



EXAMINER'S REPORT

MAY 2000

ECONOMICS

General Comments

Many candidates had simply not prepared for an Economics examination. Some were able to make an attempt in 1 or 2 questions but had absolutely no idea about the other 4 or 3. Others tackled all questions from a general knowledge perspective, showing no familiarity with Economics.

Students who intend to take the August paper must systematically prepare for the examination. There is little evidence from these scripts that they have a comprehensive set of notes and they should purchase the textbook. Those with F scores may require tuition or could look for a distance education course in this subject.

Question 1

Few candidates attempted the three sections and many wrote on one topic only. This was most likely to be *the Irish National Debt* which most considered to be entirely owed to foreign banks. Many of the answers on the *European Central Bank* did not mention the Euro and only a handful of answers on *scientific methods in economics* were relevant

Question 2

The average for answers to this question at 10 was the highest on the paper. It was broken into three parts and the marks for each were specified. While there were many good answers and scores in the high teens were not unusual there were those who could not mention the three elements of a market and others lost marks through incomplete or careless diagrams.

Question 3

This question was about *price elasticity of supply*. A significant minority of candidates did not notice this. Others who correctly defined price elasticity of supply went on to write about factors influencing price elasticity of demand. Even those who did focus on supply were more likely to write about factors influencing supply itself rather than its responsiveness to a change in price. This was the most popular question but the average score was only 7.

Question 4

The question on production/costs has always seemed to cause a problem for students. Last year was an exception and partially accounted for the satisfactory overall results a year ago. However this year the answers were very poor. Most candidates did not distinguish between returns to scale and returns to a single variable factor. *Economies of scale* are the result of a

firm changing its scale of operations. It was also surprising how few could give examples of such economies. The average mark was 6.

Question 5

This was the third in terms of popularity of choice and at 7 it had the second highest average mark. Most answers included the main assumptions underlying perfect competition but after that they were generally weak, notwithstanding a handful of excellent attempts. It appears that students learn by rote the conditions or assumptions relating to perfect competition but do not understand them through to the market conditions faced by firms operating under such conditions.

Question 6

One candidate, in the first line of the answer, admitted no understanding of the question (why this candidate attempted the question is hard to imagine). Many others went on to demonstrate that they shared the same lack of knowledge. Few had any real appreciation of Ireland's trade pattern or the developments in it during the late 1980s and the 1990s.

The average score was 6.

Question 7

This question on methods of measuring economic activity in a country appears fairly regularly on the paper. Students generally know one or two from National Income, Output and Expenditure. This year, however, few showed any understanding of the concepts or the difficulty in measuring them. The average mark was 4.

Question 8

In the past, the question on an economic theory of consumer behaviour was well attempted and often gave students high scores to compensate for what they found to be more difficult questions. This regrettably was not the situation this year. Surprisingly it was the least popular question on the paper and it also had the lowest average score of 3.