

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 2020 **Date version published** 20 November 2014

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

Explanatory Notes

- 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/>.

This standard is also derived from Te Marautanga o Aotearoa. For details of Te Marautanga o Aotearoa achievement objectives to which this standard relates, see the [Papa Whakaako](#).

- 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.

Replacement Information

This achievement standard replaced AS90195.

Quality Assurance

- 1 Providers and Industry Training Organisations must have been granted consent to assess by NZQA before they can register credits from assessment against achievement standards.
- 2 Organisations with consent to assess and Industry Training Organisations assessing against achievement standards must engage with the moderation system that applies to those achievement standards.

Consent and Moderation Requirements (CMR) reference

0233