questions carry a weighting of 16 marks and the remaining four questions carry a weighting of 17 marks. To achieve full marks the candidate must answer the last four questions and two other questions. These questions, which are spread over the entire syllabus, require direct, concise and precise answers. The majority of candidates performed to a high standard in Section A.

Question 1. Non-insurable risks

This question was well answered in general. Some candidates repeated points e.g. 'fall in demand' and 'loss of profits' given as two separate points. The question cue 'outline' was ignored in some cases and one-word answers were given, resulting in a loss of marks.

Question 2. Perfect Competition

While the majority of candidates ticked the correct box the reason was often not explained adequately. Reference to 'demand falling to zero' for any deviation in price was often omitted. Accuracy and precision is required in answering Section A type questions.

Question 3. Mixed Economy

This was a challenging question for many candidates. The explanation of a mixed economy was generally well done. However, stating an advantage and disadvantage proved difficult. Some candidates confused the question with an open/closed economy. Candidates must take care in answering the question asked. Similar questions asked in previous years may have required different responses.

Question 4.Cost-push inflation

This question was generally well answered. Some candidates explained 'cost-push' but did not refer to 'inflation' as the increase in the level of prices. When referring to sources some candidates mentioned 'wages' without mentioning 'rising wages'.

Question 5. Derived Demand-Land

The majority of candidates answered this question well. Some candidates defined the term 'derived demand' without any reference to the specific example of land and thereby lost marks.

Question 6. Exchange Rates

The question was well answered in general. The most common error was repetition of points e.g. increase in imports and increase in Irish people holidaying in the UK given as two separate points.

Question 7. Law of Diminishing Marginal Utility

The majority of candidates knew the general concept but some candidates were unable to complete the table correctly and therefore were unable to determine after which point diminishing marginal utility set in.

Question 8. Economic Development

This question was popular and very well answered by the majority of candidates. Some candidates omitted 'per head' or 'per capita' in the definition. Some candidates explained 'economic costs' rather than 'social costs' as stated in the question. Candidates should read questions carefully to avoid losing marks.

Question 9. Greying population

While some candidates didn't understand the term 'greying population', the majority applied their knowledge of economic theory very well to this question. Examiners commented very favourably on candidates' ability to apply economic theory to current economic situations.

Section B

Total marks: 300

Candidates are required to attempt four out of eight questions in this section. All questions are equally weighted at 75 marks. The micro questions continue to be the most popular questions, achieving the highest average scores.

Question 1.   **Demand Supply and Elasticity**

  Attempt Frequency: *80%*

  Average mark: *60%*

This question was second in order of popularity and produced many excellent responses.

(a) (i) The diagram was generally accurately drawn and correctly labeled. The majority of candidates could identify the equilibrium position but some candidates failed to explain it. Candidates were required to explain that the equilibrium price is the price at which there is no tendency to change and it occurs where the demand curve cuts the supply curve. Candidates should carefully note the command words used in the questions.

   (ii) This section was very well answered. Some reasons identified by examiners for loss of marks included the following:

- No mention of complementary good in the case of computer games

- No distinction made between the original demand curve/supply curve and the new demand curve/supply curve

- Lack of explanations of relevant shifts in the curves

- Quota interpreted as a fixed supply (inelastic supply curve)

The diagrams are an aid to the candidate's response and explanations are required for full marks to be awarded. Some diagrams presented were very small and proved difficult for examiners to read.

(b) (i) Some candidates gave incomplete or inaccurate definitions of the income and price elasticity of demand. Reference to 'percentage/proportionate change' is required in the definitions.

   (ii) The majority of candidates identified the correct figure of +4.3 for iPhones, while the other two figures presented some difficulty for candidates. Some candidates failed to gain marks by providing insufficient detail. Candidates should note the mark allocations for sub-sections of questions as this indicates the depth of explanation required.

(c)   While some candidates omitted this section, in general the candidates who completed it were awarded full marks. Candidates should note the importance of applying economic knowledge to particular situations. The ability to perform economic calculations is one of the assessment objectives of the Economics syllabus. In addition to performing economic calculations, candidates should understand the meaning and significance of the calculations in economic decision- making.

Question 2.   Imperfect Competition

   Attempt Frequency: 87%

   Average mark: 61%

This was the most popular question in Section B and produced the highest average score.

