EXAMINERS' REPORT
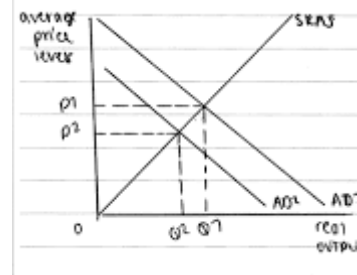
ECONOMICS - II

HIGHER SECONDARY SCHOOL LEVEL

ANNUAL EXAMINATION 2018

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PART I: STATISTICAL INFORMATION

The examination consists of the paper of Economics having 100 marks administered to the students who completed second and final academic year of their Higher Secondary School Certificate (HSSC) level. The question paper was organized into three sections, namely: "Section A" consisting of question number one with twenty compulsory structured part questions - Multiple Choice Questions (MCQs) of one mark each; "Section B" having 50 percent weight-age consisting of question number two (part a & b) with twenty one part-questions - Short Response Questions (SRQs) in "part a" from which students were required to choose 15 and two sub-questions in "part b" from which one question was to be attempted; and, "Section C" consisting of 04 Extended Response Questions (ERQs) from which students were required to choose 03 questions with proportionate weight-age of 30 percent of the paper. Time duration of the paper was three hours.

A total of 3033 examinees appeared in this paper during annual examination 2018. Amongst these, 2325 examinees (76.65 percent) passed the examination with the grade distribution summarized in the following Table 1:

Table 1: Grade-wise distribution of examinees

Grade	Examinees Registered	Percentage of Grade
A1	86	2.77
A	170	5.48
B	376	12.11
C	542	17.46
D	588	18.94
E	563	18.13
F	708	22.80
Absent	72	2.32
Total	3105	

PART II: GENERAL COMMENTS

Most of the examinees handled" Section A and B" well in terms of attainment of relatively better marks. These section were dominated by the questions of knowledge level cognitive domain. The examinees performed better in the knowledge based questions focusing only on the recall of the known facts contrary to questions involving use of quantitative aspect and comprehension of behavior of curves explaining an economic phenomenon. This suggests relatively weaker comprehension of majority of students towards cause and effect relationship, quantitative aspects and graphical illustration of the subject matter.

Fig 1: Cummulative performance in all sections

Composition and construction of the Multiple Choice Questions (MCQs) in "Section A" and Short Response Questions (SRQs) in "Section B" has been analogous - dominated by knowledge level questions in which students were asked to define, identify, list, write down, what is..., etc. As the choice was available, therefore, majority of the students preferred these questions over the questions of partial "understanding and application" levels. Performance in "Section C" containing Extended Response Questions (ERQs)
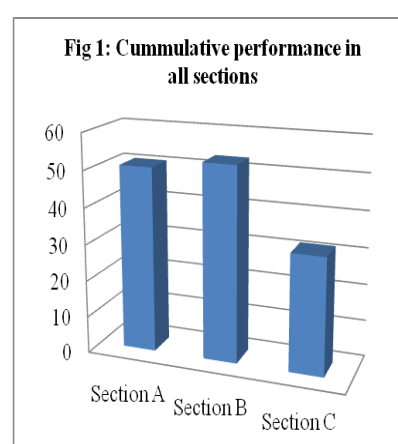
has been markedly low in comparison to preceding sections as depicted in Fig 1. Apart from composition and construct of questions in general and "Section B and C" in particular has largely been ambiguous and failed to identify explicitly the scope of question, subsequent expectations and guidance to answer by the examinees. Achievement of examinees exhibited inverse relationship with range of marks allocated against a question i.e higher achievement of examinees in format of SRQs, followed by ERQs *(see Fig 1).*

Areas Noted for Improvement of Various Stakeholders

Analysis of question paper, answer scripts, performance and observations/comments of Head and Sub-examiners led to the identification of following deficiencies in examination system:
i)   Inability of paper setter to select and use appropriate command words while writing the question items for different sections of this paper. In fact command word spells out chronology, determines the scope of question and guides the students to answer the question. For example, there was a uniform allocation of 03 marks for each part or sub-question of Question 2 in "Section B" where a good number of questions started with command word like "define". This means students just need to define the term like economic development, capital formation, cross cheque, unemployment, etc. against 03 allocated marks which is a rare phenomenon. This confused the examinees as well as examiners too while attempting and grading these questions, respectively. Therefore, simply asking to define in this section against three marks is not only unjustified but misleading too. All questions need to start with appropriate command words explaining appropriate scope of questions together with the ability to guide the examinees how to answer them.

