

## Achievement Standard

**Subject Reference** Economics 1.1

**Title** Demonstrate understanding of consumer choices, using scarcity and/or demand

**Level** 1      **Credits** 4      **Assessment** External

**Subfield** Economic Theory and Practice

**Domain** Economics

**Status** Registered      **Status date** 9 December 2010

**Planned review date** 31 December 2014      **Date version published** 9 December 2010

This achievement standard involves demonstrating understanding of consumer choices using the concepts of scarcity and/or demand.

### Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> <li>Demonstrate understanding of consumer choices, using scarcity and/or demand.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate in-depth understanding of consumer choices, using scarcity and/or demand.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate comprehensive understanding of consumer choices, using scarcity and/or demand.</li> </ul>

### Explanatory Notes

1 This achievement standard is derived from the first Level 6 Economics achievement objective of the Social Sciences learning area in *The New Zealand Curriculum*, Learning Media, Ministry of Education, 2007, and is related to material in the *Teaching and Learning Guide for Economics*, Ministry of Education, 2010 at <http://seniorsecondary.tki.org.nz/>.

2 Definitions:  
*Consumer* refers to an individual or household that demands a good or service.

*Consumer choices* refer to economic decisions a consumer makes:

- as a result of scarcity (unlimited wants greater than limited means) and which incur an opportunity cost. This includes consideration of the values that determine those choices
- in response to changes in price and non-price factors affecting demand.

*Demand* refers to decisions a consumer makes about the quantity of a good or service they are willing and able to buy at a range of prices. This includes using demand curves and schedules to show changes.

3 *Demonstrate understanding* would typically involve:

- defining, identifying, describing or providing an explanation of consumer choices related to scarcity
- identifying, describing or providing an explanation of choices a consumer makes in response to a change in price or non-price factors
- identifying, describing or providing an explanation of flow-on effects for the consumer
- clearly illustrating changes using the demand model.

*Demonstrate in-depth understanding* would typically involve:

- providing a detailed explanation of consumer choices related to scarcity
- providing a detailed explanation, using demand, of choices a consumer makes in response to a change in price or non-price factors
- providing a detailed explanation of the flow-on effects for the consumer.

*Demonstrate comprehensive understanding* would typically involve:

- providing an integrated explanation of consumer choices related to scarcity
- linking detailed explanations of flow-on effects for the consumer with detailed explanations of choices the consumer makes in response to a change in a price or non-price factors affecting demand
- integrating changes in demand into detailed explanations.

4 Further clarification of the relevant knowledge, concepts and skills can be found in the *Teaching and Learning Guide for Economics*.

5 Assessment Specifications for this achievement standard can be accessed through the Economics Resources page found at [www.nzqa.govt.nz/ncea/resources](http://www.nzqa.govt.nz/ncea/resources).

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### Replacement Information

This achievement standard replaced AS90195.

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### Quality Assurance

- 1 Providers and Industry Training Organisations must be accredited by NZQA before they can register credits from assessment against achievement standards.
- 2 Accredited providers and Industry Training Organisations assessing against achievement standards must engage with the moderation system that applies to those achievement standards.

Accreditation and Moderation Action Plan (AMAP) reference

0233