

Public Assessment

HKDSE Econ 2019 live paper

Nov 2019



香港考試及評核局
Hong Kong
Examinations and
Assessment Authority

Live papers

- Paper 1:
- On compulsory part of the curriculum
- Answer all questions
- 45 multiple choice questions
- Account for 30% of the subject marks
- 60 minutes



Live papers

- Paper 2 section A:
- On compulsory part of the curriculum
- Short questions
- All questions are compulsory
- 8 short questions
- 44 marks
- Account for 26% of the subject marks



Live papers

- Paper 2 section B:
- On compulsory part of the curriculum
- Structured/essay-type questions
- All questions are compulsory
- 4 structured questions
- 60 marks
- Account for **35%** of the subject marks



Live papers

- Paper 2 section C:
- On elective part of the curriculum
- Structured/essay-type questions
- Attempt questions on ONE elective only
- 2 structured questions
- 16 marks each
- Account for 9% of the subject marks
- **In 2019 Exam: Total time is 2 hours 30 mins**



Paper 1

- Number sat: 13,876
- Overall mean score of 2019:
26.31 out of 45 questions
= 58.5%
- Overall mean score of 2018:
= 63.7% (28.0)



Paper 1 Q9

A Hong Kong travel company offers package tours to Japan. It invested in building a hotel, which provides accommodation services to its tour members visiting Japan.

Which of the following is most likely the motive behind the expansion?

- A. to increase the market share (10%)
- B. to secure the supply of factor inputs (31%)**
- C. to ensure a market outlet of its services (54%)
- D. to reduce competition (5%)



Paper 1 Q22

Suppose there is a bad harvest of flowers due to global warming. The marginal benefit of flowers will _____ and the total exchange value _____.

- A. decrease will decrease (14%)
- B. increase will increase (4%)
- C. decrease may decrease or increase (47%)
- D. increase may decrease or increase (35%)



Paper 1 Q34

Both the wage rate and general price level increase by 8% in a certain year. If the government increases the salaries tax allowance by 5%,

- A. more people will fall into the tax net. (28%)
- B. income distribution will be more even. (29%)
- C. government's tax revenue will decrease. (14%)
- D. people's real income after tax will increase. (29%)



Paper 1 Q43

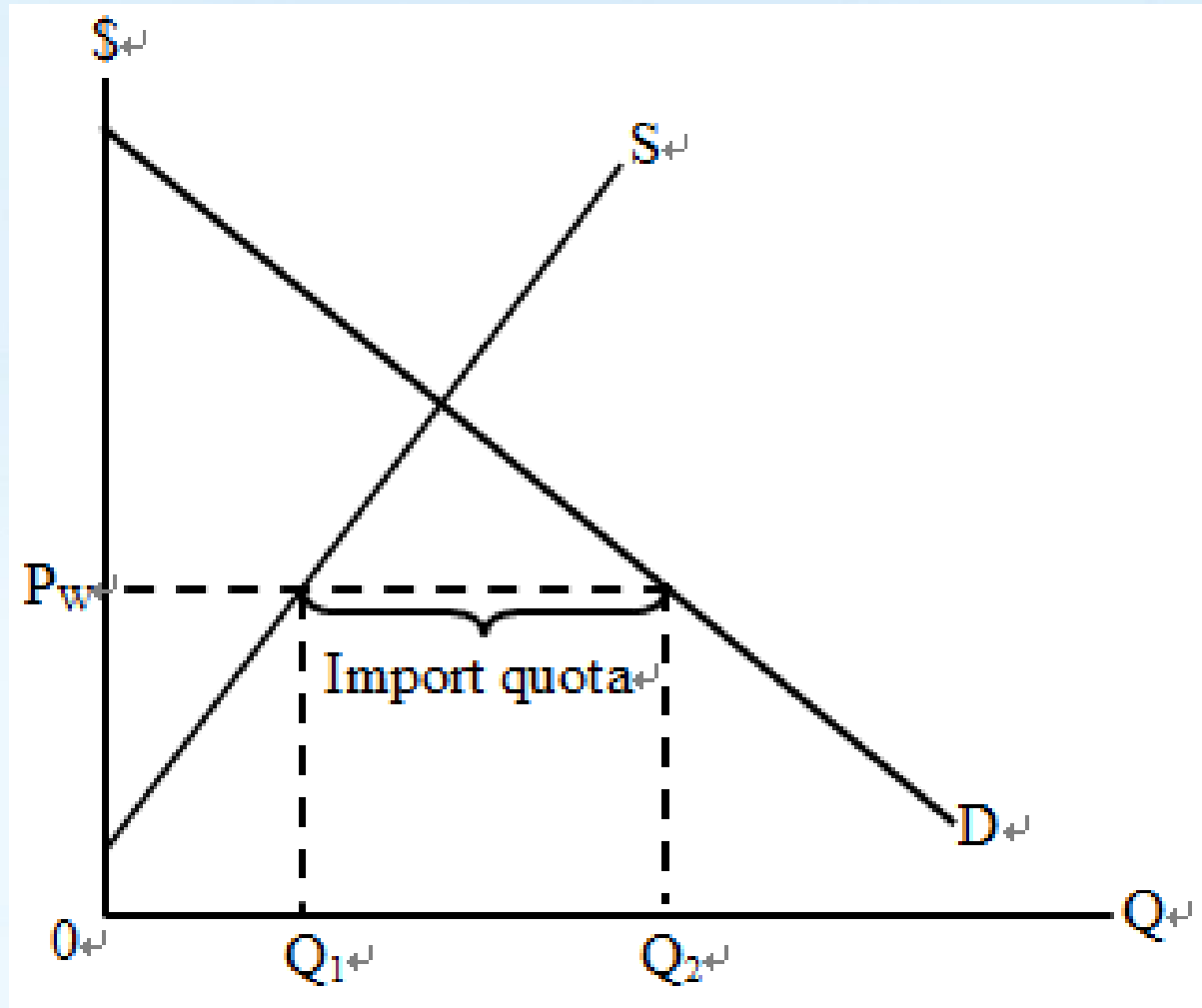
The following is the supply-demand diagram of Good X in a small open economy.

