

90983



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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SUPERVISOR'S USE ONLY

Level 1 Economics, 2012

90983 Demonstrate understanding of consumer choices, using scarcity and/or demand

9.30 am Tuesday 27 November 2012

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of consumer choices, using scarcity and/or demand.	Demonstrate in-depth understanding of consumer choices, using scarcity and/or demand.	Demonstrate comprehensive understanding of consumer choices, using scarcity and/or demand.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL the questions in this booklet.

If you need more space for any answer, use the page(s) provided at the back of this booklet and clearly number the question.

Check that this booklet has pages 2–11 in the correct order and that none of these pages is blank.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

TOTAL

ASSESSOR'S USE ONLY

QUESTION TWO: LAW OF DEMAND

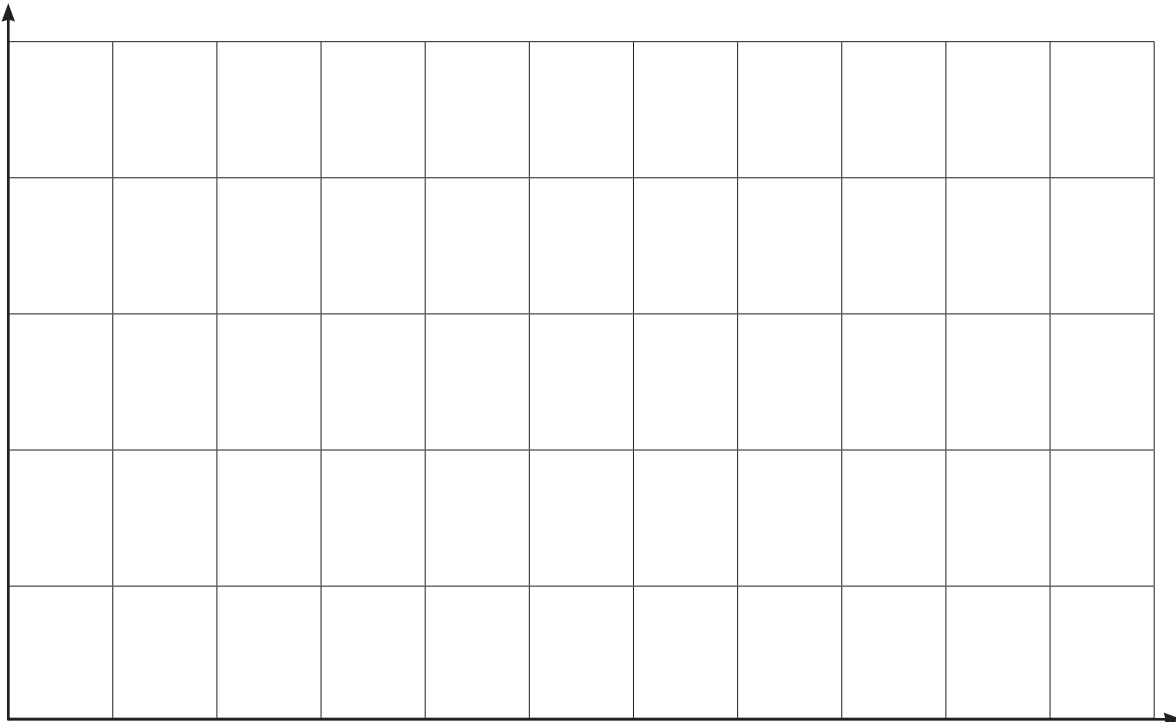
Alexi enjoys catching up with his friends over coffee. Shown below is his demand schedule for cups of coffee at the local cafes.

Alexi's weekly demand schedule for cups of coffee	
Price per cup (\$)	Quantity demanded (cups)
3.00	10
3.50	8
4.00	5
4.50	3
5.00	2

Complete questions (a) to (c) to **fully explain** the law of demand in the context of Alexi's demand for coffee at the local cafes.

- (a) Draw a fully labelled demand curve on the graph below using the information from the demand schedule above.

Title: _____



- (b) On the graph above, show the effect of the price of coffee increasing from \$3.50 to \$4.50 per cup. Fully label your changes.

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