

Assessment Report

New Zealand Scholarship Economics 2023

Performance standard 93402

General commentary

The exam was topical and accessible and required a range of theory. Most candidates finished the exam. Candidates who answered all three questions, used mostly correct economic models, integrated relevant economic theory, and made evaluative statements achieved Scholarship.

Many candidates were unfamiliar with the economic theory for negative externalities of consumption, even though this topic had been covered in the 2022 examination.

Candidates are reminded that using a ruler and following graphing conventions is expected at Scholarship level, for example title and labels. More successful candidates used colour, letters, or highlighters to efficiently show change in economic models.

Report on performance standard

Candidates who were awarded **Scholarship with Outstanding Performance** commonly:

- provided evaluative analysis when required, for example:
 - in Question One, comparing the relative merits of a maximum / fixed price in the rideshare versus concert market, in the context of differing elasticities
 - in Question 3, evaluating the differing elasticities of imports and exports and the impact on the current account.
- demonstrated superior graphical analysis by constructing economic models which showed multiple and relative curve shifts, for example in Question Three, showed a double increase in supply for the New Zealand dollar, and a small increase in demand and larger decrease in demand, overall showing a depreciation.
- in Question Two, showed the elimination of the DWL by decreasing both MC and MB curves.
- wrote logical, relevant, and fluent responses that specifically answered the questions.

Candidates who were awarded **Scholarship** commonly:

- produced relevant, accurate models and referred specifically to locus points and curve shifts in their explanations
- used letters, highlighters, or shading to illustrate changes, for example changes to CS and PS in Question One or changes to DWL in Question Two using the MSB / MSC model
- integrated correct key terms and theory into explanations, for example elasticity theory or the components of the current account,
- selected relevant material from the resource booklet to support analysis, for example used both the data and information to explain the changes to balance of goods and balance of services in Question One
- answered all parts of each question.

Candidates who were **not awarded Scholarship** commonly:

- showed poor economic understanding, for example showing a shift to the right of the supply curve in response to an increase in price caused by increased demand in Question One
- provided models that were inaccurate or did not reflect the context, for example used models that did not reflect relative elasticities in Question One, or used the supply and demand model instead of the MSB / MSC model in Question Two
- did not identify DWL correctly
- confused allocative inefficiency in a perfectly competitive market with allocative inefficiency in a market with a negative consumption externality
- referred to export receipts and import payments, rather than the balances of goods and services specifically
- made statements that, whilst correct, lacked any detailed explanation or made a series of general statements without specifically answering the question
- did not answer the question asked, for example analysed the effects of the subsidy on the LEV market and not the HEV market in Question Two, or did not discuss the combined impact of the two scenarios on the New Zealand dollar in Question Three.