Initially the economy imports Good X at the world price (P_w) and the government imposes an import quota of ($Q_2 - Q_1$) units. Suppose the world price of Good X drops. Which of the following statements is correct?

- A. The domestic price of Good X will remain at P_w . (30%)
- B. The domestic price of Good X will fall. (37%)
- C. The domestic supply curve will shift to the right. (14%)
- D. The quantity of domestically produced Good X will increase. (19%)



Paper 1 Q43



Paper 1 Comments

○ Time: 45 MCQs in 60 mins

➔ Sufficient time

Candidates are weaker in

- Data interpretation
- Application of formula for calculation
- Integration of topics
- Macroeconomics
- Social/economic issues
- **Number sense**



Paper 2

- Number sat : 12593
Overall mean score in 2019:
57.1%
- Overall mean score in 2018:
56.9%
- Overall mean score in 2017:
55.9%



Paper 2 Marking

- Onscreen Marking System (OSM)
- Scanned images
- Markers mark in Assessment Centres
- Section A1, A2, B1, B2, C
- Each marker marking 16-32 marks
- 300 to 500 scripts
- Increase reliability



Paper 2

- Welcome the Assistant Examiners to comment on candidates' performance by Section:
- Section A1: (Q1, 2, 3, 8)
- Section A2: (Q4, 5, 6, 7)
- Section B1: (Q9, 12)
- Section B2: (Q10, 11)
- Section C: (Q13, 14)



Paper 2 Section A1 (Q1, 2, 3, 8)

Q1

A country considers acquiring more land by reclamation for building residential flats. Explain whether the opportunity cost of land reclamation will change if

- (a) the maximum height of the buildings on the reclaimed land is limited to two storeys due to technical reasons. (2 marks)
- (b) there is a shortage of the materials for land reclamation. (3 marks)

Q2

Li Ka Shing Foundation offered an unconditional cash gift of \$5 000 to each 2018 HKDSE candidate living in Yuen Long, Tuen Mun and Islands districts under the project 'Decide Well, Spend Wisely'.



Paper 2 Section A1 (Q1, 2, 3, 8)

Statement A:	The project can improve the public examination results of candidates in those districts.
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Statement B:	The project can improve equity in Hong Kong.
--------------	--

(a) Explain whether Statement A is a positive statement. (2 marks)

(b) Justify Statement B. (4 marks)

Q3

Give **ONE** example of public corporation in Hong Kong. With reference to your example, state **TWO** advantages of providing the service by a public corporation instead of a private enterprise. (3 marks)



Paper 2 Section A1 (Q1, 2, 3, 8)

Q8

The amount of resources in Country A is twice of that in Country B. Both countries allocate half of their resources to produce cars and the other half to produce toys. The following are the total outputs of both countries:

	Cars (units)	Toys (units)
Country A	100	100
Country B	100	60

- (a) Explain whether Country B has
- (i) an absolute advantage in producing cars.
 - (ii) a comparative advantage in producing cars. (5 marks)
- (b) Suppose the exchange ratio is 5 units of cars for 4 units of toys. Calculate the gain from trade for the car-importing country when it imports 10 units of cars. Show your workings. (3 marks)



Paper 2 Section A1 Report

Q.	Highlight of the comments
1a	<ul style="list-style-type: none">• Only mentioned no change in the forgone option(s), without further elaboration
1b	<ul style="list-style-type: none">• Failed to explain how the shortage of materials would affect the time cost or monetary cost of land reclamation• Wrongly stated that the drop in the value of reclaimed land as the reason for a change in cost
2a	<ul style="list-style-type: none">• Wrongly stated that statement A is not a positive statement because the statement is not correct.• Provided contradictory answers e.g. the statement is a positive one because it contains value judgment

Paper 2 Section A1 Report

Q.	Highlight of the comments
2b	<ul style="list-style-type: none">• Wrongly discussed whether Statement B was positive or normative• Wrongly discussed whether the statement was correct• Missed out key terms 'equalising incomes/outputs' and 'equalising opportunities'
3	<ul style="list-style-type: none">• Provided inaccurate examples, such as hospitals, post office, and water supply department. Some confused 'public corporation' with 'public limited company'



Paper 2 Section A1 Report

Q.	Highlight of the comments
8a	<ul style="list-style-type: none">Failed to define absolute advantage properly in terms of an output-input relation
8b	<ul style="list-style-type: none">Computed the per unit gain from trade without also computing the total gainCalculated the per unit gain without specifying whether it is total gain or per unitCalculated the gain from trade for the car-exporting (rather than car-importing) countryMissed the units of measurement



Paper 2 Section A2 (Q4, 5, 6, 7)

Q4

Getting vaccinated is an effective way to prevent infection and protect oneself from flu viruses. Using the concept of externality, explain why the government provision of subsidy on Seasonal Influenza Vaccination (接種季節性流感疫苗) may improve economic efficiency. (4 marks)

Q5

Wong's family and Chan's family live next door to each other. State **ONE** economic concept involved in each of following arrangements and explain why the arrangement is beneficial to both families.

- (a) Mr Wong teaches the children from both families English while Mrs Chan teaches them Japanese. (3 marks)
- (b) On Christmas Eve, the two families buy food ingredients and cook together instead of buying and cooking separately. (3 marks)

Paper 2 Section A2 (Q4, 5, 6, 7)

Q6

Study Tables 1 and 2 and answer the following questions.

