***Educating Young People Who Will Be***

 ***Significantly Different!***

**Assessment Schedule – 2013**

**Economics: Demonstrate understanding of consumer choices, using scarcity and/or demand (90983)**

**Evidence Statement**

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| **Question** | **Evidence** |
| **ONE**(a) | Time is a limited resource for Simon because there are only 24 hours in a day and Simon has multiple demands on his time. He has to study for his Economics degree, work to earn an income, help his flatmates with housework and meet his friends to play sport (he has limited time and unlimited activities/wants). *(any combinations of unlimited wants)*Because Simon has limited time he must make a choice (decision between alternatives) about what activities are the most important to do. His opportunity cost is the next best alternative foregone when a choice is made e.g. when he chooses to spend time studying, then he gives up the opportunity to earn more income at his part time job, so work (and income) is the opportunity cost of studying. *(or any other relevant example using stimulus material)* |
| (b) | Values are those ideas/beliefs that people consider to be important when deciding how to behave and what to think. They influence our decisions.Simon’s values will have been influenced by his family, friends, religion *(any valid influence on values).*Simon is valuing financial independence/ financial stability/ financial freedom if he decides to use the gift to pay off his loan *(he may also value family duty/obedience and want to do as his parent recommend)*. If he decides to go on holiday he is valuing friendship/ rewarding hard work/ personal enjoyment.Simon is facing an internal conflict because he has to decide whether to pay off some of his loan, which would please his parents and give him some financial freedom or use the money to go on a holiday with his friends which he feels he deserves as a reward for all his hard work.In order to resolve his conflict Simon could use half of the money to pay off some of his student loan and go on a cheaper holiday in New Zealand with his friends. Simon could use the whole gift to pay off his loan and increase his work hours to earn more income to save for the holiday. Simon could use some of the gift to have a smaller celebration for his graduation (party) with his friends and use the rest to pay off some of his loan.  |

**Judgement Statement – Question One**

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| **N1** | **N2** | **A3** | **A4** | **M5** | **M6** | **E7** | **E8** |
| Demonstrates partial understanding with TWO of:* Describes scarcity - limited time unlimited wants
* Describes a choice
* Defines opportunity cost
* Defines OR identifies a value OR an influence on values
* Identifies a conflict OR a compromise
 | Demonstrates partial understanding with THREE of:* Describes scarcity - limited time unlimited wants
* Describes a choice
* Defines opportunity cost
* Defines OR identifies a value OR an influence on values
* Identifies a conflict OR a compromise
 | Demonstrates understanding by:* Describes scarcity - limited time unlimited wants

AND THREE of:* Describes a choice
* Defines opportunity cost
* Defines OR identifies a value OR an influence on values
* Identifies a conflict OR a compromise
 | Demonstrates understanding by:* Describes scarcity - limited time unlimited wants

AND ALL of:* Describes a choice
* Defines opportunity cost
* Defines OR identifies a value AND an influence on values
* Identifies a conflict OR a compromise
 | Demonstrates in depth understanding by:Describing scarcity of time in the context of Simon’s optionsANDLinks choice with a correct opportunity costANDExplains TWO conflicting values*OR* Provides an explanation of a possible compromise | Demonstrates in depth understanding by:Describing scarcity of time in the context of Simon’s optionsANDLinks choice with a correct opportunity costANDExplains TWO conflicting values*AND*Provides an explanation of a possible compromise | Demonstrates comprehensive understanding by:Explaining how scarcity necessitates a choice which is influenced by values **mostly** in context and using **mostly** correct economic terminologyANDExplains clearly the concept of opportunity cost linking the explanation to limited time and identifying in context a possible opportunity cost for Simon (*dependent upon his choice*)ANDExplains the internal conflict of values that Simon faces and links this to an explanation of ONE possible compromise | Demonstrates comprehensive understanding by:Explaining how scarcity necessitates a choice which is influenced by values in context and using correct economic terminologyANDExplains clearly the concept of opportunity cost linking the explanation to limited time and identifying in context a possible opportunity cost for Simon (*clear linkage to his OC as the next best alternative*)ANDExplains the internal conflict of values that Simon faces and links this to an explanation of TWO possible compromises |

**N0 =** No response; insufficient relevant evidence

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| **Question** | **Evidence** |
| **TWO** | (a) GraphLook for:* Title
* Units ($, slices)
* Axis labels (Price Quantity)
* Equal interval scales
* Demand curve labelled ‘D’
* Correct plotting
 | (b) GraphLook for:* Dotted lines
* Labels
* Arrows
 |
| Title: Simon’s fortnightly demand for pizza slices**Price ($)****5.00****4.00****3.00****2.00****1.00**

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| **P1****P** |  |  |  |  |  |
|  |  |  |  |  | **D** |
|  |  |  |  |  |  |
|  **1 2 3 4 5 6** |  |  |  |  |  |

