



## EXAMINER'S REPORT

MAY 2005

### ECONOMICS

#### General Comments

The results this year were very much better than in previous years, both in terms of overall appreciation of the subject and in scores, as measured by Grades. 20% achieved an A, while only 10% failed.

The paper contained the innovation arising from the annual meeting with lecturers over a year ago where **Questions 3 and 4**, about elasticity and market equilibrium, had a choice between a verbal and numerical section. In contrast to last year where very few attempted the numerical section, there was considerable take up this year of these two questions with those taking them scoring highly in general.

The approach to applied work was also much better, where an attempt was made to apply analysis in both **Questions 1 and 2**. This represents a significant step forward, as previously applied work was taken as an opportunity for airing opinions, without any analysis.

**Question 5**, on monopoly, was also answered better, but would have benefited from a diagram showing the monopoly solution, and indicating what would happen with competition. This can be done on one diagram.

**Question 6** still requires some work. Mostly it was done well, but one candidate still gave over two pages of numbers. There is a need to finish off balance sheet.

**Question 7** about fiscal policy was primarily about lags in fiscal policy application, the main reason why fiscal policy has been pro-cyclical rather than counter-cyclical almost everywhere, almost all the time.

**Question 8** is about two things-the exchange rate and the boom in the economy.