(a) (i) The majority of candidates was able to achieve maximum marks for explaining the assumptions underlying the theory of imperfect competition. Some reasons identified for loss of marks included; lack of development of points made, referring to buyers and sellers in the one point and stating incorrectly that 'they can't influence the market'. Some candidates omitted any reference to MC=MR when explaining the profit maximising assumption. The points made in sub-section (ii) lacked development in many cases. Marks were lost through non-elaboration of the points made. Candidates must note the specific command word/outcome verb given in the question e.g. 'outline' and answer the question accordingly.

(b)   In general the two diagrams were drawn clearly and labeled correctly. Some diagrams were very small and some candidates attempted to show the two situations on one diagram. A significant number of candidates are not showing cost (C) on their diagrams, thereby not referring to costs and inefficiencies in their explanations. Candidates should be given time to practise drawing relevant diagrams and explaining them in a comprehensive manner. Diagrams are an aid to the written responses and marks are awarded for both.

(c)   The majority of candidates agreed with the statement and made relevant points to substantiate their answers. However, the better answers compared the major food retailers to an 'oligopoly' market structure. Their reference to the degree of interdependence, the relatively small number of large retailers and the significant non-price competition within the retail food market, indicated a very good knowledge of current economic events and an ability to relate events to economic theory. Restating the assumptions of imperfect competition, without any reference to the food retail market, did not result in marks being awarded.

Question 3.   **Costs of Production**

Attempt Frequency: 58%

Average mark: 58%

This question was fourth in popularity and had a good average score.

(a)   This section of the question did not present any problems for the generality of candidates. Some candidates, however, lost marks for not explaining adequately the reasons for the downward sloping average cost curve from point X to Point Y.

(b)   This section was the least well answered. While candidates in general could define 'economies and diseconomies of scale' they were unable to explain 'increasing and decreasing returns to scale' in the long run. Greater attention should be given to definitions, as precision is very important. Some candidates omitted reference to 'unit costs' in their definitions and therefore were not awarded full marks.

(c)   Many candidates presented very reasoned actions the government could take to improve the competitiveness of small firms. As only two actions were required some development of the points made was required to obtain full marks. Some candidates did not refer to the impact on costs of the various actions identified and thereby lost marks. Some candidates gave suggestions but did not give any reasons as was required in the question. Candidates must read the questions very carefully before beginning to write, to avoid losing marks.

Question 4.   **Money and Banking, Capital**

Attempt Frequency: 36%

Average mark: 60%

While this was not a popular question, it was generally well answered by candidates who attempted it.

(a)   Candidates had a good understanding of the bank's twin requirements of liquidity and profitability but in many cases made no reference to the stimulus statement provided in the question. Some candidates focused on the liquidity aspect and the possible 'run on the banks' but made no reference to the bad debt situation, falling share price, lack of capital and possible bank failure. Some responses were poorly structured and presented some difficulty for examiners. Candidates should present answers in point form and avoid over elaboration of one point to the exclusion of other relevant point(s).

(b)   This section was generally well answered. However, candidates were required to discuss the possible effect of a fall in interest rates on each motive even if it had no effect on the motive e.g. the transaction motive is not affected by a fall in interest rate.

Candidates were also required to identify the extent of the effect on the other two motives of a fall in interest rates.

(c)   This section was very well answered and candidates had a very good understanding of the 'credit crunch' and its impact on the Irish Motor Industry and inflation. The link to Ireland's Balance of Payments (BOP) was less clear. Some candidates confused the BOP with the Government's Current Budget. Candidates with a good knowledge of current economic issues performed very well in this section.

Question 5.   National Income

   Attempt Frequency: 60%

   Average mark: 48%

National Income is always a popular question on the economics examination paper but the average mark was lower than usual this year.

(a)   This section was generally very well answered. Many candidates were able to gain full marks for performing the calculations required. Some candidates lost marks for incorrect signs and some candidates didn't show any workings, as required in the question, thereby losing a considerable amount of the marks.

(b)   The circular flow of income diagram was generally well drawn. Some candidates failed to indicate the direction of the flows on the diagram, thereby losing marks. Many candidates explained the diagram in detail but made no reference to the statement given in the question. It is essential that candidates read the statement/quotation carefully as the response to the question must refer to the statement/quotation given.