Table 1: Change in CCPI:

Year 2016	Year 2017
+2.3%	+1.7%

Table 2: Minimum wage rates per hour:

Year 2016	Year 2017
\$32.5	\$34.5

- (a) Based on Table 1, state the change in the general price level in 2017. (1 mark)
- (b) On 1 January 2017, Siu Keung expected a +2.3% change of the CCPI in that year, and he lent a sum of money to Kitman at 5% interest rate per annum. On 31 December 2017, Kitman repaid the sum plus the interest to him. With reference to Table 1, explain whether Siu Keung would gain or lose. (3 marks)

Paper 2 Section A2 (Q4, 5, 6, 7)

Q6

- (c) Kitman has been receiving the minimum wage rate per hour. With reference to Tables 1 and 2, explain how her real wage rate would change in 2017. (3 marks)

Q7

The following is the balance sheet of a banking system.

Assets (\$million)		Liabilities (\$million)	
Reserves	300	Deposits	1 000
Loans	700		

Suppose the legal reserve ratio is 20% and the public holds \$200 million cash.

- (a) Calculate the excess reserves of the banking system. (1 mark)
- (b) Suppose the public no longer holds cash and all banks lend out all excess reserves. Calculate the maximum possible change in money supply. Show your workings. (4 marks)

Paper 2 Section A2 (Report)

- | | |
|----|---|
| 4 | <ul style="list-style-type: none">• Failed to show a clear distinction between external benefits and external costs• Misunderstood that the external benefits arose from the absence of government subsidy on the public's vaccination• Simply argued that the subsidy would help prevent the spread of flu and therefore narrow the gap between MSB and MSC without discussing the number of vaccination |
| 5a | <ul style="list-style-type: none">• Mis-read the question, explaining why division of labour was involved |
| 5b | <ul style="list-style-type: none">• Wrong answers included partnership, sharing economy, integration, and external economies |

Paper 2 Section A2 (Report)

6b	<ul style="list-style-type: none">• Mixed up real and actual interest• Mixed up lenders and borrowers• Simply compared the actual and expected inflation rates without discussing actual and expected real interest• Failed to use keywords 'received' or 'higher than expected'
6c	<ul style="list-style-type: none">• Used the inflation rate in the wrong year for computing the percentage change in real wage
7b	<ul style="list-style-type: none">• Mistook the maximum possible 'change' in money supply for the maximum 'level' of money supply• Failed to realise that the \$200 million cash would become reserves when the public no longer hold 26 cash

Paper 2 Section B1 (Q9,12)

Q9

A beauty queen in Hong Kong, Miss Amy Au, is famous for demonstrating the use of cosmetic products with short videos on social media websites. She also sells Japanese cosmetic products on her website.

- (a) Are the short videos on social media websites public goods or private goods? Explain. (3 marks)
- (b) Apart from Japanese cosmetic products, she starts to sell Korean cosmetic products on her website. To what type of expansion does this belong? Give **TWO** possible reasons for this type of expansion. (3 marks)



Paper 2 Section B1 (Q9,12)

She plans to hire two staff members to operate her website:

Personal assistant	Video designer
Duties: Arrange daily schedules and meetings	Duties: Produce short videos to be uploaded in social media
Salary: \$12 000 per month	Salary: \$1 000 per video

- (c) From the viewpoint of Miss Amy Au, suggest **ONE** advantage and **ONE** disadvantage of the payment method of the personal assistant. (2 marks)
- (d) From the viewpoint of the employee, suggest **ONE** advantage and **ONE** disadvantage of the payment method of the video designer. (2 marks)



Trade War broke out between China and the United States in 2018.+

Source A: A graphic showing the major development of the trade war+

Q12

+

April 2018:+

The US planned to charge 25% tariffs on imports from China worth USD 50 billion.+



July 2018:+

The US planned to impose an extra 10% tariff on a list of USD 200 billion of Chinese imports, which would rise to 25% afterward.+

April 2018:↓

China planned to charge 25% tariffs on imports from the US worth USD 50 billion.+



July 2018:+

China planned to impose an additional retaliatory tariff on products originating from the US (worth USD 60 billion).+



Paper 2 Section B1 (Q9,12)

Q12

Source B: Statistics of Hong Kong's re-exports of goods

		Value of goods
Re-exports	Overall re-exports in 2017	Re-exports subject to tariffs under the trade war
From the Mainland to the US	HKD 277.5 billion	HKD 136.6 billion (two-round tariffs covering USD 250 billion Chinese products)
From the US to the Mainland	HKD 73.2 billion	HKD 11.7 billion (first round tariffs covering USD 50 billion US products)
Total	HKD 350.7 billion	





Source C: An extract of the United States-Hong Kong Policy Act

The US treats Hong Kong separately from China in economic and trade matters.



Paper 2 Section B1 (Q9,12)

Source D: Views on the trade war between China and the US

<p>A delegate of International Monetary Fund</p> 	<p>People are very worried given the bilateral tension between the world's two largest economies.</p>
<p>A Hong Kong trading firm owner</p> 	<p>My business is suffering from a loss because my products exporting to the US are charged by tariff! If the trade war continues, I need to find a way out!</p>
<p>An economist</p> 	<p>The trade disputes between China and the US will unavoidably affect the unemployment rate of Hong Kong.</p>
<p>An investor in Hong Kong stock market</p> 	<p>Since the start of trade war, the Hang Seng Index has dropped by over 20%. Donald Trump will make me lose a lot of money if he continues to take a hard line on trade with China.</p>



Paper 2 Section B1 (Q9,12)

Q12

- (a) Refer to Source A. One of the possible reasons behind the US's imposition of tariffs is to reduce its trade deficits with China.
- (i) Indicate the change in the total market value (net-of-tariff) of Chinese goods exporting to the US during the trade war in a demand-supply diagram. (3 marks)
(Hint: The tariff can be assumed to be per-unit for simplicity.)
- (ii) Explain why the US may **NOT** succeed in reducing its trade deficits with China. (3 marks)
- (b) Refer to Sources B and C. 'Since Hong Kong-produced goods are **NOT** subject to higher tariff during the trade war, the total exports of Hong Kong will **NOT** be affected'. Do you agree with this statement? Explain. (3 marks)

Paper 2 Section B1 (Q9,12)

For part (c), candidates are required to present their answers in an essay form. Criteria for marking will include the use of sources and economic theories, relevant content, logical presentation and clarity of expression.

