



**Coimisiún na Scrúduithe Stáit**  
**State Examinations Commission**

**LEAVING CERTIFICATE EXAMINATION 2013**

**ECONOMICS**

**CHIEF EXAMINER'S REPORT**

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## **1. Introduction**

### **1.1 Syllabus Structure**

The current Leaving Certificate Economics Syllabus was devised in 1969 and first examined in 1971. The syllabus is available on the Department of Education and Skills website ([www.education.ie](http://www.education.ie)) under the topic headed: ‘Curriculum, Syllabus & Teaching Guides’.

While recent syllabus documents typically present a range of learning outcomes and assessment criteria that reflect a variety of objectives in the cognitive and other domains, older syllabi do not. The four objectives of the economics syllabus as stated on the syllabus document are as follows:

- i. To give students a general picture and an understanding of economic activities, patterns and principles.
- ii. To develop in students the capacity to apply these principles and to help them transfer this knowledge to new situations, and to achieve critical thought.
- iii. To develop in all our students an interest in everyday economics and to aid them in their education for citizenship.
- iv. To provide a suitable basis for further study of economics.

The syllabus is common for both Higher and Ordinary levels. Candidates at both levels require knowledge of the economic concepts and principles associated with the various topics listed on the syllabus, however, at the Higher level a more in-depth knowledge is required together with a greater ability to apply this knowledge to real life situations and a requirement to present evidence of critical thought.

### **1.2 Assessment Structure**

The examination at both Higher and Ordinary levels consists of a written paper, of two and a half hours duration, with a total mark allocation of 400 marks.

There are two sections in both papers 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. Of these, questions 1 to 5 each carry 16 marks and questions 6 to 9 carry 17 marks. Thus, to achieve full marks on Section A the six

questions answered must include questions 6 to 9 inclusive. 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 extended responses and carry an equal weighting of 75 marks each.

To ensure breadth and depth of syllabus coverage all sections of the syllabus, including both macroeconomics and microeconomics, are assessed at both levels. The subject Economics consists of a number of integrated core concepts and the assessment seeks to recognise the integrated nature of the course and the natural connections which exist between the different parts. For that reason, a question may draw on two or more sections of the syllabus content. Elements of both microeconomics and macroeconomics may appear in a question. This practice supports and promotes the teaching of economics as an integrated subject. The cognitive skills assessed can be classified from lower to higher order, moving from recall of economic knowledge and understanding, which predominates at the Ordinary level, to an increased emphasis on application, analysis and evaluation at the Higher level. There are no specific weightings given to these different assessment objectives in the syllabus.

### 1.3 Participation Trends

Almost 5,000 candidates, representing roughly 9% of the overall Leaving Certificate cohort, take the subject Economics. It has remained at that level for the past 10 years. It has the lowest uptake of the three Leaving Certificate subjects Business, Accounting and Economics.

**Table 1** Participation Rates with reference to the total Leaving Certificate Cohort

Year	Total Number of Leaving Certificate Candidates	Number (and %) of total LC candidature taking Economics
2009	54,197	4,578 (8.4%)
2010	54,480	4,857 (8.9%)
2011	54,344	4,796 (8.8%)
2012	52,592	4,625 (8.8%)
<b>2013</b>	<b>52,767</b>	<b>4,632 (8.8%)</b>

**Table 2** Participation Rates at Higher & Ordinary levels

Year	Number of Candidates (Higher Level)	% of Total Cohort	Number of Candidates (Ordinary Level)	% of Total Cohort	Total Cohort
2009	3525	77%	1,053	23%	4578
2010	3846	79%	1,011	21%	4857
2011	3733	78%	1,063	22%	4796
2012	3749	81%	876	19%	4625
2013	3757	81%	875	19%	<b>4632</b>

While there has been very little change in the total cohort of candidates taking the subject Economics in the past 10 years, the breakdown between levels has changed in recent years. In 2009, 4843 candidates sat the Leaving Certificate Economics examination. Of these 3753 (77%) sat the Higher level examination and 1090 (23%) candidates sat the Ordinary level. In 2013, 3757 (81%) of the candidature elected to take the examination at Higher level while 875 (19%) took the examination at the Ordinary level.