(c)   Candidates were generally able to come up with a good range of distinct points and thereby scored well in this section. Some candidates misread the question and wrote about the CPI. Candidates were required to give some development of the main points of information to achieve full marks. Candidates should pay attention to the outcome verb used in the question as different outcome verbs require different depths of explanation.

Question 6.   Government and the Economy

   Attempt Frequency: 30%

   Average mark: 42%

This was not a popular question and it achieved the second lowest score.

(a)   It is essential that basic economic definitions are written concisely and precisely if full marks are to be awarded. Economics is a concept-based subject and definitions and explanations of economic theories/concepts are an important part of the assessment.

(b) (i) The majority of candidates focused on the increased government current budget deficit with very few candidates identifying the other points mentioned in the marking scheme.

(ii) While the negative consequences of increased national debt posed very little problems for candidates, the positive consequences proved more challenging. In some cases points were not adequately developed to merit full marks. A minimum of two points under each heading was required. Candidates should avoid over elaborate explanations of one point to the exclusion of other valid points. Candidates should focus on the question asked and allocate their time accordingly.

(c) Despite the topicality of this question, answers in general were poor. Many candidates took a long term view and advised a decrease in taxation and an increase in investment in infrastructure. Some candidates omitted sub-section (ii) of the question and thereby lost ten marks. Candidates must ensure that all sub-sections of questions are completed before moving on to the next question.

Question 7.   **International Trade, History of Economic Thought**

   Attempt Frequency: *32%*

   Average mark: *39%*

This was the least popular question and it achieved the lowest score.

(a) (i) While the question was generally well answered, some candidates explained the meaning of 'specialisation' in terms of labour, rather than in the context of international trade. It is essential to read questions carefully to avoid losing marks.

(ii) In relation to the question concerning the assumptions underlying the law of comparative advantage, many candidates discussed the assumptions underlying the model rather than the assumptions underlying the law.

(iii) Relatively few candidates achieved maximum marks in this sub-section. The term 'sources' of comparative advantage caused some confusion and common answers referred to particular brands/products such as Guinness, Waterford Glass, potatoes.

(b) (i) This sub-section was generally completed to a high standard. Some candidates lost marks for non-development of points or for repetition of points, indicating the importance of practice in doing examination type questions, especially in the macro economics area.

(ii) This sub-section was well answered. Some candidates failed to gain high marks by providing insufficient detail. Some candidates could improve their overall grade by better aligning their efforts to the marks available and giving more detailed answers where required.

(c) The standard of answering was very low overall for this section. Many candidates wrote about the Law of Comparative Advantage only, and some candidates included a long list of contributions to economic thought, many of which could not be attributed to

David Ricardo. The study of the different economists should, in so far as is possible, be included with the relevant section(s) of economic theory to allow for a clearer understanding of the contributions of the various economists to economic thought.

Question 8.   Unemployment

   Attempt Frequency: 48%

   Average mark: 50%

This question was fifth in order of popularity and had the fourth highest score.

The candidates, in general, were very well informed on the unemployment situation in Ireland and its causes.

(a) This was a standard text book question and candidates performed well in general. Candidates should note the mark allocation for the section and thereby determine the number of clearly developed points required. Discussion type questions in general require four/five distinct points depending on the mark allocation.

(b) (i) The majority of candidates could name the Live Register as the other source of unemployment statistics in Ireland.

   (ii) This sub-section was generally well answered. However, some candidates did not indicate which source they were referring to when listing reasons and thereby lost marks. Candidates were required to explain which source gives the most accurate estimate of Irish unemployment giving reasons. However, candidates who indicated which source was the least accurate and give appropriate reasons were awarded the marks.

(c) This section was very well answered in general. Candidates had up-to-date knowledge on the current unemployment situation and could identify the major causes of the recent increases in unemployment. Some candidates, however, identified reasons for unemployment in general but didn't refer to the current climate. There was some evidence of rote learning, as knowledge was presented without any reference to the particular situation. Some points, therefore, were not relevant to the actual question asked and were not awarded marks. In some cases there was an over emphasis on the 'recession/falling demand', and other relevant points were not included.

