



National Certificate of Educational Achievement
TAUMATA MĀTAURANGA Ā-MOTU KUA TAEA

Exemplar for Internal Achievement Standard Economics Level 1

This exemplar supports assessment against:

Achievement Standard 90988A

**Demonstrate understanding of the interdependence of sectors of the
New Zealand economy**

An annotated exemplar is an extract of student evidence, with a commentary, to explain key aspects of the standard. These will assist teachers to make assessment judgements at the grade boundaries.

New Zealand Qualification Authority

To support internal assessment from 2014

	Grade Boundary: Low Excellence
1.	<p>For Excellence, the student needs to demonstrate a comprehensive understanding of the interdependence of sectors of the New Zealand (NZ) economy.</p> <p>This would typically involve:</p> <ul style="list-style-type: none"> • providing a detailed explanation of how or why sectors are interdependent, using an economic model • linking detailed explanations of the impact of an event on a sector with detailed explanations of the flow-on effects to other sectors, using an economic model. <p>The student has demonstrated comprehensive understanding by providing a detailed explanation of how or why sectors are interdependent, using a circular flow model. The event that their model describes is the WTO decision regarding the Australian ban on NZ apples (3).</p> <p>The student has explained, using a circular flow model, how this event impacts on NZ apple producers (2). Money and real flows are differentiated on a diagram (1) in order to explain how and why these economically interdependent factors relate to the ban on NZ apples (3).</p> <p>The student has also explained how the impact of the event on NZ apple producers links to the flow-on effects to households, the overseas, financial and government sectors, using the economic language of the circular flow model. Additionally, the student has explained why the flow-on effects will be greater than the initial economic event (4).</p> <p>A more secure Excellence would be attained by explaining why the event has wider implications for the producer sector, by explaining the flow-on effects on the tertiary firms. One example of this has been provided (5).</p>

	Grade Boundary: High Merit
2.	<p>For Merit, the student needs to demonstrate an in-depth understanding of the interdependence of sectors of the NZ economy.</p> <p>This would typically involve:</p> <ul style="list-style-type: none"> • providing a detailed explanation of how or why sectors are interdependent, using an economic model • providing a detailed explanation of the impact of an event on a sector and/or the flow-on effects to other sectors, using an economic model. <p>The student has demonstrated an in-depth understanding by providing a detailed explanation of how or why sectors are interdependent using a circular flow model. The event that their model describes is the WTO decision regarding the Australian ban on NZ apples.</p> <p>Their model describes the effects of this event on different sectors, and identifies the money and real flows on a diagram (6). Additionally, the student has explained why the event has impacted NZ apple producers, explaining some of the wider implications in terms of the flow-on effects on firms that they are interdependent with (7). The student also explained (how and why) the flow-on effects to the overseas and financial sectors of the economic event using the circular flow model (8).</p> <p>To reach Excellence, the student would need to use the circular flow model to explain how the event impacts on NZ apple producers. An example of this has been provided (9). Additionally, the links to flow-on effects on other sectors would be explained in more depth, and the student would need to address why these flow-on effects will be greater than the initial economic event.</p>

	Grade Boundary: Low Merit
3.	<p>For Merit, the student needs to demonstrate an in-depth understanding of the interdependence of sectors of the NZ economy.</p> <p>This would typically involve:</p> <ul style="list-style-type: none"> • providing a detailed explanation of how or why sectors are interdependent, using an economic model • providing a detailed explanation of the impact of an event on a sector and/or the flow-on effects to other sectors, using an economic model. <p>The student has demonstrated in-depth understanding by providing a detailed explanation of how or why sectors are interdependent using a circular flow model.</p> <p>The economic model describes the effects of the event on different sectors and identifies the money and real flows (10). Additionally, the student has explained why the event has impacted NZ apple producers, explaining some of the wider implications in terms of the flow-on effects on firms that they are interdependent with (11).</p> <p>The student has correctly referred to '<i>export receipts</i>' in the explanation, differentiated real and money flow examples from the model, and used these in the explanation (how and why) of flow-on effects to the overseas, household, financial, and government sectors (12).</p> <p>For a more secure Merit, the circular flow model would need to be correctly labelled: '<i>consumer spending</i>' is a money flow not a real flow; and another money flow is labelled as '<i>import receipts</i>' instead of '<i>export receipts</i>' (10).</p> <p>Additionally, an economic model would be used to explain how the event impacts on the wider producer sector, and the student would correctly use '<i>cost</i>' and '<i>price</i>' in explanations (11).</p>