It is important that candidates take the examination at the level most appropriate to their skills and abilities.

## 2. Performance of Candidates

### 2.1 Higher Level

The percentage of candidates achieving each grade at Higher level from 2009 to 2013 is shown in Table 3 below:

**Table 3** Grades achieved at Higher level 2009-2013

Year	Total	A1	A2	B1	B2	B3	C1	C2	C3	D1	D2	D3	E	F	NG
2009	3,525	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
2010	3846	3.0	8.4	6.0	10.3	14.0	8.5	11.2	12.0	6.6	7.5	7.7	3.8	0.9	0.2
2011	3733	3.8	7.4	7.5	11.3	12.1	10.4	12.1	9.3	7.3	6.5	7.7	3.5	1.0	0.0
2012	3749	4.4	7.3	6.5	9.9	14.0	6.8	10.7	12.6	5.3	7.0	9.6	4.8	1.1	0.1
<b>2013</b>	<b>3757</b>	<b>2.1</b>	<b>9.1</b>	<b>5.5</b>	<b>11.6</b>	<b>13.1</b>	<b>11.8</b>	<b>10.9</b>	<b>10.0</b>	<b>7.6</b>	<b>6.0</b>	<b>7.3</b>	<b>3.8</b>	<b>1.1</b>	<b>0.1</b>

The percentage of candidates who obtained A grades, A+B+C grades, D grades and E+F+NG grades in Higher level from 2009 to 2013 is shown in Table 4 below:

**Table 4** Grades achieved at Higher level 2009-2013

Year	No candidates	A %	A+B+C %	D %	E+F+NG %
2009	3,525	11.9	71.7	22.3	6.1
2010	3846	11.4	73.4	21.8	4.9
2011	3733	11.2	73.9	21.5	4.5
2012	3749	11.7	72.2	21.9	6.0
<b>2013</b>	<b>3757</b>	<b>11.2</b>	<b>74.1</b>	<b>20.9</b>	<b>5.0</b>

As seen from the data above candidate performance at the Higher level in 2013 was broadly in line with that of previous years. The majority of candidates attempted the required number of questions. In 2013, 11.2% of those who took the examination at Higher level achieved an A grade. While the A grade was down slightly on the previous year, the higher C grade resulted in a higher overall ABC grade (i.e. 74.1%) than previous years.

While most sub grades were generally in line with previous years, the A1 grade was lower in 2013. Candidates did not perform as well in certain topics as in previous years. Overall, 5% of candidates at Higher level were awarded an E grade or lower. These latter candidates appeared to have engaged with the subject to a very limited extent and would have been better served by taking the examination at Ordinary Level.

## 2.2 Ordinary Level

The percentage of candidates achieving each grade at Ordinary Higher level from 2009 to 2013 is shown in Table 5 below:

**Table 5** Grades achieved at Ordinary level 2009-2013

Year	Total	A1	A2	B1	B2	B3	C1	C2	C3	D1	D2	D3	E	F	NG
2009	1,053	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
2010	1011	1.9	9.4	4.3	11.9	16.5	9.0	11.5	10.9	4.5	6.4	7.8	3.5	2.0	0.5
2011	1063	3.2	7.9	6.7	11.5	15.3	11.2	11.9	8.6	9.1	5.6	4.1	3.5	1.3	0.1
2012	876	2.6	8.6	5.5	10.8	16.6	9.2	11.1	10.6	6.1	5.8	7.3	4.2	1.5	0.1
<b>2013</b>	<b>875</b>	<b>3.2</b>	<b>8.1</b>	<b>8.5</b>	<b>12.6</b>	<b>12.0</b>	<b>12.1</b>	<b>10.5</b>	<b>9.5</b>	<b>6.7</b>	<b>3.7</b>	<b>6.1</b>	<b>4.6</b>	<b>1.8</b>	<b>0.7</b>

The percentage of candidates who obtained A grades, A+B+C grades, D grades and E+F+NG grades in Ordinary level from 2009 to 2013 is shown in Table 6 below:

