



**AP[®] Macroeconomics
2004 Scoring Commentary
Form B**

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Question 1

Sample: 1A

Score: 12

This is an excellent answer.

Sample: 1B

Score: 9

This is a good answer. Two points were lost because the Phillips curve is missing in part (b). A third point was lost because there was no shift in the aggregate supply curve in part (c) as a result of the reduction in business taxes.

Sample: 1C

Score: 8

This is a fairly good answer. The absence of a Phillips curve and the associated analysis resulted in a loss of two points in part (b). The first two points in part (c) were not earned because there was no discussion of a lower interest rate and its effect on investment.

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Question 2

Sample: 2A

Score: 8

This is an excellent answer.

Sample: 2B

Score: 6

This is a good answer. Two points were missed in part (c) because the direction of the interest rate change and the reason for its change were incorrect. The answers to the other parts were correct.

Sample: 2C

Score: 4

This is a fair answer. The points in part (a) were not earned because the stated effect on the international value of the Canadian dollar and the explanation were incorrect. The points in part (b) were not earned because there was no explanation of the effect on imports or net exports. Part (c) correctly states that the interest rate would decrease due to the influx of funds. Part (d) correctly states that investment increases in response to the decrease in the interest rate.

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Question 3

Sample: 3A

Score: 6

This is an excellent answer. Each part of the answer is correct and well explained.

Sample: 3B

Score: 4

This is a fairly good answer. The opportunity costs and associated comparative advantages are correctly identified in parts (a) and (b). The two points in part (c) were missed because the answer mistakenly states that the increase in productivity changes the opportunity cost of production in Beeland and thereby gives Beeland the comparative advantage in food production.

Sample: 3C

Score: 3

This is a fair answer. Both points in part (a) were earned because the opportunity costs were calculated correctly. Both points in part (b) were missed because the interpretations of the differing opportunity costs in terms of comparative advantage were incorrect. One point was earned in part (c) for correctly identifying Newland as having a comparative advantage in food production. The second point in part (c) was missed because the explanation of why Newland had a comparative advantage was incorrect.