ii)   Questions with clearly defined components and scope stitched with judicious distribution of total marks over its components in "Sections B and C" shall help guide the examinees to determine the extent of required response. For example, some students just defined term economic development, trade, capital formation, public finance, etc as required by paper setter but the head examiners were not convinced to award three marks for a single definition and identified some additional expectations from students which might have affected examinees' achievements adversely. Conversely, examinees wrote long answers to different parts of Questions 2 (xviii, b-i & ii, etc.) where scope of questions was not well defined. Such shortcomings were too prominent in "Section C" where each question had 10 marks but the nature of question statement was too generic, like in Question number 3 and 5. Question statement did not provide any clue towards expectations of paper setter from the examinees. Thus there is need to build greater understanding relating to the command words to be used in "Section B and C". This may help guide the students to write precise answers that respond explicitly to the requirements of questions. Knowledge of command words and their appropriate usage need to be inculcated to teachers, students, question item writers and paper setters.

iii)   All sections of the question paper were dominated with questions of knowledge level and thus only promoting memorization and cramming. Assessment Grid is required to be revisited and pre-defined to have balanced paper in conformity with internationally acceptable combination of questions of different cognitive levels. Needless to mention, judicious combination of questions of different cognitive levels can only segregate the students of different learning levels from a given cohort of an examination.
iv)   Economic phenomenon usually have theoretical, graphical and mathematical expressions. However, paper was found grossly deficient to test skills of examinees in

understanding of graphs, curves and illustrating economic relationships using cause-and-effect linkages. Relative poor performance even in questions requiring incorporation of graphs and diagrams suggest revisit of SLOs, teaching material and pedagogy.

v) Disproportionate or variant achievement of examinees in different format of questions (higher achievement in format of MCQs and SRQs contrary to ERQs) calls to: revisit the question item writing process to improve the use of appropriate command words, chronology and scope of question item; composition and pattern of question paper; strict monitoring during examination in general and administration of MCQs in particular; development of marking scheme with disaggregation of marks at micro level for each part of a question; and, effective monitoring of head examiners for strict adherence to marking scheme by the sub-examiners during marking process.

vi) Efforts shall be made to improve quality of question papers in terms of face, contents, construct and criterion validity through capacity building of test item writers and paper setters. Efforts of FBISE towards establishment and strengthening of question bank may help reduce issues of composition and construct of question papers.

PART III: QUESTION SPECIFIC COMMENTS

SECTION - A

Question number one, an exclusive question of this section comprised of 20 compulsory "Multiple Choice Questions (MCQs)" as part or sub-questions. This question was attempted by all examinees. Overall achievement of examinees in this section is summarized in Table 2 below:

Table 2: Distribution of examinees against different level of achievement

Marks	1-4	5-8	9-12	13-16	17-20	Mean Marks (Percentage)
Percentage	3.61	28.15	43.66	22.02	2.52	10.13 (50.65)

Mean marks obtained in this section are 10.13 with overall achievement of 50.65 percent which is 18.82 percentage points higher than overall performance in the ERQs of "Section C". Overall achievement in this section has been highly spatial. About one-third of examinees are positioned in the two lowest quintiles of marks; around forty three percent in median quintile; and, approximately two and half percent of examinees could achieve more than eighty percent marks in this section.

Decomposition analysis of part questions revealed that with few exceptions, questions asked were of "Knowledge" level, using command words like to define, identify known facts/situation(s), enlist, write down, etc. Those students who were good in memorization or recalling of facts had relatively high probability to perform better. As choice was not available with examinees and also there was no threat of negative marking, the examinees tried to attempt all part questions. Question and response analysis of this section is summarized in Table 3 below:

Table 3: **Question and response analysis with option chosen against each question**