**Table 6** Grades achieved at Ordinary level 2009-2013

Year	No candidates	A %	A+B+C %	D %	E+F+NG %
2009	1,053	11.2	73.9	19.3	6.8
2010	1011	11.3	75.4	18.7	6.0
2011	1063	11.1	76.3	18.8	4.9
2012	876	11.2	75.0	19.2	5.8
<b>2013</b>	<b>875</b>	<b>11.3</b>	<b>76.5</b>	<b>16.5</b>	<b>7.1</b>

At the Ordinary level, 11.3% of candidates achieved an A grade. However, 7.1% of the candidature at Ordinary level was awarded an E grade or lower in the examination, representing an increase on previous years. The knowledge of economics exhibited by candidates who obtained an E grade or lower at this level was generally very poor. An analysis of the work of candidates who obtained an E grade or lower revealed that in some cases entire questions or significant parts

of questions were omitted by candidates. Some candidates displayed little knowledge of economic terms or misinterpreted the questions they were asked. Some answers given were extremely brief and lacked any development. Often only one point of information was given when two points were required and in some cases just one-word answers were given.

### 2.3 Performance by Gender at Higher and Ordinary Levels

The distribution of sub-grades by gender over the last five years is given in **Table 7** (Higher level) and **Table 8** (Ordinary level).

**Table 7** Grades achieved by gender at Higher level 2013

Grade	A1	A2	B1	B2	B3	C1	C2	C3	D1	D2	D3	E	F	NG	TOTAL
<b>Total No</b>	78	341	208	437	493	444	409	376	285	224	273	141	43	5	3757
<b>Total %</b>	2.1	9.1	5.5	11.6	13.1	11.8	10.9	10.0	7.6	6.0	7.3	3.8	1.1	0.1	
<b>No Female</b>	35	127	81	135	194	154	143	125	97	77	88	52	14	4	1326
<b>% Female</b>	2.6	9.6	6.1	10.2	14.6	11.6	10.8	9.4	7.3	5.8	6.6	3.9	1.1	0.3	
<b>No Male</b>	43	214	127	302	299	290	266	251	188	147	185	89	29	1	2431
<b>% Male</b>	1.8	8.8	5.2	12.4	12.3	11.9	10.9	10.3	7.7	6.0	7.6	3.7	1.2	0	

**Table 8** Grades achieved by gender at Ordinary level 2013

Grade	A1	A2	B1	B2	B3	C1	C2	C3	D1	D2	D3	E	F	NG	Total
<b>Total No</b>	28	71	74	110	105	106	92	83	59	32	53	40	16	6	875
<b>Total %</b>	3.2	8.1	8.5	12.6	12	12.1	10.5	9.5	6.7	3.7	6.1	4.6	1.8	0.7	
<b>No Female</b>	12	27	26	40	36	35	30	22	10	9	18	8	3	1	277
<b>% Female</b>	4.3	9.7	9.4	14.4	13	12.6	10.8	7.9	3.6	3.2	6.5	2.9	1.1	0.4	
<b>No Male</b>	16	44	48	70	69	71	62	61	49	23	35	32	13	5	598
<b>% Male</b>	2.7	7.4	8	11.7	11.5	11.9	10.4	10.2	8.2	3.8	5.9	5.4	2.2	0.8	

More males than females generally sit the Economics examination.

In 2013, the candidature at the Higher level comprised of 65% males and 35% female. At the Ordinary level, males comprised 68% of the cohort and females 32%. A greater percentage of females were awarded an A grade at both levels (i.e. the A grade for females at the Higher level was 12.2% *versus* 10.6% for males and at the Ordinary level the A grade for females was 14% *versus* 10.1% for males). While males and females had comparable E+F+NG rates at the Higher level, the E+F+NG rate for male candidates at the Ordinary level was significantly higher (8.4%) than for female candidates (4.4%).



### **3. Analysis of Candidate Performance**

#### **3.1 General commentary on engagement and performance**

Analysis was conducted on the relative popularity of questions on the examination papers and the performance of candidates in those questions at both the Higher and Ordinary levels. The statistical data relating to the answering of candidates is based on random samples of the total number of candidates at Higher level and at the Ordinary level in 2013.