**Q1 Q****Quantity Demanded (slices)** |

**Judgement Statement – Question Two**

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| **N1** | **N2** | **A3** | **A4** | **M5** | **M6** | **E7** | **E8** |
| Demonstrates partial understanding with TWO of:Graph with FIVE correct requirementsA movement up the demand curveThe law of demand statedA decrease in the number of pizza slices demandedOne flow on effect identified | Demonstrates partial understanding with THREE of:Graph with FIVE correct requirementsAccurate movement up the demand curveThe law of demand statedA decrease in the number of pizza slices demandedOne flow on effect identified | Demonstrates understanding with FOUR of:Graph with FIVE correct requirementsAccurate movement up the demand curveThe law of demand statedA decrease in the number of pizza slices demandedOne flow on effect identified | Demonstrates understanding with ALL of:Graph with FIVE correct requirementsAccurate movement up the demand curveThe law of demand statedA decrease in the number of pizza slices demandedOne flow on effect identified | Demonstrates in depth understanding with a ***detailed explanation*** of the law of demand using data/graph:ANDAccurate movement up the demand curvePrice and quantities identifiedANDReason given for the law of demand (idea of ceteris paribus)ORFlow on effect explained | Demonstrates in depth understanding with a ***detailed explanation*** of the law of demand using data/graph:ANDAccurate movement up the demand curveChange in quantity demanded identifiedANDReason given for the law of demand (idea of ceteris paribus)ORFlow on effect explained | Demonstrates comprehensive understanding with a ***detailed explanation*** of the law of demand **mostly** in context using data/graph and correct economic terms:ANDThe law of demand explained with price *AND* quantity demanded changeANDReason given for the law of demand (ceteris paribus explained)ANDFlow on effect explained | Demonstrates comprehensive understanding with a ***detailed explanation*** of the law of demand **in context** using data/graph and correct economic terms:ANDThe law of demand explained with price *AND* quantity demanded changeANDReason given for the law of demand (ceteris paribus explained)ANDTWO flow on effectsexplained |

**N0 =** No response; insufficient relevant evidence

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| **Question** | **Evidence** |
| **THREE** |  **Graph B: Simon’s Demand for Pizza****Price $****Quantity****D1****D** |
| (c) | Pizza and curry are **substitutes**, meaning that they are goods that can be purchased **in place of**// **instead of** each other. When the price of curry decreases from P to P1 the **quantity demanded** of curry increases from Q to Q1 because it is more **affordable**. The **demand** for pizza slices decreases because they are **relatively more expensive**.The decrease in **demand** for pizza slices is shown as a **shift** of the demand curve to the left (from D to D1) as fewer pizza slices are demanded at each and every price. The increase in **quantity demanded** of curry is illustrated as a **movement along (down)** the demand curve (more is demanded at a lower price).Possible flow-on effects:* Simon may be able to meet his friends for dinner more often if they are purchasing the less expensive curry meals.
* If Simon is spending more of his time with his friends at the curry restaurant he will be spending less time studying.
* Simon will have more income left over to spend on other goods and services or to save if he is spending less of his income on the relatively cheaper restaurant meal (curry).
* Simon may be healthier because he is eating less pizza.

*(Any other valid flow on consequence)* |

**Judgement Statement – Question Three**

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| **N1** | **N2** | **A3** | **A4** | **M5** | **M6** | **E7** | **E8** |
| Demonstrates partial understanding with TWO of:Identities substitutesStates fewer pizza slices boughtStates/shifts demand for pizza slices to leftStates more curry boughtStates downward movement along demand curve for curryOne flow on effect identified | Demonstrates partial understanding with THREE of:Identities substitutesStates fewer pizza slices boughtStates/shifts demand for pizza slices to leftStates more curry boughtStates downward movement along demand curve for curryOne flow on effect identified | Demonstrates understanding with FOUR of:Identities substitutesStates fewer pizza slices boughtStates/shifts demand for pizza slices to leftStates more curry boughtStates downward movement along demand curve for curryOne flow on effect identified | Demonstrates understanding with FIVE of:Identities substitutesStates fewer pizza slices boughtStates/shifts demand for pizza slices to leftStates more curry boughtStates downward movement along demand curve for curryOne flow on effect identified | Demonstrates in depth understanding with a ***detailed explanation*** of substitutes using data/graph including TWO of:Explains substitutes in terms of goods being used instead of/ in place of each otherRefers to graphs in explaining movement down *OR* shift left of demand curveONE flow on effect explained | Demonstrates in depth understanding with a ***detailed explanation*** of substitutes using data/graph with ALL of:Explains substitutes in terms of goods being used instead of/ in place of each otherRefers to graphs in explaining movement down *OR* shift left of demand curveONE flow on effect explained | Demonstrates comprehensive understanding with a ***detailed explanation*** of substitutes **mostly** in context using data/graph and correct economic terms such as demand vs. quantity demanded:ANDFully explains substitutes in terms of goods being used instead of/ in place of each otherANDRefers to graphs in explaining movement down *AND* shift left of demand curveANDONE flow on effect explained | Demonstrates comprehensive understanding with a ***detailed explanation*** of substitutes **in context** using data/graph and correct economic terms such as demand vs. quantity demanded:ANDFully explains substitutes in terms of goods being used instead of/ in place of each otherANDRefers to graphs in explaining movement down *AND* shift left of demand curveANDTWO flow on effect explained |

