

# ECONOMICS

## SUBJECT 9158

NOVEMBER 2012

### PAPER 02

#### GENERAL COMMENTS

The performance of the candidates was generally good. Performance was at least above average and better than the previous year. There is an improvement in answering higher order questions.

#### QUESTION 1

- (a)
  - (i) Generally the performance of candidates was good. However, some candidates confused price floors with price ceilings. Some candidates failed to illustrate maximum price diagrammatically. Teachers should emphasise on use of diagrams.
  - (ii) Most candidates were just copying statements from the case which did not answer the question. Some did not understand the word price freeze.
- (b) Most candidates were able to identify the points but failed to explain them.
- (c)
  - (i) The question was badly answered. Teachers are encouraged to effectively teach the concept of exchange rates.
  - (ii) The question was poorly done by most candidates. They did not know that price freezes are price controls. Teachers should exhaust alternative words used that mean the same thing.
- (d) The question was fairly answered. However, some candidates could not distinguish the effects of price floors and price ceilings.

#### QUESTION 2

- (a) Candidates failed to define global crisis which indicated that globalization is not well taught in schools. Candidates further failed to define fiscal policy.
- (b) Most candidates described the whole pattern instead of the trend. Area needs a lot of attention.

- (c) Candidates failed to link the given data on how it might be used to measure the standards of living. They only stated the data instead of explaining the link.
- (d) The performance of the majority of candidates was quite good. However, a few candidates took rapid economic growth to be rapid population growth. Some also just listed points and failed to explain them.