The syllabus has a broad coverage of both microeconomics and macroeconomics, with no particular weightings in terms of assessment. Candidates are tested across a range of cognitive skills.

The Section A, in both the Higher and Ordinary levels, consists of compulsory short answer questions from microeconomics and macroeconomics which test basic competencies such as economic knowledge and understanding of core economic concepts, theories, basic economic calculations, and application of economic concepts/theories to current problems and issues. The key question cues generally include: define; outline; state and calculate. These question cues signify that brief details are required. Candidates at both levels consistently perform well in Section A.

The Section B at both levels has a combination of both macroeconomic and microeconomic questions. All candidates are tested on recall of knowledge, understanding, application and analysis. In addition, at the Higher level, candidates are required to use basic economic theory to explore current economic behaviour and justify answers given. They are encouraged to apply a reasoned debate and link topical happenings in the economy to relevant economic theories and concepts. The question cues in Section B, in addition to those commonly used in Section A, generally include illustrate, analyse, distinguish between, explain, discuss and justify.

The examination questions in both Section A and Section B focus on particular areas of the course content but opportunities are provided within questions to integrate topics across the course content.

At least one microeconomic question on market structures appears consistently at both Higher and Ordinary levels in Section B. This question requires candidates to identify key features of

different market structures and extract and process relevant information to reach valid conclusions. At the Ordinary level, the various market structure diagrams are generally provided and candidates are required to apply their knowledge in given situations, e.g. Section A- Q.8 and Section B Q1. At the Higher level, a formal diagrammatic analysis of the different market structures is required. Candidates are required to draw diagrams to illustrate the economic concepts, to apply their knowledge and analyse the economic issues given by providing a reason and/or a consequence of the particular situation, e.g. Section A- Q.4 and Section B Q.2. Questions on market structures remain very popular at both levels (92% take-up at Higher level and 70% at the Ordinary level) and they are generally awarded the highest average mark. In 2013, the majority of candidates demonstrated excellent understanding of market structures and characteristics at both levels (Q.2) (Section B) Higher level, (Q.1) (Section B) Ordinary level and (Q.8) (Section A) Ordinary level. Generally, there is a progression in emphasis from the standard text book material to application of this knowledge to real world situations e.g. Higher level (Q.2) (c) “the global market for toothpaste products”. Teaching approaches which make use of current ‘real world’ examples are rewarded.

Questions relating to basic microeconomic models, such as demand and supply and the operation of the price mechanism, are popular at both levels and are generally awarded high marks. While candidates at the Ordinary level may be required to draw demand and supply curves and show various shifts of curves and movements along the curves (OL Section B Q.2), at the Higher level an application of theory and analysis is required (HL Section B Q.1(b) (c)).

At both levels, candidates are required to apply their knowledge to real life situations. In general, candidates at both levels are very well prepared for the microeconomic questions, especially questions on demand/supply and market structures. Candidates should be aware of the importance of diagrams in illustrating economic concepts, especially in the microeconomic questions.

### **3.2 Higher level**

The 2013 examination paper provided candidates with plenty of scope to demonstrate their knowledge and understanding across the full range of topics on the syllabus. A minority of candidates found the detail and specificity of some questions in the area of macroeconomics challenging and this may have restricted their choice, particularly in instances where candidates may have prepared a narrow number of specific topics. Overall, the paper did provide for the

necessary level of discrimination and candidates were required to have a sound grasp of many areas of subject content in order to perform well across the examination paper.

The majority of candidates were well prepared for this examination and demonstrated a good knowledge of the basic economic concepts tested.

The following are the average percentage marks attained by candidates at Higher level in the two sections of the examination. The popularity of questions is also included.

