Economics

2011 Assessment Report

Government
of South Australia

SACE
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ECONOMICS

2011 ASSESSMENT REPORT

OVERVIEW

Assessment reports give 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, the quality of student performance, and any relevant statistical information.

GENERAL

In general, students were provided with a range of assessment tasks that allowed them to demonstrate two of the three assessment design criteria (that is, knowledge and understanding, and communication) at all levels. Teachers need to ensure that assessment tasks allow students to demonstrate the other criterion (analysis and evaluation) at the highest levels.

The introduction of the 2-hour examination, instead of a 3-hour examination, did not appear to impact on student achievement.

SCHOOL ASSESSMENT

Assessment Type 1: Skills and Applications

The best assessments in this type ensured that students had a variety of tasks, covering the breadth of course content. Tests were the most commonly used type of assessment, although essays, and homework tasks based on stimulus material were also used to good effect. It is strongly recommended that some tasks in this type be completed under supervision to most effectively allow ‘A’ students to show achievement.

Teachers are encouraged to include extended-response questions in tests that clearly provide opportunity for students to achieve at the highest level in terms of analysis and evaluation.

Four of the specific features of the assessment design criteria (specifically KU1, AE1, C1, and C2, as numbered in the subject outline) require students to use economic models, and students need to be more actively encouraged to use these to support their communication, explanation, and analysis.

Teachers should also consider how extensive the task needs to be in order to generate valid assessment of learning. Tasks which enable students to provide more than simple, straightforward responses provide the opportunity to demonstrate a depth of understanding and analysis that is reflective of the higher performance standards. Tasks which are extremely lengthy do not necessarily elicit higher-quality evidence.

Assessment Type 2: Folio

Teachers are encouraged to consider how many assessment tasks to include in this type. The inclusion of only two tasks sometimes limits the opportunities for students to demonstrate the range of evidence against the specific features that are identified by teachers on their learning and assessment plan (LAP).

A number of schools used group tasks as part of this assessment type. It is strongly recommended that no more than one group task is included in this type. When a group task is part of the LAP, it should be structured in such a way that the evidence provided by each individual can be assessed separately, rather than as a single group assessment. This structure may include each student writing an individual report on a topic that has been researched as a group, or each student taking a position if a topic or issue is debated. This allows the assessment for each individual student to be valid.

One task in this assessment type must address Key Area 5: Poverty and Inequality. In many of the tasks that were set to meet this requirement, students undertook research. It is suggested that teachers carefully consider providing either some initial materials and/or specific advice to assist students to locate quality resources. While some outstanding examples of student research were seen, it appeared that the research process itself may have absorbed a significant amount of time. Research tasks did allow students to demonstrate high levels of analysis and evaluation. Better students showed evidence of appropriate referencing of source materials.

EXTERNAL ASSESSMENT

Assessment Type 3: Examination

Overall, students answered all questions well. The better students were able to demonstrate a high level of achievement in all performance standards. The majority of students attempted all questions.

Part A (Short Answers)

Question 1 (Mean 67.95%)

(a) (i) Most students correctly indicated both an increase in demand and an increase in supply.

(ii) Reasons for a rightward shift of the demand curve included advertising, increased incomes, and higher preference for the new product. Reasons for the rightward shift in the supply curve included lower costs of production and improved production technology.

(iii) Most students identified income as the key factor affecting the ‘for whom’ question. Many also suggested that the lower price would allow those on lower incomes to purchase the product.

(b) Most students correctly identified market economies.

Question 2 (Mean 73.64%)

(a) (i) Most students identified a monopolistically competitive market structure.

(ii) Features such as the large number of small firms, low barriers to entry and existence of differentiated products were used to justify answers to part (i).

(iii) Most students stated that consumers would have more choice and would also benefit from lower prices due to competition. The most common benefits for producers identified by students were the low barriers to entry and the ability to gain some market power through product differentiation.

(b) (i) The best responses linked customer loyalty to a less elastic (or more inelastic) demand curve. Most explained that customer loyalty and product differentiation, in effect, reduced the number of substitutes available, resulting in a smaller change in quantity demanded as a result of a change in price.