Q. No.	Percentage population opting each distracter with respective point bi-serial value				Comments {cognitive level (CL), discrimination index (DI), poor distracter (PD), strong distracter (SD), facility index (FI)				
	% A	% B	% C	% D	CL	DI (0.27)	FI	PD	SD
1	13 (-0.2)	74 (0.39)	4 (-0.17)	9 (-0.24)	K	0.42	0.74	A,C,D	--
2	15 (-0.33)	76 (0.43)	3 (-0.13)	6 (-0.18)	K	0.45	0.76	A,C,D	--
3	19 (-0.22)	68 (0.41)	12 (-0.3)	1 (-0.09)	K	0.48	0.68	C,D	A
4	28 (-0.24)	10 (-0.16)	54 (0.42)	8 (-0.19)	K	0.52	0.54	B,D	A
5	27 (0.27)	24 (-0.01)	29 (-0.19)	19 (-0.08)	U	0.27	0.27	--	B,CD
6	34 (0.35)	32 (-0.03)	19 (-0.18)	14 (-0.22)	U	0.43	0.34	--	B,C,D
7	17 (-0.15)	32 (-0.14)	40 (0.34)	11 (-0.13)	U	0.40	0.40	--	AB,D
8	7 (-0.23)	12 (-0.22)	74 (0.41)	7 (-0.19)	K	0.45	0.74	A,B,C	--
9	22 (-0.13)	22 (0.05)	50 (0.09)	6 (-0.03)	K	0.13	0.50	D	A,B
10	22 (-0.06)	26 (0.27)	14 (-0.08)	37 (-0.13)	A	0.29	0.26	--	A,C,D
11	27 (-0.22)	55 (0.47)	11 (-0.27)	7 (-0.17)	K	0.60	0.55	D	A,C
12	23 (-0.12)	36 (0.3)	17 (-0.19)	24 (-0.04)	U	0.34	0.36	--	A,C,D
13	42 (0.35)	36 (-0.17)	11 (-0.13)	10 (-0.15)	K	0.40	0.42	--	B,C,D
14	60 (0.33)	12 (-0.23)	15 (-0.06)	12 (-0.18)	K	0.39	0.60	--	B,C,D
15	39 (0.31)	26 (-0.11)	11 (-0.11)	23 (-0.15)	K	0.38	0.39	--	B,C,D
16	25 (-0.25)	60 (0.4)	5 (-0.16)	6 (-0.18)	K	0.49	0.60	A	C,D
17	12 (-0.22)	21 (-0.22)	60 (0.44)	7 (-0.2)	K	0.53	0.60	D	A,B
18	21 (-0.11)	10 (-0.11)	34 (-0.44)	33 (-0.21)	K	0.49	0.34	--	A,C,D
19	69 (-0.09)	27 (0.18)	1 (-0.02)	2 (-0.03)	K	0.16	0.27	C,D	A
20	6 (-0.19)	11 (-0.25)	3 (-0.08)	78 (0.42)	K	0.42	0.78	A,B,C	--

*The correct answer is indicated by shading
Cognitive level: Knowledge (K), Understanding (U), Application (A)

Facility Index (FI): Question number 10, asking for determination of change in total bank deposits as a consequence of incremental change in deposit under given reserve ratio, proved to be one of the most challenging questions and could hardly be attempted correctly by 26 percent of examinees. The least challenging was question number 20 regarding number of methods of national income accounting attempted correctly by 78 percent of examinees . FI value for eleven questions is more than 0.5 (ranged between 0.5 to 0.78), suggesting that these questions were much easier for this cohort of students. Amongst others, value of FI for four questions ranged between 27 to 34 percent, signifying relatively higher difficulty level. These questions were mostly of understanding and application level, except question number nineteen which was of knowledge level but had serious flaw in a distracter which attracted the majority of examinees.

Discrimination Index (DI): A useful instrument which shows how score for this part question is correlated with score of overall question. Being marginally smaller sample size, the index is calculated by taking 27 percent examinees each from upper and bottom sub-groups of this cohort. Positive value of DI for all questions suggest that questions were well stated and conveyed clear meaning to the examinees. On basis of DI values, *thirteen* test items are found good for having value equal to or greater than 0.4, followed by *three* reasonably good items with DI value ranged from 0.30 to 0.39; *two* marginal items with DI value ranged from 0.2 to 0.29; and, *two* poor items with DI value less than

0.2 (Ebel and Frisbie, 1986). Amongst these, *fifteen* MCQs are found ideal questions having difficulty index range between 0.3 to 0.7 with DI value greater than 0.24. Discrimination effectiveness of each distracter has also been determined using similar formula as suggested by Nitko and Hsu (1984). On basis of percentage attraction towards wrong options in relation to percentage attraction to correct choice i.e. choice of wrong option around twenty percent or above of correct option means strong distracter and vise versa. Accordingly, *four* MCQs were found deficient for not having a single strong distracters contrary to *nine* MCQs in which there was not a single week distracter.

Point Biserial (r_{pb}): This correlation coefficient is used to determine extent of discrimination amongst various distracter of a question. It relates the examinees' item/subpart score with their total score on the test/question (Luc Le 2012). It can be useful to establish the validity of a question as well as its distracters (LeBlanc and Cox, 2017). Its values rage between -1.00 and +1.00. A large positive value of a question and the distracters indicate that the examinees with higher mean score have opted it. Whereas, the larger negative values indicate the dwelling of low achievers on that option (distracter).