**Table 9** Average Marks by question and popularity of questions at Higher level

<b>Question No.</b>	<b>% of Candidates</b>	<b>Order of Popularity</b>	<b>Average % Mark</b>	<b>Topics</b>
<b>Section A</b>	100%	Compulsory section	70%	Questions across the syllabus
<b>Section B</b>				
<b>1</b>	80	2	59	Demand/Supply
<b>2</b>	92	1	74	Monopoly
<b>3</b>	24	8	54	Labour/Karl Marx
<b>4</b>	54	4	62	Budget /taxation/ capital expenditure
<b>5</b>	42	5	62	National Income/ Keynes
<b>6</b>	29	6	63	Banking/Inflation
<b>7</b>	26	7	56	International Trade/ Euro
<b>8</b>	61	3	64	Unemployment/national debt/ageing population

The average percentage mark achieved by candidates for the Section A short response questions was 70%, which is broadly in line with previous years. ( It was 77% when the last Chief Examiner’s report was published in 2009 and was 72% in 2005). The Section A questions were generally well answered, especially questions requiring candidates to recall basic economic terms/definitions, such as Q.2, Q.4 (a), Q.5, and Q.7. 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 critical to the subject and are therefore an important part of the assessment.

The knowledge of economic theories and concepts provides a basis for analysing or discussing economic issues in the constructed response type questions in Section B. Candidates should be accurate with basic definitions and ensure that the composite elements are addressed.

Q.1, Q.6 and Q.8 presented problems for some candidates. Q.1, on the basic economic problem of “scarcity”, was challenging for many candidates. While reference was made to demand exceeding supply, the issue of choice, which was relevant to the question, was not addressed in some cases. Q.6 on the “paradox of thrift” was often confused with the “paradox of value”.

In Q.3, candidates were required to apply their knowledge and understanding of the concept of elasticity and the factors that affect it in the situations presented. The majority of candidates showed a clear understanding of the significance of the theory of elasticity in the specific context of the question and performed very well in this question.

The ability to perform economic calculations is one of the assessment objectives of the economic syllabus. In computational type questions requiring an economic calculation, such as Q.8, the focus should be on the understanding and application of the concept rather than rote learning of the formulas. The question required a definition and a calculation of the “*Average Propensity to Consume*” (APC) and it was often confused with the Marginal Propensity to Consume (MPC) formula, which has tended to be asked more frequently on the examination paper. In addition to being able to perform economic calculations, it is important for candidates to understand the meaning and significance of the various calculations in economic decision-making.

In Q.9, the majority of candidates were able to apply their knowledge of costs to the real life situation presented (“*the growing issue of alcohol abuse in Ireland*”). A minority of candidates failed to understand that a “minimum price” meant a higher price rather than a lower price in this

case. As economic issues become more prominent in everyday life, an increasing ability of candidates to link economic theory to everyday situations is being observed. This is a welcome feature of examination responses.

The majority of candidates continue to complete all 9 questions in Section A even though only 6 questions are required. This can be interpreted as reflecting a good level of course coverage by candidates.

In Section B, the microeconomic questions, which focus on “market structures” and “demand and supply”, continue to be the most popular questions on the examination paper, and are consistently awarded the highest marks.

Q.1 on demand and supply, while second in order of popularity (80%), did not return as high an average mark in 2013 as questions on this area generally do. This is largely attributed to candidates having some difficulty analysing the substitution and income effects, with reference to a price change of an inferior good. Candidates in general defined the terms involved but their responses to the substitution and income effects of a price change were often very poor.

The recall of definitions, such as “effective demand” and “derived demand” in Q.1 (a) (i), and “substitution effect” and “income effect” in Q.1 (c) (i), has merit in that it indicates knowledge and perhaps some understanding of the economic concepts, however, the requirement to build on the definitions to answer the questions set at the Higher level wasn’t always evident. Some candidates provided extensive definitions but only made a very limited attempt to answer the question set. Others just provided examples. Definitions may often be explained with support of an example, but attempting to define a concept by citing an example only, is generally inadequate.

The majority of candidates demonstrated a very good knowledge of supply and demand analysis in Q.1. (b) and were able to apply it to the unfamiliar contexts given. Most candidates were able to construct accurately labelled diagrams as required. While there were some excellent answers supported by accurately drawn and relevant diagrams, some diagrams were very small making it difficult for candidates to explain their diagrams adequately and for examiners to read and comprehend. When diagrams are required in a question, candidates must label the diagrams and show directional changes if required. The diagrams need to be accompanied with a written explanation.

