

# 8

## Preparing for examinations

### On completion of this chapter you should know:

- about the various skills and abilities that are assessed in the CIE examinations
- how to plan your preparation for examinations in an effective way
- how to feel confident in tackling CIE examination questions and knowing what examiners expect when marking your script
- why some students do not succeed or perform to their true ability in written examinations.

### Introduction

The assessment processes in CIE Economics are designed to test your skills and abilities to:

- recall, select and use economic theories, principles, concepts and methods
- identify and analyse economic problems and formulate solutions
- interpret and analyse economic data and draw logical conclusions
- analyse economic problems by using the models and concepts introduced in the course
- develop structured and reasoned expositions on economic theory and policy.

The evidence on which this assessment of your skills and abilities in each chapter is based comes from your performance in two written examination papers at AS Level and A Level (see Introduction to the book for more details).

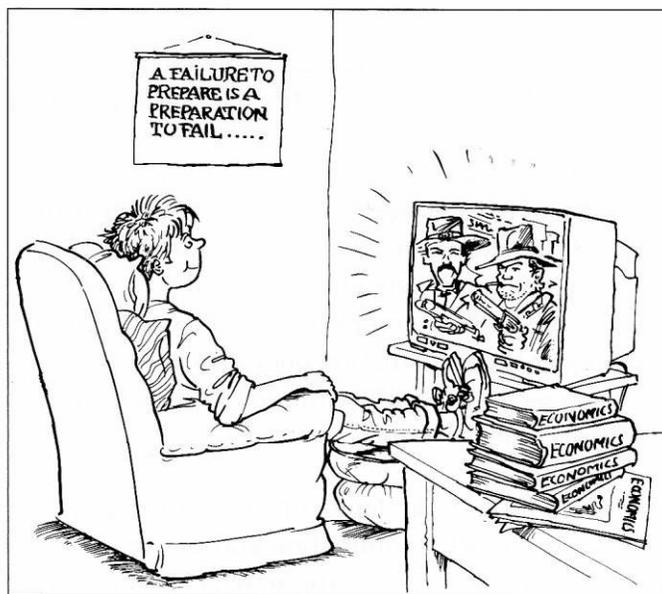
If you approach the assessment in a positive and meaningful way, then you should achieve the grade you are expecting, consistent with the time and effort you have devoted to your CIE Economics studies. For some students though, for all sorts of reasons, the final grade may be a disappointment.

So, what should you do to be successful? There is no magic formula but if you do the following, you will give yourself every chance of success:

- Read the Core (AS Level) and Supplement (A Level) sections in this book and feel confident that you have understood the main subject content.
- Complete all or most of the self-assessment tasks.

- Where possible, understand how the various problems, concepts, theories and policies might be applied to developing economies as well as to developed economies.
- Know what to expect and how best to tackle the examination papers.
- Make sure to use the additional information that is provided on the accompanying Student's CD.

The seeds for success therefore are sown long before you enter the examination room. The key thing is to be prepared. It is worth remembering: 'If you fail to prepare, you are preparing to fail'. Why not put this on your wall? But if you do, remember to practise what it says.



Adapted from an original drawing by Emily Bamford

## A few hints on how to study

As an AS Level CIE student, study is something you do from the first day of your course. This involves the gradual accumulation of the knowledge and skills that constitute the subject you are studying. You should also see the regular review or revision of such knowledge and skills as part of this process. (This is where the self-assessment tasks in this book are a great help.) Revision therefore is not something that is only confined to the last week or so before an examination. So: 'make study a habit; make revision a habit'.

*Managing* your time in an effective way is crucial. There should be regular periods in the week when you have spare blocks of time that you can devote to studying Economics. Even if it is only 30 minutes, if this is spent effectively, it will be of value to you. You should also try to have set places where you can study, ideally free from distractions such as loud music, talking, television noise and so on. This may not be easy but try to have set times and places for your study and stick to a routine.