(ii) The relationship between the price elasticity of demand, a price increase, and total revenue was correctly explained in better responses.

(c) Nearly all students indicated that the most likely barrier to entering a monopolistically competitive market such as the restaurant industry was the advertising costs associated with establishing a new business.

(d) (i) Externalities and asymmetric information were the most commonly identified types of market failure. A significant number of students incorrectly discussed examples of markets not meeting the needs of consumers and producers.

(ii) Legislation, taxation, and consumer protection were the main types of government intervention described.

Question 3 (Mean 51.62%)

(a) Only a small number of student responses explained that the discrepancy would be explained by a large deficit in the income component of the current account.

(b) Negative effects of a current account deficit were described by the majority of students. These effects included increased foreign debt, future debt servicing costs, and lower credit ratings.

Positive effects were described by the better students and included access to imported goods, and opportunities for more investment in infrastructure and businesses that could increase economic growth.

(c) This was generally well answered, but the better students realised that countries would be affected in different ways if they were an exporter or importer of raw materials or finished products.

Question 4 (Mean 63.66%)

(a) (i) Students generally identified business investment, job vacancies, and new car sales as coincident indicators.

(ii) Better responses included an accurate identification of the leading indicators and were then able to use these indicators to support their answer.

(b) (i) Few students were able to correctly provide the economic definition of ‘investment’. Most provided accounting or general definitions.

(ii) Many students confused an increase in the productivity of labour with an increase in the number of people employed. Explaining why productivity would increase was difficult for most students.

(iii) Most students correctly drew a rightward shift for both the short-run aggregate supply (SAS) and the long-run aggregate supply (LAS) curves.

(c) (i) This question was generally well answered and most students recognised that consumption would fall in the future because of the changes in consumer sentiment, dwelling approvals, and savings levels.

(ii) Most students were able to draw and explain the decrease in aggregate demand and resulting negative impact on full employment.

(d) This question allowed the better students to demonstrate evidence of the performance standards at higher levels. Weaker students often drew a circular-flow model diagram but had trouble linking this to the multiplier. Many students had difficulty explaining the multiplier process.

Part B (Essays)

Students had to choose one essay question to complete. Each of the essays required candidates to evaluate a statement and to provide examples to support an answer. Better students were able to weigh up the arguments that were inherent in the statements rather than just outlining reasons for and reasons against.

Question 5 (Mean 59.32%)

This was the most popular essay question, with some excellent answers. The better students included relevant and accurate diagrams to support their answer. The best responses included a critical analysis of each of the policies and were aware of specific difficulties associated with a global downturn.

Question 6 (Mean 54.00%)

This was the second most popular essay question. Weaker responses were descriptive rather than evaluative. Most students demonstrated knowledge of reasons for and against free trade, but failed to critically examine these. Better responses added other dimensions through the use of relevant examples.

Question 7 (Mean 51.71%)

This was not a popular question, with less than 5% of students selecting it. Most students simply described the operation of monetary and fiscal policy, but failed to examine other problems associated with these. The best responses identified a range of problems of economic management and demonstrated an understanding that these would vary in importance with time and context. External factors were often omitted.

OPERATIONAL ADVICE

As indicated in the learning area manual, materials sent to moderation should include the approved LAP and a set of the tasks described in the plan. Moderation is supported when marking guidelines or answer sheets are also included.

Teachers are reminded that the LAP addendum must be included when there has been any variation to the assessment for the entire class or for an individual student. Where materials are missing for an individual student for a valid reason, the Variations in Materials for the Sample for Final Moderation form from the learning area manual should be included. It should clearly indicate the reason for variation.

Student materials should be organised by assessment type. Cover sheets which identified the sequence of tasks, and the conditions under which individual assessment tasks were completed were most helpful.

Teacher annotations in relation to the performance standards on marked work were most helpful in enabling the moderators to support assessment decisions.

When reviewing programs for next year, teachers are encouraged to consider both the total number of assessment tasks (the seven to nine school assessment tasks that are required), and the need to provide a balanced opportunity to show achievement of the performance standards; that is, teachers should consider the most appropriate form of assessment for each topic and the most appropriate timing to conduct assessment.

Chief Assessor
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