

National Certificate of Educational Achievement

2011 Assessment Report

Economics Level 1

- 90983 Demonstrate understanding of consumer choices, using scarcity and/or demand**
- 90985 Demonstrate understanding of producer choices using supply**
- 90986 Demonstrate understanding of how consumer, producer and/or government choices affect society, using market equilibrium**

COMMENTARY

Candidates who performed well, generally attempted all parts of all questions. Those who read and used the material from the resource in their answers, were better able to link the economic terms with the context of the question.

Candidates generally filled the spaces allocated to them with explanations rather than short answers, but the quality of some explanations indicated a lack of planning. Some candidates gave a good answer but wrote too much and at times went off track, contradicting what they had written. Most candidates could identify flow-on effect(s) but needed to explain them more fully and in context of the event that led to it.

Candidates generally demonstrated good graphing skills.

Some candidates were unable to distinguish supply from demand. This factor was important for success across the standards.

STANDARD REPORTS

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

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- demonstrated an understanding of the economic problem by defining the terms scarcity, choice, opportunity cost, values, substitutes, luxury, and inferior goods
- stated the law of demand (without ceteris paribus) and interpreted graphical information appropriately
- were skilled in graphing demand curves with most relevant information included for a change in price
- understood how substitute goods affected demand for each other.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- incorrectly stated the law of demand e.g. omitted “quantity” and/or ceteris paribus
- did not include key factors in an accurate demand curve e.g. key word missing in the title, units for the axes, uneven scale, points inaccurately plotted, label for the demand curve
- showed a lack of precision in illustrating a change in demand e.g. omitting labels and arrows
- used terms from other standards e.g. profit and supply
- did not distinguish between demand and quantity demanded, both in discussion and in graphing.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- interpreted the questions, understood the requirements, and finished all parts of the questions
- made some reference to resource material and/or graphs as required
- explained the link between choice and opportunity cost
- identified, defined, and explained terms in context
- demonstrated accurate graphing skills to illustrate the law of demand and changes in demand
- labelled the movement along the graph fully and with arrows and explained the reason for the law of demand i.e. quantity falling when price rises
- made specific reference to graph changes (e.g. D1 to D2) into explanations
- demonstrated an ability to write the law of demand and include ceteris paribus in the definition
- explained a flow-on effect.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- made accurate, complete reference to resource material
- identified and fully explained the economic problem, luxury and inferior goods, and substitute goods
- gave full explanations in context, using the correct economic terms and more than one valid flow-on effect.
- applied the law of demand by giving more than one reason for a change in a consumer's behaviour
- explained logical flow-on effects affecting consumers in a practical, real-life situation
- drew accurate graphs to illustrate changes in demand curves due to price changes, and other factors affecting demand
- referred explicitly to the graph in their answers e.g. demand and/or quantity demanded and used correct economic terms and labels on the graph e.g. (D to D'), (D2010 to D2011).

90985 Demonstrate understanding of producer choices using supply

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- described key ideas such as the law of supply and related goods.
- drew a well-labelled supply graph and could show a movement along the supply curve
- identified the effect of a change in a factor affecting supply e.g. legal factors raise cost of production
- identified a flow-on effect
- distinguished between demand and supply factors and terminology.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- referred to terms linked to demand rather than supply e.g. quantity demanded instead of quantity supplied, or substitute goods instead of related goods
- made several errors when drawing the graph, such as uneven scales on axes or no axes breaks.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- provided detail in their descriptions e.g. quantity of ginger beer supplied by Cameron falls from 115 to 80 bottles per week
- explained their ideas in context and mostly using economic terminology related to supply e.g. using the term *profitable* rather than *affordable* OR *related* good rather than *substitute* good
- supported their answers with valid reasons
- demonstrated accuracy in movement along the supply curve and labelling of shifts in supply.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- linked ideas in their answers, rather than giving a series of short answers
- consistently used appropriate economic terms e.g. laying off workers or making workers redundant rather than “firing” workers
- integrated the graph into the answer
- showed precision in their movement along the supply curve resulting in an accurate change in quantity supplied
- explained the flow-on effect in terms of the action or consequence of the initial event rather than just restating the initial event itself.

90986 Demonstrate understanding of how consumer, producer and/or government choices affect society, using market equilibrium

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- plotted and showed changes in supply and/or demand using the supply and demand model correctly
- stated the laws of demand and supply but did not apply them appropriately to the context.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- showed a lack of graphing skills i.e. inaccurate plotting, shifted incorrect curves, or shifted correct curve the wrong way and/or failed to label appropriately
- failed to distinguish between demand/supply and quantity demanded/quantity supplied.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- presented information appropriately on the graph and interpreted the changes made
- made some links between resource material and the changes made on graphs
- explained some aspects of how equilibrium is restored, e.g. identified the change had created a disequilibrium position, and could explain the reaction of either consumers or producers using the law of demand or supply to restore equilibrium
- understood the concept of profit
- made accurate calculations using data from a graph.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- linked resource material/context to fully explain the changes made on graphs
- linked logical flow-on effects affecting society in a practical, real-life situation
- fully explained how equilibrium is restored
- showed understanding of the concept of profit and explained why it could change.