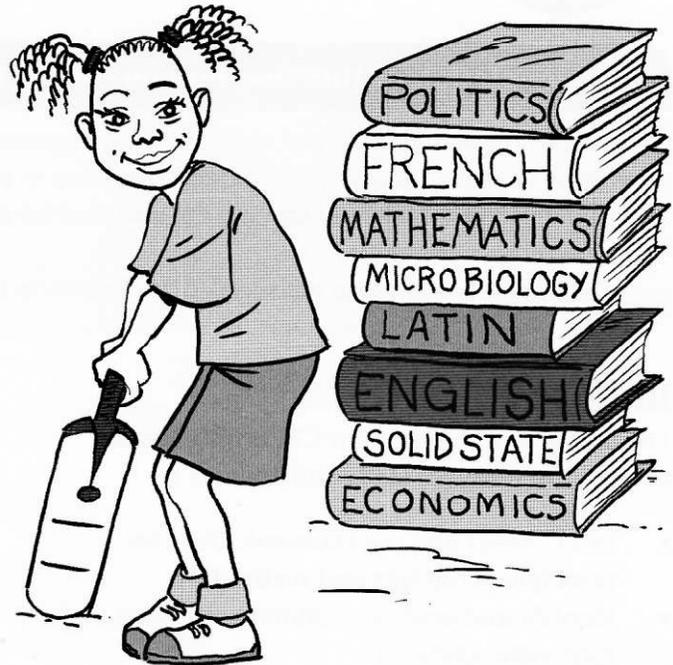
A second important aspect of time management is *planning*. All students should try to do this by thinking ahead. This is particularly important where, as in the CIE examinations, you are taking the examinations on a staged basis. (Papers 1 and 2 are usually taken at the end of the first year of study.) Time is therefore limited between the start of teaching and when you have to take your first examinations.

Here are a few simple suggestions that might help:

- Read through your class notes on a daily basis; follow this up by reading the relevant topic in this book.
- Make a weekly plan of what you have done; at the end of each week, go over the reading again and see if you can do the self-assessment tasks that are incorporated into the topic.
- When you have completed a topic, see if you can answer the examination questions at the end of each section – ideally without referring to your notes or to the book.

Think and plan ahead. Find out when you might have to do a 'mock' examination and, above all, make sure you know when the actual examination will be taking place.

All of these simple things should help you feel relaxed and confident when you take the examinations. So, remember: 'If you fail to prepare, you are preparing to fail'.



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## A few hints on how to study effectively

Each of us has a preferred study environment where we can work in an effective and efficient way. For some it may be at home; for others it may be in a school or public library where the distractions going on around us can at least be shut off for an hour or two. The best time for study may also vary – much will depend upon your family circumstances and how you can arrange to study in relation to these and other commitments on your time.

Whatever the best time, the following advice should help you.

- Put yourself in a position where you can concentrate on your work. This is most unlikely to happen if your favourite television programme is on in the same room. The attention span of most people is 40–60 minutes. After such a period, have a drink and a rest, maybe do something else before studying for a further period.
- When reading, make notes on what you have read and incorporate these into your class notes

**Elasticity – responsiveness of quantity demanded to a change in price, income or prices of substitutes or complements**

$PED = \frac{\% \text{ change in qty demanded}}{\% \text{ change in price}}$	_____	elastic >1 inelastic <1 unitary =1	}	applies to all measures
$YED = \frac{\% \text{ change in qty demanded}}{\% \text{ change in income}}$	_____	+ve – normal goods –ve – inferior goods		
$XED = \frac{\% \text{ change in qty demanded, good A}}{\% \text{ change in price, good B}}$	_____	+ve – substitutes –ve – complements		

**Use and applications:** prediction of effects of price changes on quantity demanded; forecast effects of a change in income on demand; pricing strategies for firms in competitive markets

**Examples:** low PED – petrol, alcohol  
 normal goods – many consumer goods  
 inferior goods – cheap margarine, black and white TVs  
 substitutes – pork and chicken, car and bus travel  
 complements – petrol and car travel

**Figure 8.1** Example of a revision card

on a particular topic. You will also find it useful to do the self-assessment tasks in this book and work through sample CIE examination questions on a topic. Writing and working in this way greatly enhances your understanding of a topic. Do not just read material on its own – the problem with this approach to study is that you will very quickly forget what you have read. The big advantage also of making notes is that they will be there for future revision when you need them.

- Once you have completed the study of a particular topic, condense your notes and write them on a revision card, which you will find invaluable for use shortly before examinations. An example of such notes is shown in Figure 8.1.

So, it is not so much how long you study but how effective you are in your studying. Make sure you use your time in such a way that you feel in control of your own learning experience.

## Examination questions

### Types of question

There are three main types of question in the CIE Economics examinations. These are:

- multiple-choice questions
- data-response questions
- essay questions, including structured questions.

All questions draw upon the subject content of each section of the curriculum content at AS Level and at A Level.

Let us look at each type in turn, as various skills are being examined in each of these forms of question.

*Multiple-choice questions* are used to assess the extent to which you understand the full subject content of the syllabus. Typically, they take the form of a ‘stem’ followed by four possible answers. You are required to identify which of these so-called ‘keys’ is the correct answer. In most questions, one key is clearly wrong, two are temptingly correct whilst one

is the correct answer. So, beware! These questions are not as easy as they might appear.