Point bi-serial analysis
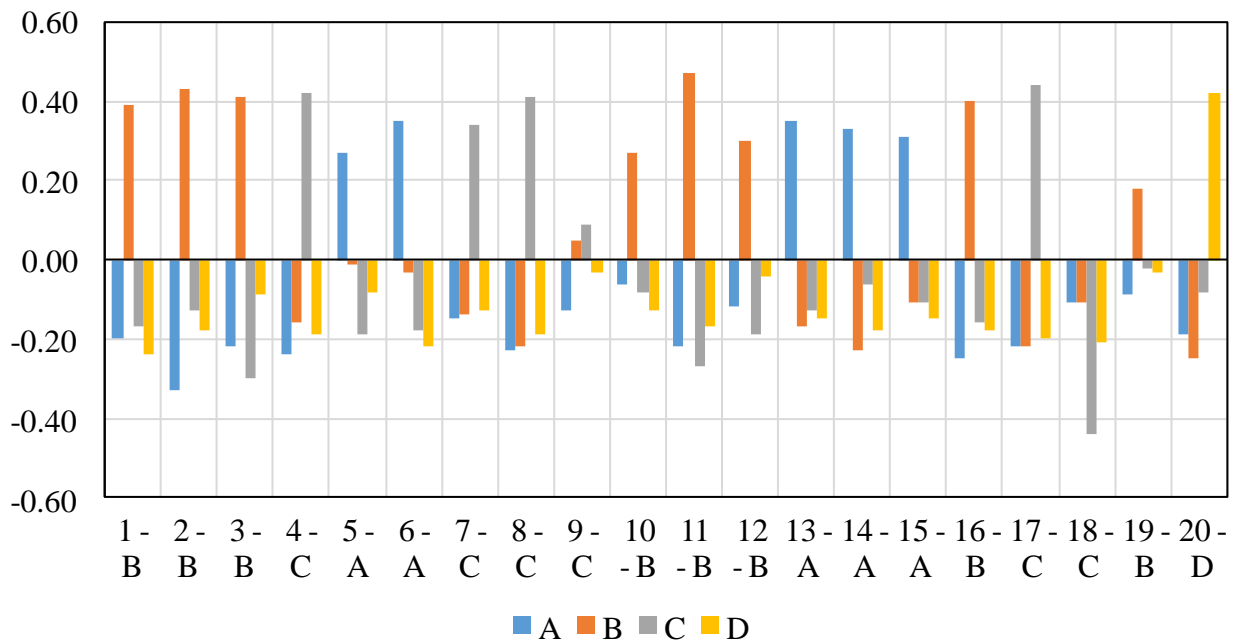
Value of r_{pb} has been positive for correct options of all questions. This value has relatively been lower for questions number 9 and 19 i.e. lesser than 0.2 (with FI's 0.50 and 0.27, respectively). This lower value indicate that either the question number 9 was attempted correctly by relative low achievers or the distracter in question number 19 was so attractive that it attracted majority of the examinees including some high achievers as well. It is also appreciable that the r_{pb} values of all the distracters in the questions 1-20 are negative except for that of distracter B in question 9. It is the only incident where the examinees with higher mean scores got the question wrong by

attracting to distracter B resulting in positive value for the distracter along with the correct option.

SECTION - B

Question number two is the single question of this section comprised of 21 "Short Response Questions (SRQs)" as sub-questions in its "part a" and two sub-questions in "part b". Contrary to "Section A", choice in selection of questions was available up to 30 percent. Approximately, three-fourth of the questions asked were of "Knowledge" level in which students were asked to define, list, write down, what is..., etc. Remaining questions were partially of "Understanding and Application" level. Besides composition, improper construct of question items was another serious issue for examinees as well as for examiners. Students who were good in memorization or recalling of facts preferred and performed relatively better in questions of knowledge level. Mean score obtained in this section has been 26.56 marks i.e. an achievement up to 53.12 percent. More than 25 percent of examinees are positioned in the two lowest quintiles of marks and around 10 percent of examinees could achieve more than eighty percent marks in this section. Overall achievement of examinees in this section is summarized in Table 4 below:

Table 4: Distribution of examinees of a cohort against different marks

Marks	1-10	11-20	21-30	31-40	41-50	Mean (Percentage)
Percentage	7.23	20.58	35.38	27.39	9.43	26.56 (53.12)

