



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

# **Scholarship, 2005**

## **Economics 93402**

### **National Statistics**

### **Assessment Report**

**Economics, Scholarship, 2005**  
**93402**

**National Statistics**

No. Scholarship Results	Results			
	Outstanding	Scholarship	Scholarship	
	No. Awards	% of L3 Cohort	No. Awards	% of L3 Cohort
134	13	0.3%	121	2.7%

**Commentary**

Candidates were generally well prepared and most coped well with the essay format. There was a pleasing improvement in the quality of responses for 2005 compared with 2004. Most candidates made genuine attempts at all questions.

**Best performing candidates most commonly demonstrated the following skills and / or knowledge:**

- considerable insight, sophistication and precision in an analysis that focused on all relevant material
- integration of a wide range of economic theory, knowledge and understanding to complete an outstanding analysis in each essay
- abstraction, to identify the key elements in the resource material presented
- synthesis, by applying appropriate economic theory to identify and explain the relevant economic relationships and linkages
- constructing appropriate generalisations and reaching valid conclusions
- evaluation, by recognising the strengths and the limitations of the analysis
- appropriate economic literacy, including the use of economic terminology and theory, and clear, logical use of diagrams.

In Question One they:

- understood the concept of productivity, the factors that affect labour productivity and how productivity affects costs of production
- provided a range of ideas on ways to reduce the emerging income gap between New Zealand and Australia.

In Question Two they:

- accurately applied economic theory to the concept of externalities
- appreciated that government intervention is used to internalise the externality and thus reduce a deadweight loss
- provided a balanced evaluation on the policy measures that could be used to reduce greenhouse gas emissions.

In Question Three they:

- recalled the components of the current account balance
- identified the impact of growth on the current account deficit

- explained the link between the Reserve Bank's monetary policy and the exchange rate
- analysed the importance of capacity utilisation on the government's attempts to achieve price stability and economic growth in the New Zealand economy.

**Other candidates commonly lacked the following skills and / or knowledge:**

- depth in analysis, resulting from lack of proficiency in economic theory and insufficient economic literacy
- ability to interpret the wording of the questions carefully in order to appreciate the significance of the resource material provided and its relevance to each of the questions
- awareness to include appropriate graphs and diagrams, particularly in questions where instructed to do so
- planning skills to facilitate writing well-organised and logically presented essays
- time management skills, evidenced in particular by:
  - not writing enough in the final section of each essay to achieve the necessary depth in evaluation, synthesis and critical thought
  - writing a well-constructed first essay, but inadequate responses for the other two.