With such questions, it is absolutely vital that you attempt all questions in the time available. If you are running out of time, make a guess. You have still a one in four chance of being correct!

With multiple-choice questions, practice is essential. Below is a strategy that you may find helpful.

- Go through the question paper, answering those questions that you can answer quickly and with confidence that you know the correct answer.
- Leave any you find difficult or that require a lot of calculations.
- Go back and attempt those questions requiring calculations.
- Finally, return to those questions that you have found difficult.
- As the examination time runs out, make a guess at any questions you have not attempted.

If you take a 'mock' examination, find out all the correct answers – be sure you know how and why you got the right answer or why the answer you selected was wrong. It is very important that you do this so that you can prepare better for the real examination.

*Data-response questions* are more varied. At AS Level, this type of question draws upon a relatively short, simple set of economic data with some text. For A Level, the questions are derived from more varied stimulus material, e.g. graphs, diagrams, reports or from text which may also contain data. The data-handling skills you need to feel confident when answering such questions are those contained in the Introduction.

When you come across a data-response question for the first time:

- look at the title as it may give some clues about its content
- read any table or column headings and see if you know what they mean
- see if you can pick out the main patterns in the data using the 'eye-balling' technique referred to in the Introduction
- pick out any notable features of a chart or diagram
- see if you can recognise the economic concept or concepts contained in the data.

Once you have done this you should feel comfortable with the information provided.

Data-response questions require short answers. These can take three forms:

- questions that require no more than interpretation of the data provided – answers to such questions could be no more than a word, a number or a short phrase
- questions that require your understanding of an economic concept that is contained in the data
- questions where you are required to discuss some aspect or theme in the data.

But do remember not to write more than you have to – the marks available should give some indication of how much is required.

*Essay questions* require extended writing. This form of assessment is used in Papers 2 and 4 of the CIE examinations. Some of the questions are 'structured', i.e. they consist of a number of parts, usually two. Others, especially at A Level, take the form of a single task. You are expected to spend a total of around 50 minutes writing your essay questions.

General advice on how to write in an effective way is given in the Introduction – why not go back and refresh yourself on the main points?

## The wording of questions

A lot of care, thought and attention goes into the final production of all CIE examination papers. So, when you sit an examination, it is important to appreciate that the questions which are on the examination paper have been set by an examiner who requires you to answer these questions. Put another way, examination papers never contain questions such as:

Write all you know about...

or

Write as much as you can remember about...

Unfortunately, students don't always appreciate this point!

All examination questions contain two very important instructions:

- **Directive words** indicate what form the answer should take. For example, it could be

in the form of a description, a discussion, an explanation or merely a statement. These words are there for a purpose, namely that they have been used by the examiners to say what they are looking for (in skill terms when you answer a particular question).

- **Content words** are much more diverse in nature since they cover the whole of the subject area of the syllabus. Their aim is to make clear what is the focus of the question and what examiners require you to write about.

Table 8.1 (page 296) shows a list of key directive words which are most likely to occur in CIE Economics examination questions. You should study these carefully and understand what each means. You will then appreciate that a question which asks:

‘Define price elasticity of demand’  
is not the same as  
‘Explain what is meant by price elasticity of demand’  
is not the same as  
‘Discuss the relevance of price elasticity of demand in business’.

## A simple method for interpreting essay questions

The following question was set in the October/November 2008 9708/02 examination:

- a** Explain the market failure which arises from the characteristics of public goods. [8]
- b** Discuss whether the use of cost–benefit analysis helps to improve economic decision making. [12]

The subject content comes from the Core section of Chapter 3. The question is in two parts. You need to spend about 20 minutes on part **a** and about 30 minutes on part **b**... not the reverse. This is important.

Part **a** has ‘explain’ as the directive word. This is widely used in Economics examinations and indicates that your answer should contain reasons. The subject content is ‘the characteristics of public goods’. Having briefly described these characteristics, you must then explain why market failure could arise. In other words, you need to explain why the characteristics of public goods may not always be

applicable. A good approach is to include some typical examples in your answer.

Part **b** is more challenging. This is indicated by the directive word ‘discuss’. This is flagging up that you need to put two sides of the argument in your answer. (Remember the two-handed economist! On the one hand... on the other hand...) In terms of content, the question is inviting you to say why cost–benefit analysis can ‘improve economic decision making’ and why in some cases, it does not ‘improve economic decision making’. Again a few examples that are known to you will enhance the quality of your answer.

