

Assessment Schedule – 2020

Economics: Analyse economic growth using economic concepts and models (91224)

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<p>Analyse economic growth involves:</p> <ul style="list-style-type: none"> • explaining causes of changes in economic growth using economic models • explaining the impacts of changes in economic growth on various groups in New Zealand society and / or the environment • identifying, defining or describing economic growth concepts. 	<p>Analyse economic growth in depth involves:</p> <ul style="list-style-type: none"> • explaining, in detail, causes of changes in economic growth using economic models • explaining, in detail, the impacts of changes in economic growth on various groups in New Zealand society and / or the environment. 	<p>Analyse economic growth comprehensively involves:</p> <ul style="list-style-type: none"> • assessing causes of changes in economic growth by comparing and / or contrasting their impact on economic growth • assessing the impacts of changes in economic growth by comparing and / or contrasting the impact on various groups in New Zealand society and / or the environment • integrating changes shown on economic models into detailed explanations.

Evidence

Q1	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>Explains that an increase in export receipts will increase output and employment. This, in turn, will increase household consumption, resulting in economic growth (or similar).</p>	<p>Fully explains the impact on economic growth if trade increases between NZ and the UK, with increased export receipts and increased import payments (OR X–M).</p> <p>A full explanation involving producer sector, e.g. increased exports requires increased output in the producer sector, resulting in increased growth, OR</p> <p>A full explanation involving household sector, e.g. increased exports requires increased output, resulting in increased jobs / income and causing growth.</p>	
(b)(i) (b)(ii)	<p>Illustrates and labels an increase in aggregate demand and / or an increase in aggregate supply (<i>see Appendix, Graph One</i>).</p> <p>Explains that an increase in trade between NZ and UK will result in an increase in (X–M), which increases the AD. This results in economic growth, or the AD curve shifts to the right, OR</p> <p>Explains that an increase in trade between NZ and the UK will result in higher productivity as NZ can purchase more efficient imported capital goods or more firms are set up in NZ, which increases the AS. This results in increased economic growth, or the AS curve shifts to the right.</p>	<p>Fully explains that an increase in trade between NZ and UK will result in an increase in (X–M), which increases the AD, as (X–M) is a component of AD. This results in economic growth, and the AD curve shifts to the right, OR</p> <p>Fully explains that an increase in trade between NZ and the UK will result in higher productivity as NZ can purchase more efficient imported capital goods, allowing firms to reduce prices while maintaining profit margins, or more firms are set up in NZ, which increases the AS. This results in increased economic growth, and the AS curve shifts to the right.</p> <p>Answer makes full reference to Graph One. The depth of a full explanation can be identified as (but not restricted to) why two components of AD / AS have increased.</p>	<p>Fully explains that an increase in trade between NZ and UK will result in an increase in (X–M), which increases the AD, as (X–M) is a component of AD. This results in economic growth, and the AD curve shifts to the right, AND</p> <p>Fully explains that an increase in trade between NZ and the UK will result in higher productivity as NZ can purchase more efficient imported capital goods, allowing firms to reduce prices while maintaining profit margins, or more firms are set up in NZ, which increases the AS. This results in increased economic growth, and the AS curve shifts to the right.</p> <p>Answer makes full references to Graph One. The depth of a full explanation can be identified as (but not restricted to) why two components of AD / AS have increased.</p>

Q1	Achievement	Achievement with Merit	Achievement with Excellence
(c)		<p><i>(Note:</i> Candidates who provide flow-on impacts on aggregate demand should be rewarded if an economic linkage is provided).</p>	<p>The potential market and therefore net export receipts (aggregate demand) received from increased trade will be greater than the increase in productivity for firms in NZ from imported capital goods from the UK.</p> <p><i>(Note:</i> Candidates may include flow-on effects such as increased consumption or investment caused by increased export receipts as alternative reason for larger shift in aggregate demand).</p>

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Q2	Achievement	Achievement with Merit	Achievement with Excellence
(a)(i) (a)(ii)	<p>Illustrates an outward shift in the production possibility frontier (PPF). <i>(See Appendix, Graph Two).</i></p> <p>Explains that an increase in resources or technology will shift the PPF outwards and result in economic growth.</p> <p>An example of a resource or technology is provided in the explanation, or the example is used without describing it as a resource or technology. For example, immigration will result in an increase in the labour force, which will increase production capacity.</p>	<p>Illustrates and labels an outward shift of the PPF. <i>(See Appendix, Graph Two).</i></p> <p>Fully explains that an increase in resources (capital or labour) with an appropriate example will cause the PPF to shift outwards to BB, AND That an increase in technology (capital or labour) with an appropriate example will cause the PPF to shift outwards to BB.</p>	
(b)	<p>Explains real GDP in terms of a weakness or strength.</p> <p>Explains net social welfare in terms of a strength or a weakness.</p>	<p>Fully explains real GDP in terms of a strength and a weakness, OR fully explains net social welfare in terms of a strength and a weakness, OR fully explains strengths or weaknesses of real GDP and net social welfare:</p> <ul style="list-style-type: none"> • Strengths of real GDP: objective or measurable, factual, linked to income or expenditure in economy. • Weaknesses of real GDP: distribution or composition of GDP is unknown. Does not tell you the output gap in the economy. • Strengths of net social welfare: it includes real economic factors such as real GDP but also includes non-economic factors such as employment levels. • Weaknesses of net social welfare: subjective or opinion-based. 	<p>Fully explains real GDP in terms of strengths and weaknesses AND fully explains net social welfare in terms of strengths and weaknesses:</p> <ul style="list-style-type: none"> • Strengths of real GDP: objective or measurable, factual, linked to income or expenditure in economy. • Weaknesses of real GDP: distribution or composition of GDP is unknown. Does not tell you the output gap in the economy. • Strengths of net social welfare: it includes real economic factors such as real GDP but also includes non-economic factors such as employment levels, access to economic factors. • Weaknesses of net social welfare: subjective or opinion-based. <p>Fully explains why net social welfare is a better measurement of growth based on weaknesses and strengths identified. Probably based on understanding that it includes non-economic factors.</p>

