

Part A: Commentary

Comment on the overall response of candidates to 2015 examinations for all achievement standards covered by this report.

Candidates should read questions as a whole and ensure that they answer the question. Bullet points provided are only meant to assist the construction of the answer, and may provide only part of the question content.

As examination formats become more familiar, candidates should be careful not to assume required answers. They should read the question carefully to ensure a more thorough understanding and answer in context.

Part B: Report on standards

1. Assessment Report for 90983: Demonstrate understanding of consumer choices, using scarcity and/or demand

Achieved	<p>Candidates who were assessed as Achieved commonly:</p> <ul style="list-style-type: none"> constructed demand curves, using accurate labelling and conventions demonstrated an understanding of economic theory by defining key terminology e.g. opportunity cost, the law of demand used the resource material to provide context, where applicable, in explanations.
Not Achieved	<p>Candidates who were assessed as Not Achieved commonly:</p> <ul style="list-style-type: none"> failed to apply the resource material to the economic situation incorrectly defined key economic terms failed to follow appropriate conventions when drawing graphs.
Achieved with Merit	<p>Candidates who were assessed as Achieved with Merit commonly:</p> <ul style="list-style-type: none"> explained terms in the context of the question (e.g. inferior and luxury goods in the context of local and international concerts) made specific reference to data (e.g. an increase from 10 to 15 concerts) made specific reference the graph (e.g. shift from D_1 to D_2) fully explained a flow-on effect in the correct context explained a valid compromise .
Achieved with Excellence	<p>Candidates who were assessed as Achieved with Excellence commonly:</p> <ul style="list-style-type: none"> fully explained two flow-on effects in context explained valid compromises with activities that combined both values.
Standard specific comments	<p>Many candidates who missed out on higher grades did not give full explanations. For example, Anahera not getting enough sleep because she is attending more concerts is not a full explanation because “attending more concerts” has already been established. A full explanation would go on to say that therefore her grades at school may worsen because she is often tired.</p> <p>When giving a compromise that satisfies both values, candidates should be looking for an activity that combines both values. For example, if Anahera values both family and education, then spending time studying with her sister is a good example. Many candidates simply gave responses that are variations of the idea that Anahera should divide her time between spending time with her sister and doing homework.</p>

2. Assessment Report for 90985: Demonstrate understanding of producer choices using supply

Achieved	<p>Candidates who were assessed as Achieved commonly:</p> <ul style="list-style-type: none"> constructed supply curves, using accurate labelling and conventions demonstrated an understanding of economic theory by defining key terminology e.g. the law of supply accurately showed a decrease or increase in supply, as appropriate used the resource material to provide context, where applicable, in explanations showed an understanding of the link between supply and profitability, but could not explain that profitability affected supply, not vice versa.
Not Achieved	<p>Candidates who were assessed as Not Achieved commonly:</p> <ul style="list-style-type: none"> did not refer to resource material in responses confused terminology from other standards (e.g. complements, substitutes, quantity demanded) incorrectly defined key terms (e.g. law of supply, productivity, related goods) wrongly stated flow-on effects (i.e. not related to the initial event or actions taken) shifted the supply curve in the wrong direction incorrectly showed movement along the supply curve.
Achieved with Merit	<p>Candidates who were assessed as Achieved with Merit commonly:</p> <ul style="list-style-type: none"> explained terms in the context of the question (e.g. using the term 'profitable' instead of 'affordable', 'related good' rather than 'complement/substitute') made specific reference to data (e.g. an increase in price of cherries from \$10 to \$20, quantity supplied decreased from 110,000kg to 125,000kg per month) made specific reference to the graph (e.g. shift from S_1 to S_2) showed accurate movement along the graph, using lines, labels and arrows fully explained a flow-on effect in terms of action taken due to the initial change in quantity supplied or supply explained the link between technology and productivity (e.g.: workers processing more cherries in a shorter timeframe and how this relates to an increase in productivity) explained links, such as those between frost, frost prevention, lower profitability and a decrease in supply, using examples.
Achieved with Excellence	<p>Candidates who were assessed as Achieved with Excellence commonly:</p> <ul style="list-style-type: none"> linked events to economic concepts in their answers fully explained relevant economic theories, such as productivity fully explained reasons using data, in context and with correct terminology fully explained reasons behind supply decisions (e.g. if Cade's business is more profitable, he will have a greater ability to cover costs, and therefore would be willing to supply more at each and every price) integrated changes to revenue and cost to the various business situations, and the effect they have on profit (e.g. because some cherries will be spoiled, and unable to be sold, Cade will earn less revenue) integrated changes on the supply graph into explanations (e.g.: Cade's annual supply of cherries will fall. This is shown on the graph as a shift of the supply curve to the left from S to S_1, which indicates that Cade supplies fewer cherries at each and every price) fully explained flow-on effects in terms of the action or consequence of the decrease in supply linked to the initial event, rather than just restating an aspect of the initial event itself.
Standard specific comments	<p>Candidates need to take more care in construction of their supply curves, such as in Question One.</p> <p>Candidates should also use appropriate economic terms where possible, throughout the paper (e.g. supply versus quantity supplied).</p> <p>Most candidates could explain the concept of ceteris paribus, but few were able to use it when explaining the reason for the law of supply and/or to explain the impact of a change in a non-price factor.</p> <p>Some candidates confused flow-on effects with consequences, and many mentioned the impact on Cade's private life, as opposed to a business-related action.</p> <p>Candidates showed the ability to correctly explain that profit is revenue minus costs, but could not discuss the impact of a smaller or larger gap between revenue and costs in the context of profit. This implies that the definition was rote-learned, and not understood.</p>