## How to impress CIE economics examiners

Let us start with a few typical comments that CIE examiners often write on some of the examination answers they read:

- ‘Does not answer the question’
- ‘Too vague’
- ‘Misses point of question’
- ‘No application’
- ‘Descriptive. No analysis of issues’
- ‘No discussion’
- ‘Ignores second aspect of question’

These comments clearly indicate that the candidates have not done what was expected from them. So, the first way to impress any examiner reading your examination scripts is:

- **Answer the question** In other words, produce an answer as directed by the question. The information above, in particular the simple method for interpreting examination questions, should help you to write your answer in a clear, well-structured manner as directed by the question. This point cannot be emphasised too much!

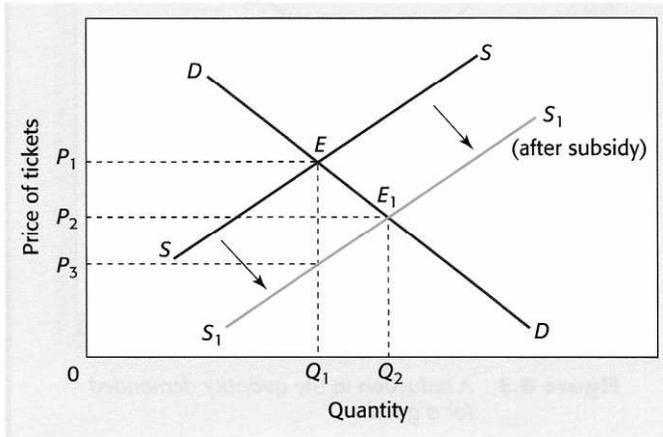
There are various other ways in which you might impress an examiner. For example:

- **Diagrams** These are very important and a relevant means of economic explanation. Many of the topics you come across in Economics can be illustrated by a diagram or by means of

Directive word	What it means	Where you can expect it to be used
Calculate	Work out using the information provided	
Define	Give the exact meaning	
Describe	Give a description of	
How	In what way or ways	
Identify	Give an example	
Illustrate	Give examples/diagram	
Outline	Describe without detail	
State	Make clear	Usually in the early parts of data-response questions, short answer, multiple-choice questions and some structured essay questions.
Summarise	Give main points, without detail	
What	State clearly	
Which	Give a clear example/ state what	
Analyse	Set out the main points	
Apply	Use in a specific way	
Compare	Give similarities and differences	
Explain	Give clear reasons or make clear	In the later parts of data-response questions and in the early parts of essay questions.
Account for	Give reasons for	
Consider	Give your thoughts about	
Assess	Show how important something is	
Comment upon	Give your reasoned opinions on	
Criticise	Give an opinion, but support it with evidence	
Discuss	Give the important arguments, for and against	In the final part of data-response questions and in essay questions.
Evaluate	Discuss the importance of, making some attempt to weight your opinions	

**Table 8.1** Key directive words

an explanation supported by a diagram. You have only to glance at the topics in this book to see this. So, a relevant, correctly drawn diagram, used effectively and referred to in your answer, will impress an examiner reading your examination script. An example of good technique is shown in Figure 8.2.



**Figure 8.2** *The effects of a subsidy on the price of tickets*

The diagram shows how the price of tickets to watch cricket will be affected by the introduction of a subsidy. As this diagram indicates, the subsidy will lead to an increase in supply, shifting the supply curve downwards and to the right. The price which spectators will have to pay falls from  $P_1$  to  $P_2$  – it does not fall to  $P_3$ , as part of the subsidy (that shown between  $P_3$  and  $P_2$ ) will be retained by the ground owners to offset the higher costs incurred as a result of the increase in the number of spectators.

- Current issues and problems** One of the reasons for studying Economics is to help you understand some of the things that are taking place around you. So, when you get the opportunity to demonstrate your knowledge, do so! For example, if you are answering a question on the negative externalities associated with environmental pollution, you might refer to a local example which is known to you or something you have seen in a newspaper or magazine. Most of the topics in the syllabus can be supported by additional up-to-date material that is not always found in textbooks.

- Refer to things you have read.** It follows that there are instances where it would give more meaning to your answer if you referred to some material by name, e.g. an article, an example from a textbook or the views of a particular economist.

## Common mistakes made in CIE Economics examinations

In addition to a failure to answer the question, the other main mistakes made by candidates are:

- a failure to allocate writing time in an appropriate way
- confusion over similar terms
- meaningless, wrongly drawn diagrams or diagrams which add nothing to an answer.

Let us conclude this section by looking at each in turn.

