

3

91530



915300



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

Level 3 Agricultural and Horticultural Science, 2014

91530 Demonstrate understanding of how market forces affect supply of and demand for New Zealand primary products

9.30 am Monday 10 November 2014

Credits: Five

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how market forces affect supply of and demand for New Zealand primary products.	Demonstrate in-depth understanding of how market forces affect supply of and demand for New Zealand primary products.	Demonstrate comprehensive understanding of how market forces affect supply of and demand for New Zealand primary products.

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 room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–15 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

INSTRUCTIONS

This assessment requires you to answer questions related to either TWO OR THREE **different** primary products which either earn significant export revenue or allow for self-sufficiency within New Zealand.

Note the following points:

- Before you select your primary products, **carefully read** the rest of this page, and Questions One to Three, to ensure that your selection will allow you to meet ALL the requirements of the questions.
- Enter your selections in the box below.
- The primary product for your discussion of **demand** must be different from that for your discussion of **supply**.
- The primary product that you use for Question Three may be either one that you have previously used, or a different one, but it must earn significant export revenue.

Question One requires you to select TWO of the four market forces listed below, and explain in detail how they affect the **supply** of your selected primary product (1):

- seasonality
- price trends
- political intervention
- exchange rate.

Question Two requires you to analyse TWO of the four market forces listed below in terms of their effect on the **demand** for your selected primary product (2):

- consumer preferences
- promotion
- quality requirements of processors or buyers
- price.

Question Three requires you to discuss and compare the impacts of **market trends** for possum fur and another primary product. This may be a product you have already used, or a new product. It must be **exported** at a nationally significant level.

SELECTION OF PRIMARY PRODUCTS

Primary product (1) for discussion of supply: _____

Primary product (2) for discussion of demand: _____

Primary product for discussion of market trends: _____

Note: In your answers, use specific examples, including recent units and values where appropriate, to help explain how market forces affect supply and demand – eg volume of product, typical costs, and returns to producer.

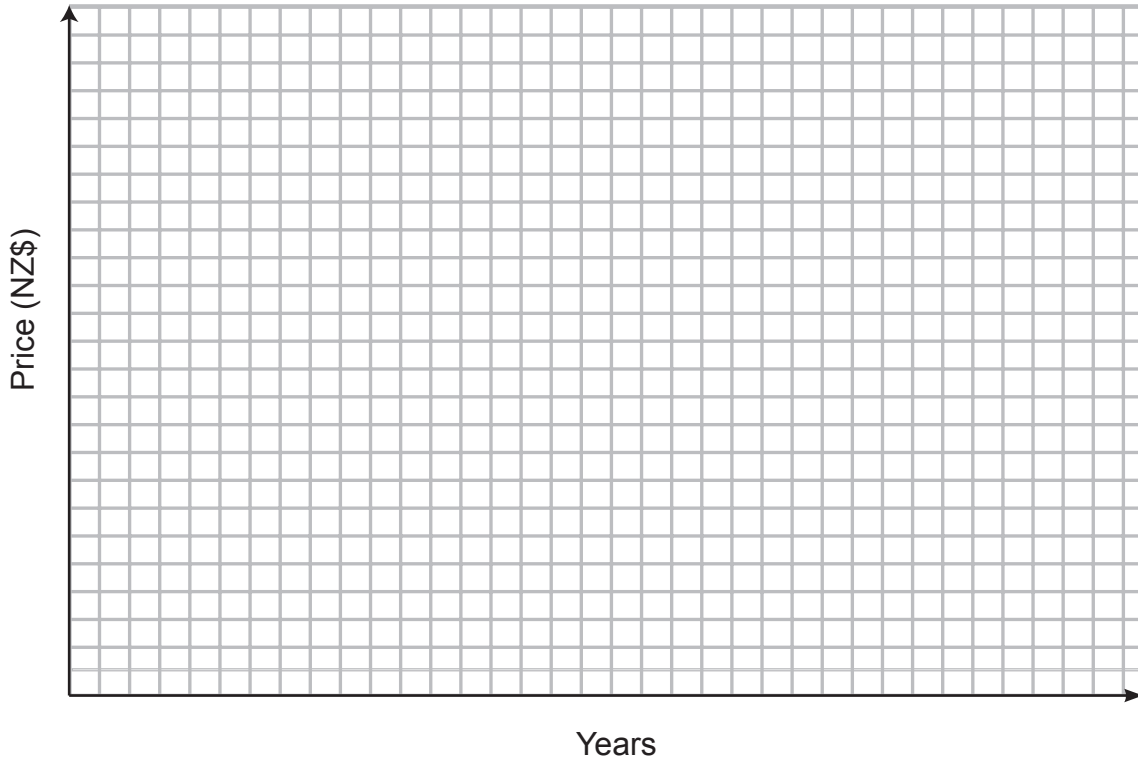
QUESTION ONE: Market forces affecting the supply of primary products

Answer all parts of this question, using your selected primary product (1).

Primary product (1): _____

The supply of primary products is often influenced by the price the grower receives for the product.

- (a) Draw a graph on the grid below, showing the typical price received by New Zealand producers over recent years (1–5 years). Include units and values.



Select TWO market forces from the list below:

- seasonality
- price trends
- political intervention
- exchange rate.

- (b) For the TWO market forces selected above, explain (using data and evidence where appropriate) how each one has contributed to the price pattern shown on the graph.

Market force 1: _____

QUESTION TWO: Market forces affecting the demand for primary products

Answer all parts of this question, using your selected primary product (2).

Primary product (2): _____

*Note: This **must** be different from the primary product used in Question One.*

Market forces that influence demand include:

- consumer preferences
- promotion
- quality requirements of processors or buyers
- price.

(a) Select TWO of the market forces listed above.

Explain, using data and evidence where appropriate, how each of the TWO selected market forces have influenced the demand for your product.

Market force 1: _____

Market force 2: _____

**This page has been deliberately left blank.
The examination continues on the following page.**

QUESTION THREE: Impacts of market trends on supply of and demand for primary products

Read this question fully before choosing your primary product. You may use either your selected primary product (1) from Question One, your selected primary product (2) from Question Two, or a third product. The product you choose for this question must earn significant export revenue.

Primary product: _____

Read the following extract, and then answer the question parts (a), (b), and (c) that follow.

Making possums pay

The war on these furry invaders is stepping up, amidst

For copyright reasons, this resource cannot be reproduced here. See: <http://www.nzgeographic.co.nz/archives/issue-63/making-possums-pay>

For copyright reasons, this resource cannot be reproduced here. See: <http://www.nzgeographic.co.nz/archives/issue-63/making-possums-pay>

*For copyright reasons, this resource cannot be reproduced here. See:
<http://www.nzgeographic.co.nz/archives/issue-63/making-possums-pay>*

interest from as far afield as Switzerland.

91530