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Q3	Achievement	Achievement with Merit	Achievement with Excellence
	<p>Explains two positives OR two negatives OR one positive and one negative to businesses and / or households in the region the port is relocated to.</p> <ul style="list-style-type: none"> • Business positives: a greater population / growth will result in a larger market and greater demand for goods and services. New businesses (including those services that support exports / imports / port / delivery industry). Relatively cheaper land to build on. • Business negatives: increased congestion and pollution, difficulty in getting skilled workers, cost of building new facilities. • Household positives: greater employment opportunities, higher wages, bigger range of goods and services available. • Household negatives: higher rates / rents, higher property prices, increased congestion and pollution. 	<p>Fully explains two positives AND two negatives to businesses and / or households in the region the port is relocated to.</p> <ul style="list-style-type: none"> • Business positives: a greater population / growth will result in a larger market and greater demand for goods and services. New businesses (including those services that support exports / imports / port / delivery industry). Relatively cheaper land to build on. • Business negatives: increased congestion because of delays in delivery, increased pollution, difficulty in getting skilled workers because of lack of labour supply, cost of building new facilities. • Household positives: greater employment opportunities as businesses in region expand, higher wages as businesses compete for workers, bigger range of goods and services available, as more firms are attracted to the region to service the increased population and number of businesses. • Household negatives: higher rates / rents, higher property prices, increased congestion and pollution. 	<p>Fully explains two positives AND two negatives to businesses and / or households in the region the port is relocated to.</p> <ul style="list-style-type: none"> • Business positives: a greater population / growth will result in a larger market and greater demand for goods and services. New businesses (including those services that support exports / imports / port / delivery industry). Relatively cheaper land to build on. • Business negatives: increased congestion because of delays in delivery, increased pollution, difficulty in getting skilled workers because of lack of labour supply, cost of building new facilities. • Household positives: greater employment opportunities as businesses in region expand, higher wages as businesses compete for workers, bigger range of goods and services available, as more firms are attracted to the region to service the increased population and number of businesses. • Household negatives: higher rates / rents, higher property prices, increased congestion and pollution, <p>AND</p> <p>Compares and contrasts the positives and negatives to conclude that:</p> <ul style="list-style-type: none"> • in the long term, the shift will be of benefit to the new region the port is relocated to, OR • the movement of the port will create greater efficiency in the NZ economy by freeing up land / resources in the Auckland region for other uses, while also creating regional growth, leading to an overall gain for the NZ economy (i.e. an answer that doesn't refer just to the net gain for Northland).

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

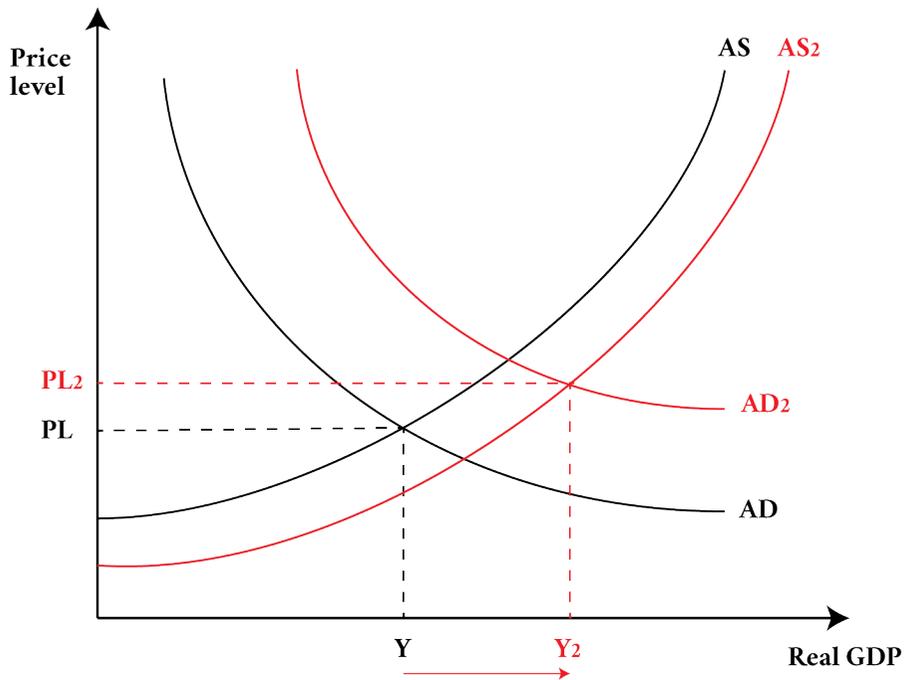
Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 6	7 – 12	13 – 18	19 – 24

Appendix

Question One (b) (left) and Question Two (a) (right)

Graph One: AD/AS model of the New Zealand economy



Graph Two: Production possibility frontier