**N0 =** No response; insufficient relevant evidence

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| **Question** | **Evidence** |
| **FOUR** | When Simon was a student and met his friends for dinner their income did not allow for expensive restaurant meals. They had to go to inexpensive cafes and could only afford meals like pizza and curry. In this context pizza slices and curry would be considered **inferior goods.** Inferior goods are those budget goods which consumers demand more of when their income is low.Now that Simon and his friends are older, working and earning higher incomes they can afford better quality meals out and choose to eat at restaurants that offer fine dining and wine with their meals. These meals out would be considered **luxury goods** in this context. Luxury goods are those high quality goods which consumers demand more of as their income increases.Simon’s demand for restaurant meals has changed from inferior goods to luxury goods.This is because:His increase in income means that he is now able to afford higher quality meals out, his demand for luxury fine dining restaurant meals increases while his demand for cheaper pizza and curry meals decreases.When Simon was younger he was only responsible for himself and was happy enough to eat pizza and curry at cheap and cheerful cafes. Now that Simon and his friends have partners and have developed an interest in food and wine he is more likely to choose restaurants that reflect the tastes and preferences of the group of people he now socialises with. A meal out is now the whole evening’s entertainment rather than a quick meal before going on to other activities when he was a student.Possible flow on impacts:* As a greater proportion of his income is spent on fine dining (luxury goods) the meals out are less frequent.
* Simon and his partner enjoy the standard of food and wine at the fine dining restaurants and meals provide entertainment for the whole evening out.
* Simon expands his circle of friends and is exposed to a wider range of cuisines.
* Exposure to a wider range of foods improves Simon’s home cooking skills.

*(Any other valid flow on consequence)* |

**Judgement Statement – Question Four**

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| **N1** | **N2** | **A3** | **A4** | **M5** | **M6** | **E7** | **E8** |
| Demonstrates partial understanding with TWO of:Defines inferior goodDefines luxury goodIdentifies curry/pizza as inferior goodIdentifies fine dining as luxury goodStates fewer inferior meals (pizza/ curry) will be demanded OR more luxury (fine dining) meals will be demandedStates ONE reason for the change in meal preferencesOne flow on effect identified | Demonstrates partial understanding with THREE of:Defines inferior goodDefines luxury goodIdentifies curry/pizza as inferior goodIdentifies fine dining as luxury goodStates fewer inferior meals (pizza/ curry) will be demanded OR more luxury (fine dining) meals will be demandedStates ONE reason for the change in meal preferencesOne flow on effect identified | Demonstrates understanding with FOUR of:Defines inferior goodDefines luxury goodIdentifies curry/pizza as inferior goodIdentifies fine dining as luxury goodStates fewer inferior meals (pizza/ curry) will be demanded *OR* more luxury (fine dining) meals will be demandedStates ONE reason for the change in meal preferencesOne flow on effect identified | Demonstrates understanding with FIVE of:Defines inferior goodDefines luxury goodIdentifies curry/pizza as inferior goodIdentifies fine dining as luxury goodStates fewer inferior meals (pizza/ curry) will be demanded *OR* more luxury (fine dining) meals will be demandedStates ONE reason for the change in meal preferencesOne flow on effect identified | Demonstrates in depth understanding with a ***detailed explanation*** of inferior and luxury goods including THREE of:Explains inferior goodsExplains luxury goodsExplains with ONE reason why the demand for pizza/curry meals falls *AND* the demand for fine dining meals increasesONE flow on effect explained | Demonstrates in depth understanding with a ***detailed explanation*** of inferior and luxury goods with ALL of:Explains inferior goodsExplains luxury goodsExplains with ONE reason why the demand for pizza/curry meals falls *AND* the demand for fine dining meals increasesONE flow on effect explained | Demonstrates comprehensive understanding with a ***detailed explanation*** of inferior and luxury goods **mostly** in context using examples supplied and **correct economic terms:**ANDFully explains inferior and luxury goods in relation to restaurant meals and income increase in contextANDONE flow on effect explained | Demonstrates comprehensive understanding with a ***detailed explanation*** of inferior and luxury goods **in context** using examples supplied and **correct economic terms**:ANDFully explains inferior and luxury goods in relation to restaurant meals and income increase in contextANDTWO flow on effect explained |

**N0 =** No response; insufficient relevant evidence

**Judgement Statement – Overall**

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|  | **Not Achieved** | **Achieved** | **Achieved with Merit** | **Achieved with Excellence** |
| **Score range** | 0-8 | 9-17 | 18-24 | 25-32 |

*Overall score range may need to be adjusted to accommodate profiles of expected performance.*