(c) With reference to the above sources and your own knowledge in Economics, discuss the effects of the trade war on Hong Kong, including:

- aggregate output,
- tax revenue, and
- other economic variable(s).

(13 marks)



Paper 2 Section B1 (Report)

- | | |
|------|--|
| 9(a) | <ul style="list-style-type: none">• Showed limited understanding about the nature of public goods• Confused the 'non-rivalry in consumption' with the costliness of excluding non-payers |
| 9(b) | <ul style="list-style-type: none">• Lateral expansion also accepted• Mixed up the key features of different kinds of expansions• Wrongly related increase in market share to lateral expansion, and market diversification to horizontal expansion |



Paper 2 Section B1 (Report)

- | | |
|-------------|---|
| 9(c)
(d) | <ul style="list-style-type: none">• Overlooked the keywords ‘from the viewpoint of employer/employee• Failed to state whether “cost of monitoring” refers to (the quality of) output or to workers’ effort. |
| 12(ai) | <ul style="list-style-type: none">• Overlooked the keyword ‘net-of-tariff’ and mis-focused on how the elasticity of demand would affect the total market value• Mistakenly used a supply-demand diagram for the case of a small open economy |



Paper 2 Section B1 (Report)

- | | |
|--------------|--|
| 12
(a ii) | <ul style="list-style-type: none">• Wrongly compared the percentage changes in imports and exports rather than their absolute changes• Failed to spell out accurately the terms in international trade— e.g. US's import to China, China's exports from the US,• Failed to use the information from Source A |
| 12b | <ul style="list-style-type: none">• Failed to state: total exports = domestic exports + re-exports• Misinterpreted the information from Source B: columns 2 and 3 represented the re-exports values before and after the imposition of tariff• Misconceived that exports of China and Hong Kong were substitutes |

Paper 2 Section B1 (Report)

- 12(c)
- Misconceived that the plunge in the HSI means a drop in profits, or a loss, or a lower investment; i.e. confused between financial investment and real investment
 - Failed to mention wealth effect when discussing a reduction in consumption due to a stock-market crash
 - Failed to relate clearly changes in various types of incomes to corresponding changes in different types of tax revenues
 - Failed to use separate paragraphs for their discussion about different variables



Paper 2 Section B2 (Q10,11)

Q10

The following table shows the changes in the individual income tax system in China effective from October 2018.

Average tax rate	Range of monthly taxable income, in Renminbi (RMB)	
	Old brackets	New brackets
3%	Less than or equal to 1 500	Less than or equal to 3 000
10%	1 501 – 4 500	3 001 – 12 000
20%	4 501 – 9 000	12 001 – 25 000
25%	9 001 – 35 000	25 001 – 35 000
30%	35 001 – 55 000	Unchanged
35%	55 001 – 80 000	Unchanged
45%	Greater than 80 000	Unchanged

- (a) Is the individual income tax in China progressive, proportional, or regressive? Explain your answer. (2 marks)



Paper 2 Section B2 (Q10,11)

- (b) Suppose there is a deflationary (output) gap in China economy. With the aid of an AS-AD diagram, explain how the above change of the individual income tax system would affect the deflationary (output) gap in the short run. (7 marks)
- (c) To achieve the same effect on the deflationary (output) gap as in part (b), an economist suggested the government should lower the required reserve ratio of banks instead of implementing the above change in tax system. Discuss the suggestion by giving **ONE** argument **FOR** and **ONE** argument **AGAINST** it. (4 marks)



Paper 2 Section B2 (Q10,11)

Q11

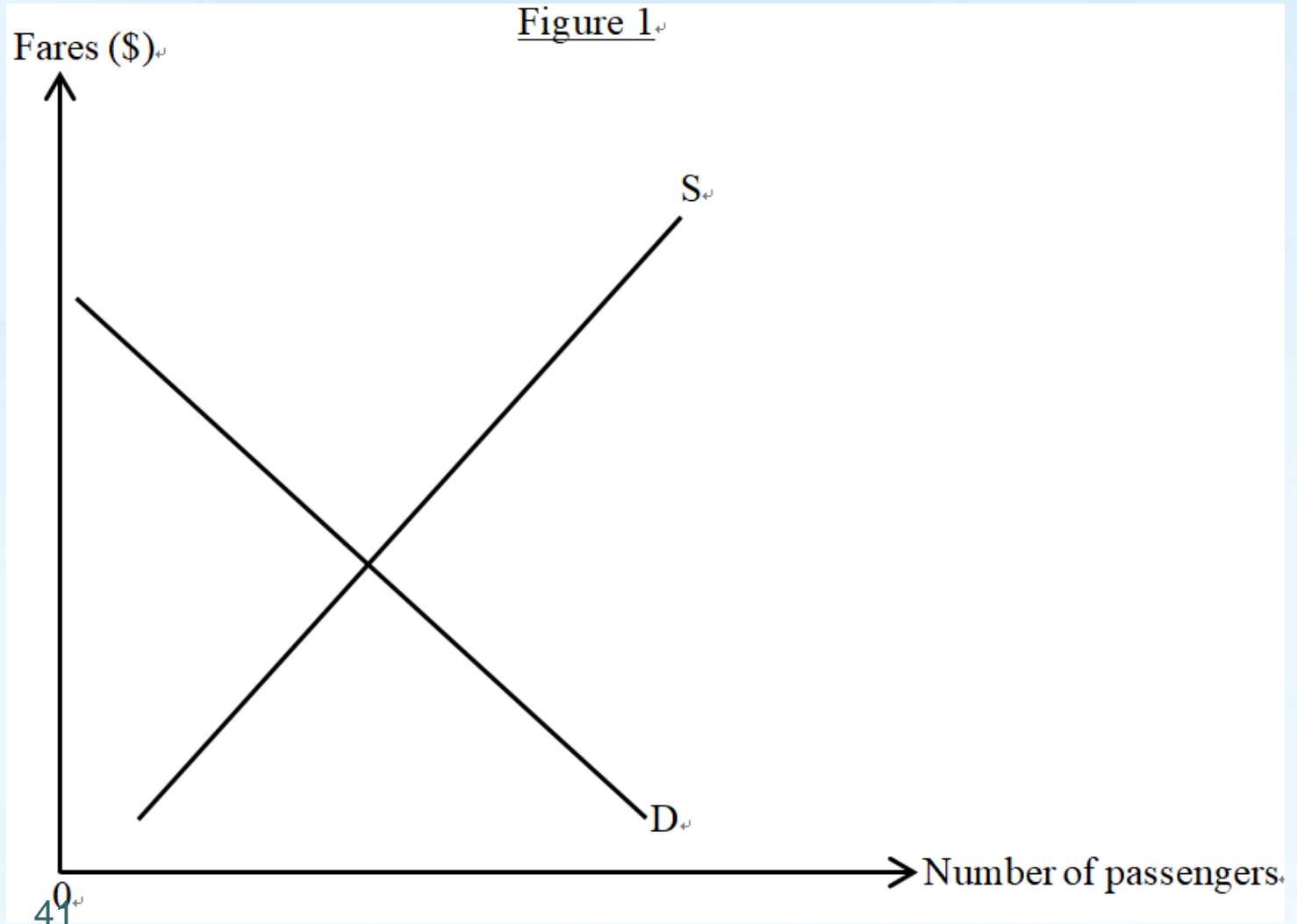
The Guangzhou-Shenzhen-Hong Kong Express Rail Link (High Speed Rail) was launched in September 2018.