Question Specific Details of Section - B

i) **Differentiate between GNP and NNP?**

Question asked is of **understanding level** aimed to test ability of students to i) differentiate between GDP and GNP; ii) GNP and NNP; and, iii) substantiate the difference with examples. Head examiners has suggested allocation of one mark to each of the above three expectation from students. This question is attempted roughly by more than two-third of the total examinees. Amongst them, 55 percent examinees successfully differentiated between GNP and NNP using appropriate example(s). Average achievement of examinees in this part question has been 2.04 marks.

ii) **Why are transfer payments not included in the national income?**
Question asked is of **understanding level** aimed to test ability of students towards i) overall comprehension about the concept of transfer payments and their types using an appropriate example; and, ii) reasons for non-inclusion in national income. Head examiners has suggested allocation of one and two mark to each of the above two expectation from students, respectively. This was one of most choice question attempted by 75 percent examinees. Amongst them, 55 percent examinees clearly identified the reasons for non-inclusion of transfer payments in national income accounting and overall 58 percent students substantiated the concept of "Transfer Payment" with suitable example(s). Average achievement of examinees in this part question has been 2.25 marks.

iii)   Define economic development

Question asked is of **knowledge level** aimed to test ability of students to i) recall or define the concept of economic development by differentiating it with growth; and, ii) substantiate it with suitable example(s). Head examiners has suggested allocation of two and one mark to each of the above two expectation from students. About half of the examinees opted to attempt this question. In contrast to expectation of examiners, barely one-third examinees attempted to differentiate between growth and development using appropriate examples. An average of 1.63 marks have been obtained by the examinees in this part question.

iv)   Differentiate between Average Propensity to Consume (APC) and Average Propensity to Save (APS).

Question asked is of **understanding level** aimed to test ability of students to i) define and differentiate between Average Propensity to Consume (APC) and Average Propensity to Save (APS); and, ii) write the functional form and illustrate with example(s). Head examiners has suggested allocation of two and one mark to each of the above two expectation from students, respectively This question is attempted roughly by two-third of the total examinees. Amongst them, 53 percent examinees successfully differentiated between APC and APS using appropriate example(s). Further, 44 percent examinees substantiated this difference using functional form. Average achievement of examinees in this part question has been 1.85 marks.

v)   Write any three causes of increase in government expenditure

Question asked is of **knowledge level** aimed to test ability of students to recall three reasons for increase in government expenditure. Head examiners suggested allocation of one mark to listing of each reason. This was one of the fair choice question attempted by about two-third of total examinees. Beside listing the causes of increase in government expenditure, about 45 percent examinees additionally attempted to differentiate between development and non-development expenditure. An average of 1.91 marks have been obtained by the examinees in this part question.

vi)   What is the difference between income tax and corporate tax?

Question asked is of **understanding level** aimed to test ability of students to i) to define income tax and corporate tax; and, ii) differentiate and substantiate between income tax and corporate tax with help of example(s). This question is attempted by 56 percent of the total examinees. Amongst them, 42 percent examinees successfully differentiated between income and corporate tax using appropriate example(s).   An average of 1.61 marks have been obtained by the examinees in this part question.

vii)   Define investment and investment function?
Question asked is of **knowledge level** aimed to test ability of students to i) recall or define the concept of investment and investment function ; and, ii) differentiate between both the concepts with example(s). Head examiners has suggested allocation of one to each of the above two expectation from students. This was a fair choice question is attempted roughly by 53 percent of the total examinees. Amongst them, 48 percent examinees successfully differentiated between investment and investment function. Average achievement of examinees in   this part question has been 1.77 marks.

viii)   Define capital formation

Question asked is of **knowledge level** aimed to test ability of students to i) define and elaborate with examples the concept capital formation; and, ii) differentiate capital formation with investment. Head examiners has suggested allocation of one and two marks to each of the above two expectation from students, respectively.   This was one of the fair choice question attempted by 53 percent examinees. Apart from defining capital formation, 36 percent examinees effectively differentiated between "Capital Formation and Investment" using appropriate examples. An average of 1.75 marks have been obtained by the examinees in this part question.

ix)   Define terms of trade

Question asked is of **knowledge level** aimed to test ability of students to i) define terms of trade with suitable example ; and, ii) write the formula of terms of trade. Head examiners has suggested allocation of one and half marks to each of the above two expectation from students.   This was a fair choice question attempted by 53 percent examinees. Apart from defining terms of trade, 36 examinees additionally elaborated the phenomenon with help of TOT formula. An average of 1.43 marks have been obtained by the examinees in this part question.

x)   What is the main function of Pakistan Industrial Credit and Investment Corporation (PICIC)?