- Figure 8 in the introduction showed the time allowed for each of the examination papers. You must make sure you allocate your writing time in the examination in a meaningful way. Roughly speaking, allocate your writing time in direct proportion to the marks available for each question.
  - Do not exceed the time you have allocated for each question.
  - If you cannot do a particular question, leave it and move on to the next one. (You can always return to it later on in the examination if time permits.) You will only get marks for the questions you answer – your script, though, will always be marked out of the total marks allocated.
- A second problem in Economics examinations is that, on occasions, candidates sometimes confuse terms which are similar (in terms of content) or which have similar names (but mean something different).

Table 8.2 contains a few common examples. Watch out also that you express formulae correctly – in particular elasticity formulae.

Topic	Often confused with
elastic demand	inelastic demand
allocative efficiency	productive efficiency
prices	costs
merit goods	public goods
direct taxation	indirect taxation
external costs/benefits	social costs/benefits
real income	nominal income
rate of interest	exchange rates
fiscal policy measures	monetary policy measures
aggregate demand	aggregate supply
balance of trade	balance of payments
income	wealth
monopoly	monopolistic competition

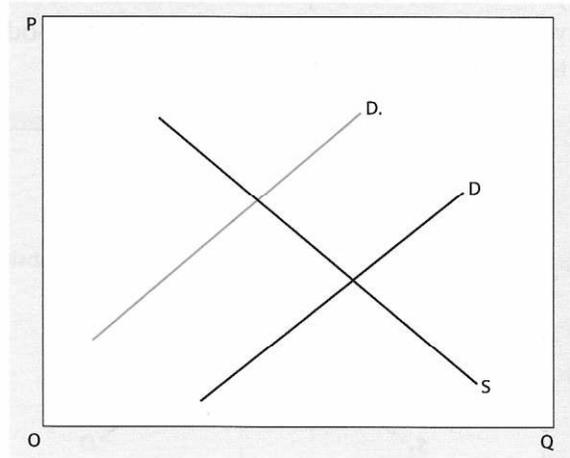
**Table 8.2** Common errors over terms and topics in the CIE Economics syllabus

Finally, a common mistake which candidates often make is in the way in which they use diagrams in their answers. Common errors are:

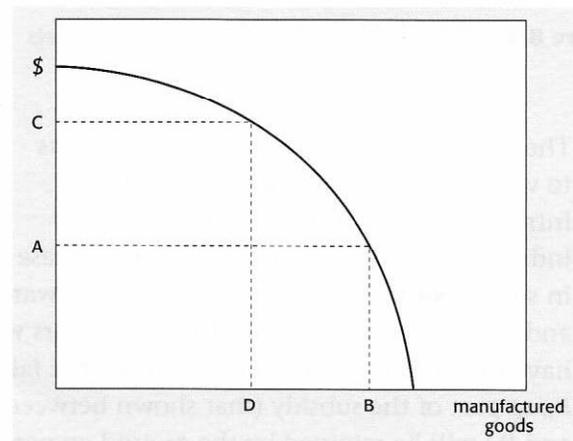
- labelling axes incorrectly or not labelling them at all
- making diagrams too small
- drawing lines and curves incorrectly, usually through being wrongly sloping
- failure to use a diagram in an answer when asked for one to be included
- including a diagram when one is not needed and where it does not enhance an answer at all.

### SELF-ASSESSMENT TASK 8.1

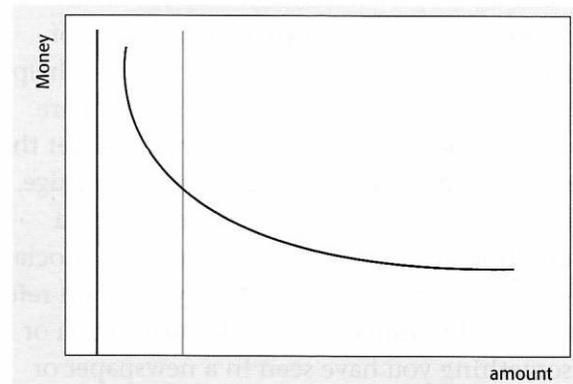
Below are examples of badly drawn diagrams. How many improvements can you make?



**Figure 8.3** A reduction in the quantity demanded for a good.



**Figure 8.4** A PPC showing how the output of one good changes



**Figure 8.5** Figure showing an increase in the money supply

## SUMMARY

In this concluding section it has been shown that:

- It is very important for you to be well organised and to be able to plan ahead if you are to succeed in CIE Economics.
- Candidates who underperform in examinations have usually not been adequately briefed on the type and style of question.
- Revision should be an ongoing process, not just a last-minute activity you carry out just before a written examination.
- A lack of time and an inability to understand the relevance of directive words are the most common causes of underperformance.
- CIE examinations contain three forms of examination questions.