- (a) Explain the effect of the launch of High Speed Rail on labour mobility of Hong Kong. (3 marks)
- (b) During non-holidays, there are a lot of empty seats on some trains of the High Speed Rail. With the aid of Figure 1, explain why the above situation may be inefficient. (4 marks)

Suppose the fares of the High Speed Rail in terms of RMB are fixed. The fares of High Speed Rail tickets sold in Hong Kong, in terms of Hong Kong dollar (HKD), will be adjusted according to the exchange rate of RMB against HKD.



Paper 2 Section B2 (Q10,11)

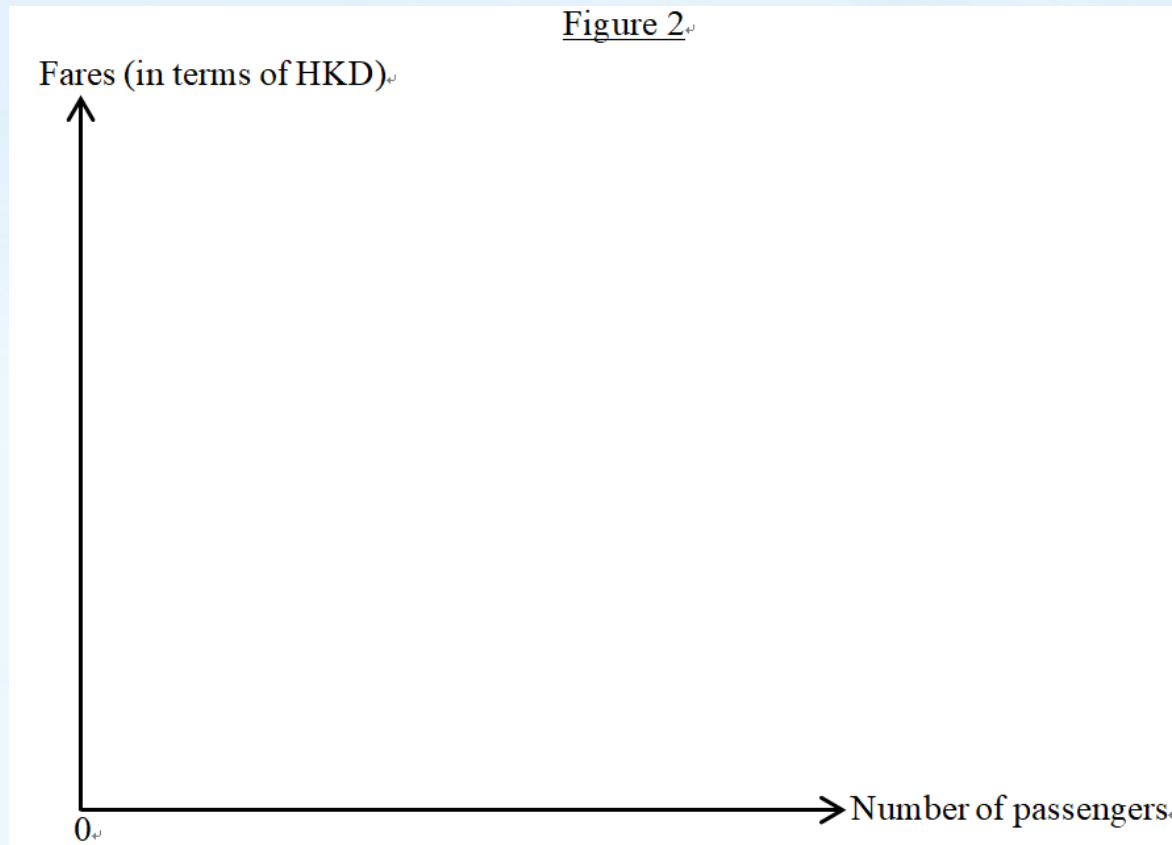


Paper 2 Section B2 (Q10,11)

- (c) 'A depreciation of RMB against the US dollar (USD) will result in an increase in total revenue (in terms of HKD) of High Speed Rail tickets sold in Hong Kong.' With the aid of Figure 2, explain under what condition this statement will be correct.