Question asked is of **knowledge level** aimed to test ability of students to recall main functions of PICIC. Head examiners had suggested allocation of full marks to all those examinees who would list its major function like provision of medium and long term loan for industrial development of Pakistan. This was a fair choice question attempted by 53 percent examinees. Question was simple but at an average of 1.43 marks have been obtained by the examinees in this part question.

xi)   Define interest-free banking

Question asked is of **knowledge level** aimed to test ability of students to i) define bank; and, ii) elaborate the concept of interest-free banking with suitable example. Head examiners had suggested allocation of one and two marks to each of the above two expectations from students, respectively. This was a favorite choice question attempted by more than two-third of examinees. About 50 percent of examinees also attempted to differentiate interest free with conventional banking. An average of 2.08 marks have been obtained by the examinees in this part question.

xii)   What is the difference between bond and share?

Question asked is of **knowledge level** aimed to test ability of students to i) recall the definition of bond and share; and, ii) differentiate between bond and share   with example(s). Head examiners had suggested allocation of one and half marks to each of the above two expectations from students, respectively. This was a fair choice question attempted roughly by 55 percent of the total examinees. Amongst them, one-third of examinees could successfully differentiate   between bond   and share. Average achievement of examinees in this part question has been 1.30 marks.

xiii) Define cross cheque

Question asked is of **knowledge level** aimed to test ability of students to recall the definition of cross cheque . Head examiners had suggested allocation of full marks in case if it is defined/elaborated correctly. This was a favorite choice question attempted roughly by 73 percent of the total examinees. Average achievement of examinees in this part question has been 2.34 marks.

xiv) Write any three types of credit money

Question asked is of **knowledge level** aimed to test ability of students to recall three types of credit money. Head examiners had suggested allocation of one mark to listing of each type of credit money. This was a again a favorite choice question attempted roughly by 75 percent of the total examinees. Average achievement of examinees in this part question has been 2.25 marks.

xv) What is the difference between Zakat and Tax?

Question asked is of **knowledge level** aimed to test ability of students to recall the definition of Zakat and Tax; and; differentiate both with help of example. Head examiners had suggested allocation of one and half mark to each of the above expectation from the students. This was a most favorite choice question attempted roughly by 80 percent of the total examinees. Amongst them, 73 percent of examinees successfully differentiate between Zakat and Tax. Average achievement of examinees in this part question has been 2.52 marks.

xvi) Define public finance

Question asked is of **knowledge level** aimed to test ability of students to i) recall the definition of public finance; and, ii) differentiation with private finance. Head examiners had suggested allocation of two and one mark to above expectations, respectively. This was a favorite choice question attempted roughly by 71 percent of the total examinees. Amongst them, 60 percent of examinees successfully defined public finance but hardly one-third could differentiate between public and private finance. Average achievement of examinees in this part question has been 2.07 marks.

xvii) Write down three objectives of economic planning

Question asked is of **knowledge level** aimed to test ability of students to recall three objectives of economic planning. Head examiners had suggested allocation of one mark to listing of each objective. This was a fair choice question attempted roughly by 61 percent of the total examinees. Amongst them, about half of the examinees were fully conversant with true concept of planning and listed the required objectives successfully. Average achievement of examinees in this part question has been 1.80 marks.

xviii) How does inflation affect general standard of living of people?

Question asked is of **understanding level** with expectation that students are i); well conversant with the concept of inflation and standards of living; and, ii) can foresee likelihood of negative effect of rising inflation on standards of living. Head examiners had suggested allocation of one and two marks to above two expectations from students, respectively. This was a favorite choice question attempted roughly by 72 percent of the total examinees. Amongst them, about 53 percent of examinees were well conversant about the effect of inflation on standards of life. Average achievement of examinees in this part question has been 2.10 marks.

xix)   Define unemployment

Question asked is of **knowledge level** and students are expected to define and elaborate the concept of unemployment with help of example(s) and differentiate it with unemployment rate. Head examiners had suggested allocation of full marks for effective elaboration of phenomenon. This was a favorite choice question attempted roughly by 70 percent of the total examinees. Amongst them, about 53 percent of examinees were well conversant about difference between unemployment and its rate. Moreover, 41 percent examinees also attempted to list types of unemployment. Average achievement of examinees in this part question has been 1.93 marks.

xx)   Write any three causes of low productivity of labour in Pakistan

Question asked is of **knowledge level** with expectation that the examinees are well familiar with concept of productivity and are able to identify three causes of low productivity of labor in Pakistan. Head examiners had suggested allocation of one mark to listing of each of the three cause of low productivity. This was a fair choice question attempted by two-third of the total examinees. Amongst them, half of the examinees were found conversant with difference of production and productivity and about two-third successfully identified the required causes of low productivity. Average achievement of examinees in this part question has been 2.30 marks.