3.4 Conclusions

- There was general agreement among examiners that the paper was fair, topical and represented a good sample of the syllabus. The topical nature of the questions was welcomed by teachers and examiners, and candidates in general engaged well with the economic issues.

- The number of candidates taking Economics has remained at approximately 9% of the total cohort taking the Leaving Certificate for the past ten years.

- Candidates' performance was broadly in line with that of previous years with a small drop in the ABC grades and a small increase in the EFNG grades. There were some excellent performances from candidates.

- The ability of candidates to make connections between theoretical economic principles and real-world events would suggest that topical economic issues are being discussed in classrooms and this practice is to be commended.

- Candidates who performed well had a detailed knowledge of economic theory and showed a clear understanding of its significance in the specific context of the questions asked.

- Candidates who performed less well on the Higher Level paper tended to do so because they had not studied all areas of the syllabus and/or had failed to read the questions carefully. Some candidates' answers lacked structure or the kind of analysis that is required at Higher Level.

- An over-emphasis on preparation for the examination through rote learning resulted in low marks being awarded to some candidates.

- The majority of candidates attempted the required number of questions, and while examiners noted that some candidates did not complete the required number of questions, shortage of time did not appear to be a general problem.

- Section A questions continue to be well-answered by the majority of candidates. The average score was 77%.

- Marks continue to be lost through non-development of points made e.g. "State and explain two reasons…". One-word answers will not achieve full marks when asked to explain.

- Basic economic definitions/technical terms continue to prove difficult for some candidates.

3.5 Recommendations to Teachers and Students

It is recommended that teachers:

- pay attention to the aims and content of the published Economics syllabus, available on the DES website at www.education.ie

- use the published marking scheme as a resource and a guide when teaching the subject

- advise students that assumptions about future marking schemes on the basis of one year's marking scheme should be avoided as details on the marking scheme may change depending on the content of the particular examination paper

- advise students that questions may appear similar to previous years but the focus of the question and the specific context of the question may vary, thereby requiring different responses

- advise students to record their examination number on the Section A as well as on the answer book, and to secure Section A with the treasury tag provided by the examination superintendent

- keep the subject relevant and topical by providing students with to up-to-date knowledge and everyday examples of economic concepts and theories

- refer students to the "Formulae and Tables" booklet pg. 28 where different economic formulae are recorded and will be available to candidates in the examination

- provide designated class time to candidates to engage in critical thinking so that they may be more willing to answer questions where candidate judgement/opinion is sought in relation to current economic issues

- bring the following points, highlighted by the examining team, to the attention of students:

    1. diagrams in general need to be accompanied with a written explanation

    2. diagrams and examples may be included to support analysis/judgement

    3. definitions of economic terms must be precise and accurate

    4. all sections of the syllabus need to be studied as individual questions may draw on two or more sections of the syllabus content

    5. separate paragraphs should be used for each point developed and essay type answers should be avoided

    6. include key points and avoid repetition of points

7. use any spare time in checking answers for accuracy and completeness

8. show all workings if required to do so by the question.

It is recommended that students:

- have a knowledge and understanding of the economic concepts, which are central to the aims and objectives of the Economics syllabus

- choose the level of examination they are going to take with care

- read all questions carefully before beginning to write and choose questions carefully

- use the outcome verbs such as 'explain' 'describe' 'outline' correctly in the examination

- have regular practice in examination type questions, especially macro economics questions and use them as a guide to question layout and content

- learn the basic economic definitions

- present their understanding of economic concepts in clear, concise and precise language

- take account of marks allocations for questions and sections of questions and plan the use of time accordingly

- take a critical look at each answer before leaving it to ensure that all relevant details are included

- avoid over-elaborate explanations of one/two points to the exclusion of other valid points

- label all diagrams and show directional changes if required

- include labeled diagrams and/or examples if required or if useful in supporting analysis

- locate the marking schemes and support notes on the internet at **www.examinations.ie** and use them as an additional resource when preparing for the economics examination

- link the subject content as far as possible with its application in everyday life

- state the unit of measurement and the sign, if applicable, in calculation type questions

- align efforts to the marks available, giving more detailed answers when required

- refer to the "Formulae and Tables" booklet pg. 28 where different economic formulae are recorded and will be available to candidates in the examination