Figure 2.

(8 marks)



Paper 2 Section B2 (Report)

10a	<ul style="list-style-type: none">• Confused tax payment with tax rate
10b	<ul style="list-style-type: none">• Failed to indicate the deflationary gap on the diagram• Drew the LRAS curve in the wrong position• Mixed up deflationary gap with inflationary gap and deadweight loss
10c	<ul style="list-style-type: none">• Provided incomplete arguments• Failed to compare the difference• E.g. Pros of fiscal policy: Only stated that help narrow the income gap but no explanation on the low-income and high-income groups.



Paper 2 Section B2 (Report)

11b	<ul style="list-style-type: none">Failed to specify the condition for the existence of excess supply— i.e., price $> P_e$Mis-indicated the area of deadweight loss on the diagramFailed to state clearly that $MB > MC$
11c	<ul style="list-style-type: none">Failed to infer that RMB would depreciate against HKD as it depreciates against USDMisconceived that RMB would appreciate against HKD as it depreciates against USDWrongly stated that there is an increase in train fare in terms of HKDMisconceived that there would be an increase in demand (rather than quantity demanded) for tickets following the (HKD) price drop.



Paper 2 Section B2 (Report)

12b	<ul style="list-style-type: none">• Failed to use the information provided to illustrate their answers• Misread the question and chose to discuss the functions of prices (rather than money) in their answers
12c	<ul style="list-style-type: none">• Mistook the inbound-tourist expenditure for private consumption expenditure
12d	<ul style="list-style-type: none">• Provided arguments to show that the reporter was wrong instead of justifying his statement• Misinterpreted Source 3 as a depreciation of the USD• Failed to state clearly whether the RMB depreciated against the USD or HKD• Failed to relate the depreciation of RMB against HKD to the rise in prices of goods and services in Hong Kong (in terms of RMB) to the Mainland tourists



Paper 2 Section C (Q13-14)

Q13

Grape Limited is the only manufacturer of smartphones in a country. It adopts a uniform pricing.

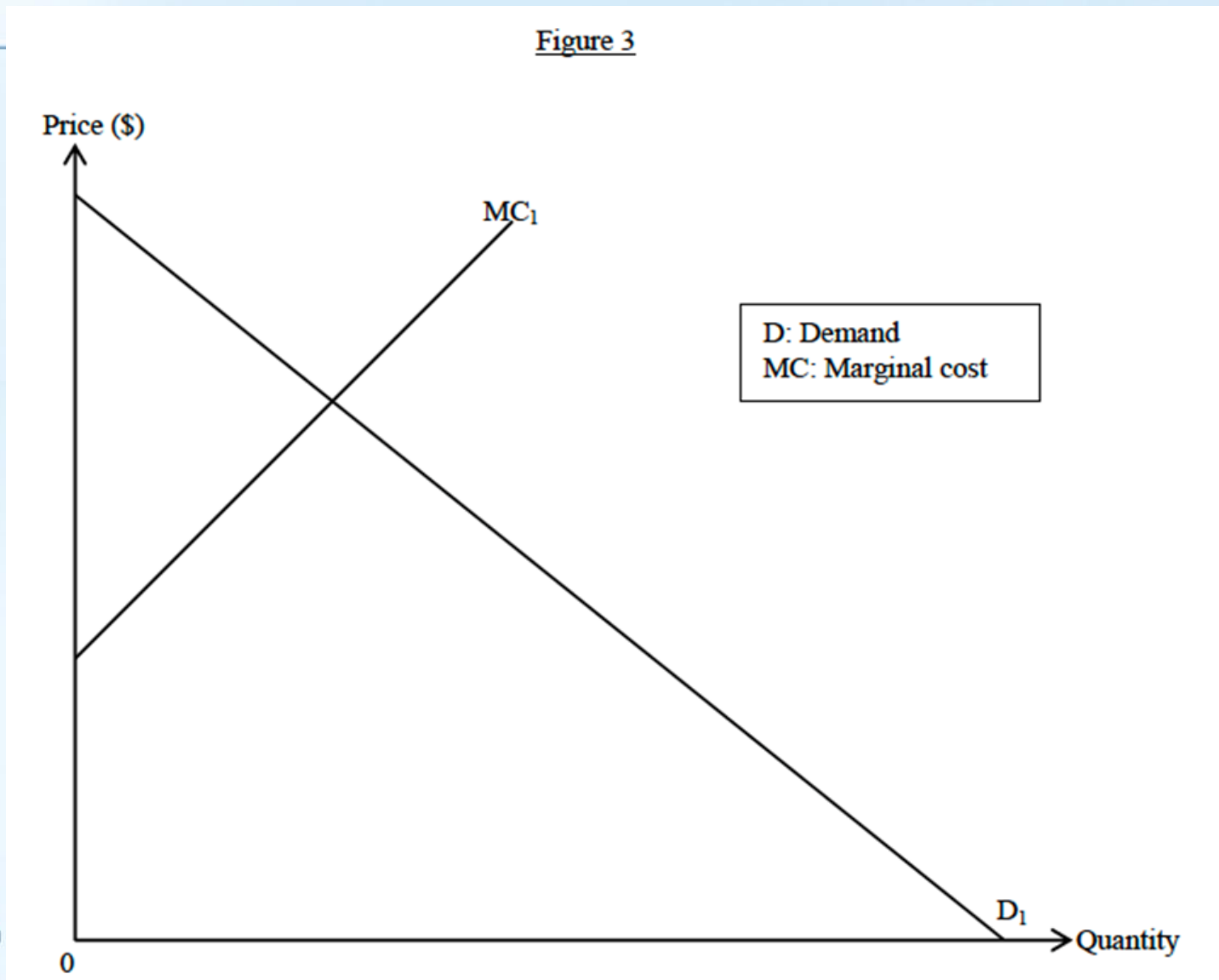
Figure 3 shows the market of Grape Limited's smartphones.