	Grade Boundary: High Achieved
4.	<p>For Achieved, the student needs to demonstrate understanding of the interdependence of sectors of the NZ economy.</p> <p>This would typically involve:</p> <ul style="list-style-type: none"> • identifying, defining or describing sectors and flows • providing an explanation of how or why sectors are interdependent • providing an explanation of the impact of an event on a sector and/or the flow-on effects to other sectors • constructing an economic model. <p>The student has demonstrated understanding by constructing a circular flow model and describing sectors and flows. The event that their model describes is the WTO decision regarding the Australian ban on NZ apples.</p> <p>The student explains the impact of the event on NZ apple producers, and the flow-on effects on two other sectors. The household information provides evidence of examples and descriptions of the interdependence between three sectors of the NZ economy (13).</p> <p>The student also explains how the household sector is interdependent with the producer, financial and government sectors of the NZ economy, incorporating the household information, and using some of the economic language of the circular flow model (14).</p> <p>To reach Merit, the student would differentiate the money and real flow examples of the circular flow model in the explanations of interdependence, fully addressing the 'how' or 'why', and adding the necessary depth.</p>

	Grade Boundary: Low Achieved
5.	<p>For Achieved, the student needs to demonstrate understanding of the interdependence of sectors of the NZ economy.</p> <p>This would typically involve:</p> <ul style="list-style-type: none"> • identifying, defining or describing sectors and flows • providing an explanation of how or why sectors are interdependent • providing an explanation of the impact of an event on a sector and/or the flow-on effects to other sectors • constructing an economic model. <p>The event described is the WTO decision regarding the Australian ban on NZ apples. The student has demonstrated understanding by explaining the impact of this event on NZ apple producers, and constructed a circular flow model incorporating their household information (15).</p> <p>The student also described how the household sector is interdependent with the producer firms: Countdown, Elgas and Sky TV (16).</p> <p>Additionally, how the household sector and the government sector are interdependent is explained, using economic terminology and the student's diagram as supporting evidence. Interdependence between the household and financial sectors is described (17).</p> <p>For a more secure Achieved, real and money flows should be differentiated on the circular flow model or described. Also, <i>'payment for resources'</i> should appear on the diagram between producers and households, not between government and households (15).</p> <p>The explanation of how the household sector is interdependent with the financial sector should use terms like 'financial sector' and 'savings'. Additionally, the student would explain the other interdependent relationship of resources provided by households, e.g. 'labour' and the 'wages/salary' provided by producers.</p>

	Grade Boundary: High Not Achieved
6.	<p>For Achieved, the student needs to demonstrate understanding of the interdependence of sectors of the NZ economy.</p> <p>This would typically involve:</p> <ul style="list-style-type: none"> • identifying, defining or describing sectors and flows • providing an explanation of how or why sectors are interdependent • providing an explanation of the impact of an event on a sector and/or the flow-on effects to other sectors • constructing an economic model. <p>The event described is the WTO decision regarding the Australian ban on NZ apples. The student has partially demonstrated understanding by constructing an economic model and explaining how households are interdependent with the producer, government and financial sectors.</p> <p>The student's diagram describes how apple producers (primary sector) and supermarkets (tertiary sector) are interdependent (18). Additionally, the student describes how the economic event has flow-on effects to the overseas sector (19).</p> <p>To reach Achieved, the student should demonstrate understanding of the WTO decision, enabling NZ apple producers to export apples to Australia. The student would demonstrate an understanding of the terms '<i>import payments</i>' and '<i>export receipts</i>' and not confuse the terms '<i>imports</i>' and '<i>exports</i>' in their explanation (19).</p> <p>Additionally, two examples used in the diagram would be corrected. If the Orchard pickers are contractors rather than employees they are providing a service so are part of the tertiary not primary sector. The transport company provides the transport service to apple producers for 'income' or 'revenue' so they can remain in business (18).</p>