xxi)   Differentiate between real income and money income

Question asked is of **understanding level** with expectations that students shall be able to i) differentiate between real income and money income; and, ii) elaborate the difference using an appropriate example. Head examiners had suggested allocation of one and half marks for each of the above two expectations from students, respectively. This was a fair choice question attempted roughly by 68 percent of the total examinees. Amongst them, 47 percent of examinees were found familiar with difference between "money and real income" and elaborated the difference between both with suitable example(s). Average achievement of examinees in this part question has been 1.80 marks.

b.   Attempt any ONE part   (1x5=5)

i) Describe circular flow of national income

Question asked is of **knowledge-cum-understanding level** aimed to test ability of students to i) to draw labeled circular flow diagram representing TWO sector economy with appropriate direction of flow of goods, services, resources, etc amongst both economic agents; and, ii) explanation of diagram (role and function of each economic agents like households and firms and significance of this circular flow of national income. Head examiners has suggested allocation of three and two mark to each of the above expectation from students, respectively. This was a fair choice question attempted roughly by 50 percent of the total examinees. Amongst them, 55 and 38 percent of examinees fulfilled the expectation(i) and (ii) above, respectively. Additionally, one third of the examinees also exhibited their knowledge of THREE and FOUR sectors economy. Average achievement of examinees in this part question has been 3.14 marks.

ii) What functions are performed by money?

Question asked is of **knowledge level** aimed to test ability of students to explain functions/utility of money. Head examiners has suggested allocation of five marks to elaboration of three major functions of money OR one mark to listing of each function of money, not exceeding a total marks of five meant for this part of question. This was a fair choice question attempted roughly by 50 percent of the total examinees. Amongst them, two-third of examinees were found familiar and elaborated the functions of money satisfactorily. Average achievement of examinees in this part question has been 3.14 marks.

SECTION - C

This section comprised of "Extended Response Questions (ERQs)" with equal marks. Students were required to attempt three out of four questions. Overall achievement of examinees in this section has been 31.84 percent which is much lower when compared with preceding Sections or other format of questions i.e. between 19-22 percentage points for MCQs and SRQs, respectively. Questions were of "Knowledge-cum-Understanding" levels with issue of construct, both for examinees as well as for examiners, particularly in question number 03. Cumulative score shows that about three-fourth of the examinees are positioned in the two lowest quintiles of marks and less than two percent of examinees could score beyond eighty percent of total marks as summarized below:

Table 5: **Distribution of examinees against different level of achievement**

Marks	1-6	7-12	13-18	19-24	25-30	Mean (Percentage)
Percentage	37.18	34.51	19.49	7.0	1.80	9.55(31.83)

Question Specific Details of Section - C

Q. 3 Explain quantity theory of money

Question asked is of **knowledge-cum-understanding level** with serious issue of construct and its scope. Head examiners mutually agreed to determine its scope aligned with syllabus for grading. Thus it was agreed to test ability of students to i) recall the definition of quantity theory of money; ii) assumptions of quantity theory of money; iii) write and elaborate Fisher's equation; iv) write equation of exchange and explain relationship of money supply with inflation. Head examiners had suggested allocation of one mark to expectation one, followed by three marks each to remaining three expectations from students. This was a fair choice question attempted by two-third of the total examinees. Extent of examinees who correctly defined and explained the theory of money has been 64 percent. Amongst them, 46 and 55 percent of examinees effectively elaborate important assumptions of theory Fisher's equation, respectively. Mean score has been 4.92 with overall achievement of 49 percent. About 45 percent of the examinees are positioned in the two lowest quintiles of marks and hardly a fraction of over seven percent of examinees could score beyond 80 percent of total marks as summarized below:

Table 6:   **Distribution of examinees against different level of achievement**

Marks	1-2	3-4	5-6	7-8	9-10	Mean (Percentage)
Percentage	22.58	22.88	25.26	21.72	7.63	4.92 (49.19)