- (a) Explain how the profit maximising output and price are determined. Indicate the output and price as Q_1 and P_1 respectively in Figure 3. (4 marks)
- (b) Technology advance lowers the cost of electronic components of smartphones.
- (i) Indicate the new output and price as Q_2 and P_2 respectively in Figure 3.
- (ii) Discuss the effect of the above change on efficiency with the aid of Figure 3. (5 marks)



Paper 2 Section C (Q13-14)

Figure 3



Paper 2 Section C (Q13-14)

- (c) Grape Limited sells its smartphones to students with a 30% discount.
- (i) Explain why this practice will constitute price discrimination.
 - (ii) Give **TWO** conditions that this type of price discrimination can be practised. (4 marks)
- (d) A major smartphone operating system provider, Lemon Corporation, requires any smartphone to pre-install its web browser as a condition of licensing for its operating system. Name the anti-competitive behaviour Lemon Corporation engages in. State **TWO** ways in which such kind of behaviour will harm the consumers. (3 marks)



Paper 2 Section C (Q13-14)

Q14

Figure 4 shows the production possibilities frontier of Country A (PPFA).

Suppose initially the world price per unit of Good X is 2 units of Good Y.

(a) Explain which good Country A will export if it engages in international trade. (2 marks)

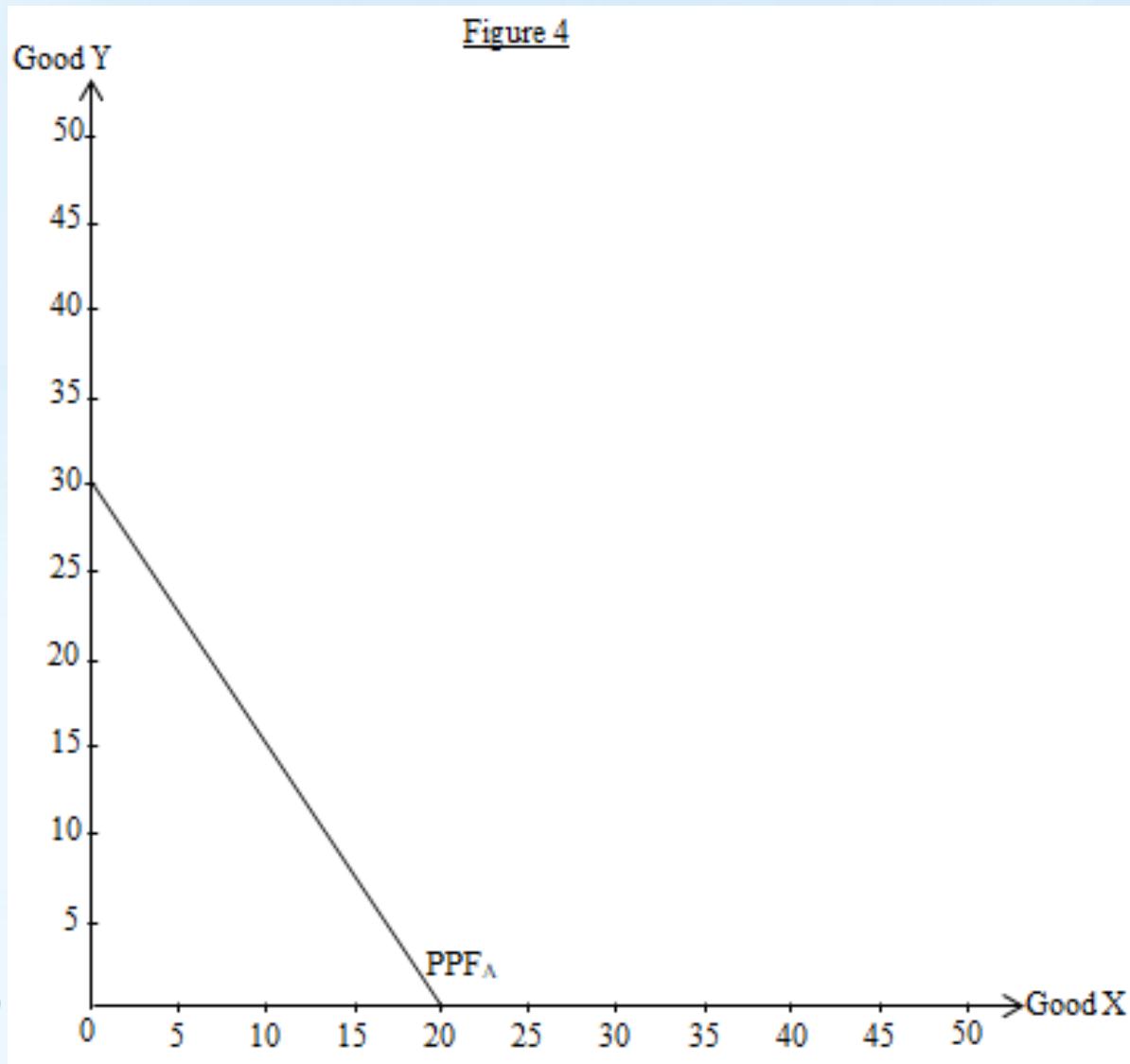
Suppose Country A engages in international trade and it always consumes 10 units of Good X.

(b) With the aid of Figure 4, calculate the total gain from trade of Country A. (5 marks)

(c) Indicate the volume of exports and imports of Country A in Figure 4. (2 marks)



Paper 2 Section C (Q13-14)



Paper 2 Section C (Q13-14)

The world price of Good X falls continuously.

- (d) Explain whether the direction of trade will necessarily remain the same. (2 marks)

The leader of Country A decides to adopt a closed-door policy which forbids foreign trade, foreign tourists and foreign workers working in Country A.

