



EXAMINER'S REPORT

AUGUST 2000

ECONOMICS

General Comments

The questions on this paper were similar to those set in May but it would appear that few of these candidates heeded the advice set out in the May report to prepare including considering taking tuition.

Question 1

There was handful of good answers to this three-part question but the majority could touch on one or two parts only.

Question 2

It was surprising that so many students were not aware that a change in the price influences supply directly and that others, although not quite the same number, were unable to identify the three elements of a market.

Question 3

Many candidates were aware of the relationship between total revenue and price elasticity of demand but at the same time were unable to define total revenue or show how it is measured. This indicates rote learning.

Question 4

Most attempts showed some notion of diminishing returns without being able to explain it and linking the concept to a firm's costs was beyond almost all candidates.

Question 5

The first part of this question was generally well answered but the majority of students stopped there and did not follow through to show short and long run equilibria.

Question 6

The distinction between Balance of Trade and that of International Payments was not well understood and only a limited number of candidates made some relevant points about Ireland's international trade.

Question 7

This was not a popular question and only three of those who attempted it could differentiate current from capital items in the Government's budget.

Question 8

The law of diminishing marginal utility was generally well explained but not many answers set out the assumptions made in economics about consumer behaviour.