To maximise their performance in the examination candidates should pay particular attention to areas of the course involving diagrammatic representations, for example, questions on demand and supply analysis (Q.1), on market structures (Q.2), on labour market (Q.3) (b) and on National Income – Circular Flow of Income (Q.5) (b). In the labour market question, (Q.3) (b), many candidates were unable to draw accurate diagrams to support their analysis. Candidates should know how graphs are composed and the factors that influence their shape.

A significant number of candidates had a very limited understanding of the substitution effect and income effect and therefore could not apply their knowledge to the particular situation given. The overall effect of the price change was not stated in many cases. Poor performance on this part of the question, (Q1) (c) (ii), contributed to the lower than usual average marks awarded for Q.1.

In Q.2 (a) (i) some candidates discussed ‘patents’ as a barrier to entry even though the question asked for barriers “other than patents”. Candidates should read questions carefully before beginning to write answers to avoid losing marks carelessly.

To perform well in the macroeconomic questions in the Higher level (Section B), candidates generally need a good knowledge of contemporary economic issues in the Irish economy and should be able to link them with the relevant economic theories presented. The questions generally progress in emphasis from recall of knowledge and understanding to evaluation and judgement. Opportunities are provided for candidates to apply the theories/concepts and show how they relate to the real world. For example in Q.5 (a), candidates are required to explain commonly used terms in estimating National Income Statistics such as: “*Subsidies; Incomes-in-kind and Net Factor Income from the rest of the world*”. These terms did not present any problems for the majority of candidates. However, in part (c) (ii), while a knowledge of a “Keynesian stimulus plan” was awarded marks, candidates had to “*explain why the Irish government might find it difficult to implement such a Keynesian stimulus plan at the current time*” to be awarded the maximum allocation of marks. The candidates were required to apply the concept to the situation in the Irish economy and make a judgement. This was a popular question and was awarded a good average mark.

Candidate answers must address the question cues used in the examination. Cues such as: “explain” and “discuss” must be responded to appropriately if candidates are to achieve maximum marks. The mismatching of question cue with the material presented is more prevalent with

macroeconomic questions. For example in Q.4 (c), “*As an Advisor to the Minister for Public Expenditure and Reform, discuss two arguments in favour of a reduction in capital expenditure in the Budget*”, candidates who had a good knowledge of the current state of the economy and who were able to provide supporting conclusions with evidence performed very well in this question.

The candidates who use the business terminology/concepts accurately and provide an organised logical response perform well in discussion type questions. Meaningful engagement with the economic topics and the ability to make valid connections between the economic principles and real life situations scored very well. It was pleasing to see so many candidates who were well informed about recent economic events.

Candidates should be discouraged from using bullet points in discussion type questions unless they are fully developed. A list of undeveloped points will not achieve full marks in instances where candidates were asked for developed answers. Candidates must develop their points at the Higher level and may use examples to fully explain particular points. The quality and development of the answer determines how marks will be awarded. It is good practice to structure responses and to support explanations with examples, diagrams or up-to-date statistics if available.

When required to discuss key points, for example Q.7 (c) “*Discuss the key challenges for Irish Businesses on international markets*”, it is important to identify distinct points thereby avoiding overlap in the answers. While candidates, in general, provided a number of distinct points, a minority of candidates’ tended to repeat or give variations of one core point. For example, there was a disproportionate focus on “business competitiveness” in some answers hence limiting the marks awarded. Some discussion type questions were well answered by candidates, for example Q.8 (a) (ii) “*Discuss three measures which the Irish Government may introduce to reduce the problem of youth unemployment*”. The knowledge of recent economic events demonstrated by candidates, and their ability to link that knowledge to the specific questions asked, was evident and is to be welcomed.

### 3.3 Ordinary level

At Ordinary level, candidates generally responded well to topical subject matter which included: Budget 2013; the “sugar tax”; shortage of skilled labour in the IT sector; Black Economy and Bank Branch closures. Such questions encourage candidates to keep up-to-date with current economic developments.