- (e) Explain why economic growth in Country A will worsen. (2 marks)
- (f) Other than the reasons about economic growth, explain why economic development in Country A will worsen. (2 marks)



Paper 2 Section C (Report)

13(a)	54%	<ul style="list-style-type: none">• Indicated the price in a wrong position• Wrongly drew the MR curve• Mis-labelled the MR curve as AR curve• Replaced MR with 'marginal benefit'
13(aii)		<ul style="list-style-type: none">• Misconceived the case as an upward shift of MC curve
13(b)		<ul style="list-style-type: none">• Failed to represent the DWL after the cost reduction in an accurate manner• Mistakenly claimed that the gap between MB and MC was narrowed.



Paper 2 Section C (Report)

13(ci)	<ul style="list-style-type: none">Failed to mention the absence of cost difference and product difference between smartphones sold to students and non-students
13(cii)	<ul style="list-style-type: none">Mis-interpreted the question as asking them to give another example of price discriminationOnly provided vague answers, such as 'elasticities are different', without mentioning the two sub-markets.
13(d)	<ul style="list-style-type: none">Wrongly regarded this case as exclusive dealing



Paper 2 Section C (Report)

14(b)	46%	<ul style="list-style-type: none">• Either omitted or mis-labelled the axes• Mistook the export (or import) volume for the gain from trade
14(c)		<ul style="list-style-type: none">• Failed to indicate the import volume accurately
14(d)		<ul style="list-style-type: none">• Mistakenly stated that the fall in world price would necessarily lead to a change in the direction of trade
14(e)		<ul style="list-style-type: none">• Failed to provide a proper explanation on why GDP growth would slow down
14(f)		<ul style="list-style-type: none">• Ignored the focus of the question “on economic development”• Only elaborated on the policy’s effects on economic growth alone



Paper 2

General reminder:

- Don't use **colour** to indicate the areas in the diagram
- Don't excessively use symbols in the answer
- Express the answer in a comprehensible way: rough work written not in the designated spaces will NOT be marked



Paper 2 Overall comments

- Some candidates lacked a thorough understanding of basic economic concepts and principles, especially when applying them to solve hypothetical or real-life problems. Candidates should strengthen their analytical skills instead of simply regurgitating concepts and theories.
- Some candidates did not read the questions carefully. Candidates should devote special attention to the assumptions and conditions laid down in the questions to avoid giving irrelevant answers.
- Some candidates had difficulty in presenting their answers in a precise way. Candidates should equip themselves with better language abilities as well as graphical skills.
- Some candidates lacked awareness of current economic issues in our society. Candidates should pay more attention to economic news.
- Some candidates lacked skills to extract information from tables and graphs as well as to draw well-labelled diagrams. Candidates should pay special attention to the headings, labels and axes as they are essential to our understanding of the data presented therein.
- Candidates should interpret carefully and properly use the source provided in answering the data response question. They should use separate paragraphs for presenting different ideas in their answers.

Grading - paper marks and subject marks

- **Raw mark** of Paper 1 (max mark): 45
- **Raw mark** of Paper 2 (max mark): 124
- **Adjusted mark**: Marks awarded by markers are adjusted, if necessary, to rectify lenient, strict or erratic marking.
- **Weighted paper mark**: Marks of different papers are converted to the same comparable scale, taking into account the spread of marks in different papers and the published paper weightings, before they are combined to form the **subject mark**.



Grading - Grading procedures

1. Sample scripts selection
2. Standardisation
3. **Post-marking exercise:**

The **grading panel** will discuss and suggest a provisional grading recommendation (including **preliminary cut score range**) on each paper through expert judgment base on:



Grading – Post-marking exercise

- The **level descriptors**
- The standards of 2012 DSE (library scripts)
- **Marked-live scripts**, selected according to the total marks
- Feedback from markers on the **level of difficulty** of papers
- Inter-paper correlations, the mean and standard deviation of the current year's papers
- Paper mark cumulative distributions
- **Performance samples from 2016 and 2017 DSE** (library scripts)



Grading – Panel of judges grading meeting

- Preliminary cut score range
- Samples scripts around the cut score range
- Group ability index:
 - constructed per level
 - An index for each level based on the number of candidates in **this group (this subject)** achieving that particular level in the four core subjects
 - depends on the correlation of the subject and EACH of the 4 core subjects



Grading – Panel of judges grading meeting

Panel of judges considers:

- Preliminary cut score range
 - Samples scripts around the cut score range
 - Group ability index (GAI) as reference
- ➔ Recommendation for the cut score for the subject
- The panel of judges plays a very important and independent role in setting a cut score for each level based on the actual performance of candidates



Grading – Internal meeting and Public Examinations Board meeting

- Internal meeting: A senior management team led by Secretary General of the Authority will meet to review the recommendations of individual subject panels.
- PEB meeting: The recommendations of the internal meeting will be reviewed at the PEB meeting and the final cut scores of all HKDSE subjects must be endorsed at this meeting.



Grading – Determination of level 5** and 5*

- Statistically determined
- The highest **10%** (approximately) of level 5 candidates will be awarded 5**
- The next highest-achieving **30%** (approximately) of level 5 candidates will be awarded 5*



Grading: Standard Maintenance

- Standard of the level 1,2,3,4,5 should be maintained across years
- **The cutting scores NOT constant:**
the cutting scores depends on level of difficulty of the papers and the actual performance of the candidates
- It is possible that a level 2 candidate perform better in one particular question than a level 5 candidate:
the level represents the overall performance



DRQ: Online Resources

Sample questions (with updated assessment criteria):

Eng:



Chi:



PowerPoint of
the seminar on DRQ:



DRQ: Related Past Questions

- 2012: Nil
- 2013: Q8, Q11b
- 2014: Q7ab
- 2015: Q8
- 2016: Q11d, Q12c, Q13b
- 2017: Q10b, Q13b
- 2018: Q11, Q13b
- **2019: Q12**