Q. 4   How does central bank control money supply?

Question asked is of **understanding level** aimed to test ability of students to i) recall the concept of Central Bank and Monetary Policy; ii) explanation of all instruments used to regulate money supply; and, iii) relationship and use of these instruments under different situation of economy (expansionary & contractionary). Head examiners had suggested allocation of two marks for expectation one, followed by two marks each for explaining four major instruments of monetary policy. This was a fair choice question attempted by fifty three percent of the total examinees. Extent of examinees found well conversant with concept of monetary policy was about half of the population who opted to attempt this question. However, only one third of the examinees could hardly illustrate the use of these instruments under different phases of expansionary & contractionry monetary policy. Resultantly, mean score has been 3.53 with overall achievement of 35.30 percent. About 49 percent of the examinees are positioned in the lowest quintile of marks and hardly a fraction of over five percent of examinees could score beyond 80 percent of total marks as summarized below:

Table 7:   **Distribution of examinees against different level of achievement**

Marks	1-2	3-4	5-6	7-8	9-10	Mean (Percentage)
Percentage	49.08	23.5	10.05	12.14	5.09	3.53 (35.30)

Q. 5   Suggest measures for improvement of industrial sector in Pakistan

Question asked is of **knowledge-cum-understanding level** aimed to test ability of students to recall and reproduce the measures for development of industrial sector in Pakistan. Head examiners had suggested allocation of two marks for each of suggested measure against total marks of ten. This was a most choice question attempted by seventy five percent of the total examinees. Extent of examinees found well conversant with ways and means to improve industrialization was more than two-third of the population opted to attempt this question. Mean score has been 6.33 with overall achievement of 63 percent. About 30 percent of the examinees are positioned in the two highest quintiles of marks and hardly a fraction of over four percent of examinees could score beyond 80 percent of total marks as summarized below:

Table 8:   **Distribution of examinees against different level of achievement**

| Marks	1-2	3-4	5-6	7-8	9-10	Mean (Percentage)
Percentage	22.41	26.53	21.91	24.72	4.42	7.27 (72.67)

Q. 6 **Why national income statistics are important for economic development of country?**

Question asked is of **understanding level** aimed to test ability of students to recognize the importance of national income statistics in economic development. Head examiners had suggested allocation of two marks for each of suggested measure against total marks of ten. This was a most choice question attempted by seventy five percent of the total examinees. Extent of examinees found well conversant with ways and means to improve industrialization was more than two-third of the population opted to attempt this question. Mean score has been 6.33 with overall achievement of 63 percent. About 30 percent of the examinees are positioned in the two highest quintiles of marks and hardly a fraction of over four percent of examinees could score beyond 80 percent of total marks as summarized below:

Table 9: **Distribution of examinees against different level of achievement**

Marks	1-2	3-4	5-6	7-8	9-10	Mean (Percentage)
Percentage	58.61	23.94	8.95	5.81	2.86	2.9 (29)

A comparison of quintile distribution of examinees on basis of performance in each question depicted in Fig 2 below is found extremely asymmetrical:

Fig 2: Question-wise quintile distribution of examinees
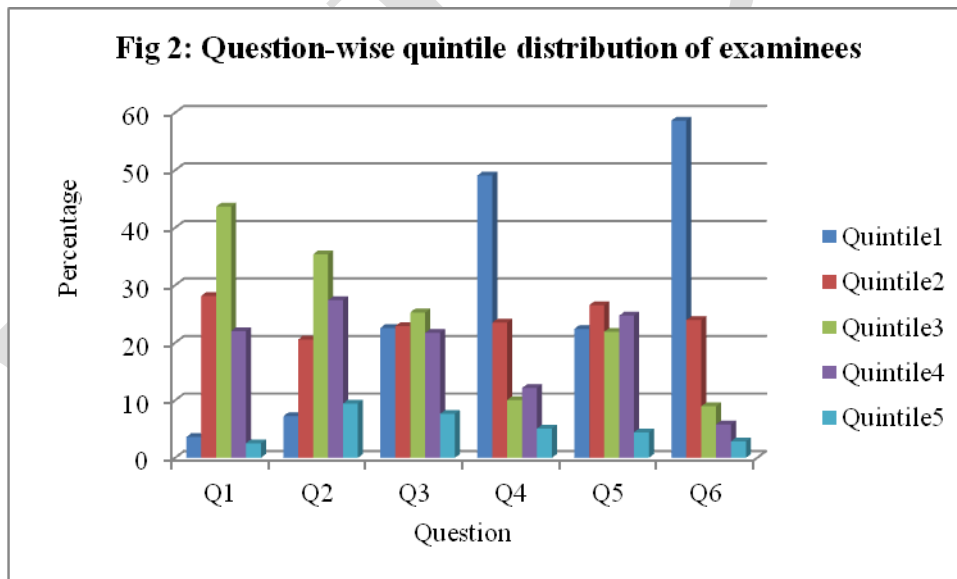
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