Table 10 shows the average percentage marks attained by candidates at **Ordinary Level** in the two sections of the examination. The popularity of questions is also included.

**Table 10** Average Marks by question and popularity of questions at Ordinary level

Question No.	% of Candidates	Order of Popularity	Average % Mark	Topics
<b>Section A</b>	100%	Compulsory section	78	Questions across the syllabus
<b>Section B</b>				
<b>1</b>	70	2	62	Perfect competition
<b>2</b>	60	4	56	Demand/supply
<b>3</b>	59	5	49	Labour/skill shortages
<b>4</b>	54	6	48	Privatisation/Budget 2013
<b>5</b>	28	8	20	Circular Flow of Income/ Black economy/consumer expenditure
<b>6</b>	74	1	62	Emigration/unemployment/ageing population
<b>7</b>	63	3	58	Imports/MNCs
<b>8</b>	31	7	48	Savings/Banking/euro

In Section A, most of the short response questions were readily accessible to the majority of candidates. The average percentage mark achieved was 78%. The questions tested recall, (Q.1, Q.4 and Q.8), understanding, (Q.2 and Q.5), computation, (Q.6), and application of knowledge and understanding to new situations, (Q. 3, Q.7 and Q.9). While most questions were attempted, Q.4, on the economist John Maynard Keynes, was not a popular question.



In Section B, candidates are required to attempt four of the eight questions provided. As previously stated, the higher combined E+F+NG rate in 2013 (7.1%) was mainly due to candidates omitting entire questions or major parts of questions. Candidates should be encouraged to read the examination carefully to ensure they choose questions which give them the best chance of maximising marks.

While microeconomics questions are always the most popular questions at the Higher level, it can vary at the Ordinary level. The microeconomic questions, which included a market structure question and a demand/supply question, were second and fourth in popularity this year while macroeconomic questions were first and third in popularity. The most popular question, which also attracted the highest average mark, was a macroeconomic question (Q.6). It was a very topical question focusing on emigration, unemployment and Ireland's ageing population.

Very positive observations are made in relation to candidates' ability to answer the topical questions on the examination paper where they might be required to outline economic reasons and economic effects of particular actions. In response to Q.6 (b) (ii), *"Suggest one reason why the Irish Government increased the retirement age to 66 years effective from 2014"*, the most common answers provided by candidates included *"people living longer"* and *"less services required from the state"*. Candidates were required to apply their economic knowledge to particular situations, for example Q.6 (c) (iii) *"Suggest one measure each of the following could take to reduce Ireland's unemployment rate: Irish consumers and the Irish Government."* The majority of candidates who completed this question performed very well. Marks for the application of knowledge are often some of the easiest to attain and candidates should aim to avail of such opportunities to score marks. It is also noted that many candidates were well informed about recent economic events and were able to use this information effectively to address the questions set.

Candidates at Ordinary level generally perform well in basic recall type questions. The identification of the various initialisms/acronyms as follows: MNCs; ECB; VAT and DIRT did not present any problems. Some basic definitions such as "homogenous goods" "substitute goods" "complementary goods" "privatisation" "opportunity cost" "public sector" were generally explained very well. Some marks were awarded for providing appropriate examples in the absence of explanations. However, definitions that proved more difficult included "labour",

“normal good” and “financial cost”. Many candidates gave incomplete or inaccurate definitions and lost marks accordingly.

The market structure diagrams are generally provided for candidates at the Ordinary level and candidates are required to identify the various curves and the equilibrium price and output, for example, Section A- Q.8 and Section B Q1 (a). The majority of candidates were able to identify the cost and revenue curves and the equilibrium price and output. However, the graphical demands of some questions continue to pose challenges for some Ordinary level candidates. In Q.2 (a), a significant minority of candidates did not complete the demand/supply diagram using the information given in the question, resulting in a loss of marks. In some cases the axes were not labelled correctly. Some candidates had great difficulty in explaining the direction of the arrows in the Circular Flow of Income diagram which was provided in Q.5 (a).

The brevity and lack of development of points of information combined, in some instances, with a lack of understanding of economic concepts presents a significant barrier to good performance at the Ordinary level. A further common problem at the Ordinary level is that one valid point is often given when two points are required.

Candidates could improve their overall performance if due cognisance is taken of cue word(s) in the question and consideration is given to the allocation of marks.

#### **4. Conclusions**

- Participation rates in Leaving Certificate Economics have been stable for many years at just under 9% of the overall cohort.
- The break down of the cohort between the Higher and Ordinary level is 81% Higher level and 19% Ordinary level showing an increase in the proportion of candidates presenting at Higher level compared to when a Chief Examiner Report was last published in 2009. At that time 77% presented at Higher level and 23% at Ordinary level.
- Some candidates who presented at Higher level did not show the level of preparedness to engage with the examination at this level and would have been more suited to the Ordinary level examination.

- At both Higher and Ordinary levels, candidate performance was broadly in line with that of previous years and the examinations at both levels proved sufficiently challenging to provide the necessary level of discrimination.
- Many candidates continue to demonstrate high levels of achievement in relation to the assessment objectives. At Higher level, many candidates demonstrated a good ability to apply concepts to the problems in the real economy and make appropriate judgements.
- Candidates who performed less well demonstrated limited understanding of the subject. In some instances they did not complete the required number of questions/parts of questions and in some cases appeared to misunderstand the questions posed.
- At Higher level, some candidates found the detail and specificity of certain questions in the area of macroeconomics challenging and this may have restricted their choice, particularly in instances where candidates may have prepared a narrow number of specific topics.
- At both levels, the increasing ability of candidates to link economic theory to everyday situations and recent events is welcome and indicative of engagement with the subject at a high level.
- The standard of answering in Section A of the examination paper, at both levels, was generally very good and candidates continue to be well prepared for this section.
- Candidates continue to perform very well in questions on market structures at both levels.
- Marks continue to be lost when brief or one–word answers are given in response to questions requiring developed points of information.
- Accuracy in presenting basic economic definitions continues to prove difficult for some candidates, especially at the Ordinary level.
- Candidates often respond incorrectly to question cues or command words, resulting in partial or incorrect responses to questions. This results in the loss of marks.

## **5. Recommendations for Teachers and students**

### **Recommendations for Teachers**

- In using illustrations and diagrams/graphs in class, emphasise the need to present information clearly (labelling of axes, scales etc).
- Discuss topical issues in terms of micro and macro effects as, in some instances, questions on the examination paper require students to move from the micro mode (causes) to the macro mode (effects).
- Emphasise the importance of learning basic economics definitions and concepts and provide opportunities for students to develop basic economic skills as early as possible.
- Explain the meaning of question cues commonly used in economics examination papers. These include ‘outline’, ‘explain’, and ‘discuss’. The amount of detail required in the answers will depend on the question cue used and the mark allocation indicated.
- Provide students with opportunities to practice writing examination style answers that are relevant and sufficiently comprehensive in nature.
- Remind students of the necessity of organising their time efficiently when sitting the examination so that they can complete the required number of questions.

### **Recommendations for Students**

- Be accurate with basic definitions – know the composite elements and make sure they are included.
- Learn how graphs/diagrams are composed and the factors that influence their shape.
- Present work clearly and legibly.
- Use diagrams where appropriate to illustrate your points and to demonstrate and apply economic theory. To use diagrams effectively:
  - make sure they are accurate
  - label them fully; remember that if the axes are not labelled properly most diagrams make little sense
  - make them large enough to be legible; make sure it is easy to read the diagram.
- Develop a thorough knowledge of key economic concepts.

- Understand the meaning of the question cues used in examination questions (e.g. outline, explain, distinguish, discuss etc.).
- Pay attention to the skills of analysis and evaluation.
- Practice the application of economic theory to real world situations.
- Develop points of information fully and avoid one word or one sentence answers when asked to 'explain' or 'discuss'.
- Manage time effectively and answer the precise question asked.
- Complete the required number of questions and all sections within questions.
- Practice answering examination style questions.