3. Assessment Report for 90986: Demonstrate understanding of how consumer, producer and/or government choices affect society, using market equilibrium

Achieved	<p>Candidates who were assessed as Achieved commonly:</p> <ul style="list-style-type: none"> • completed graphs clearly, using correct conventions (lines, arrows and labels) • defined basic economic terms (surplus, substitute goods) • explained changes clearly, by using increase/decrease rather than “changed” (e.g. the price increased to...) • confused key economic terms (e.g. demand with quantity demanded, revenue with profit) • made errors when citing numbers (e.g. 4 000 instead of 4 000 000) • regurgitated pre-learnt answers rather than answering the actual question
Not Achieved	<p>Candidates who were assessed as Not Achieved commonly:</p> <ul style="list-style-type: none"> • used key economic terms incorrectly or not at all (e.g. “money” instead of “revenue”, “less sales” instead of “decreased quantity”) • could not define key terms • shifted the supply curve incorrectly for sales tax (either wrong direction, the wrong curve or no shift at all) • did not use adequate conventions to clearly show changes/shifts on a graph (ie: lack of lines, arrows and/or labels)
Achieved with Merit	<p>Candidates who were assessed as Achieved with Merit commonly:</p> <ul style="list-style-type: none"> • explained the reason for a change in price (e.g. producers reduced the price to clear excess stock) • calculated revenue by referring to the decrease in price and quantity • calculated impact of sales tax on producers, consumers and government • used data when explaining the decrease in price and increase in quantity demanded • used key terms correctly (e.g. demand /quantity demanded) • could accurately apply the laws of demand and supply.
Achieved with Excellence	<p>Candidates who were assessed as Achieved with Excellence commonly:</p> <ul style="list-style-type: none"> • provided comprehensive explanations of reasons for changes (e.g.: recognised a negative impact on taste/preferences as a reason for a decrease in demand) • calculated decrease in consumer spending after maximum price and explained reasons for this decrease • fully explained flow-on effects (e.g. generation of a black market, as consumers will be willing to pay a higher price to obtain the limited quantities available, as a result of a shortage of supply/maximum price) • fully explained restoration of market equilibrium using the law of demand and supply • defined economic terms correctly, and used them appropriately • accurately referred to graphs and resource material in answers • included data/calculations in answers.
Standard specific comments	<p>Many candidates may have achieved a higher grade by proof-reading and correcting errors or omissions in their paper.</p> <p>Candidates have been well-prepared by using past-exams, and it was evident that some answers have been rote-learned and regurgitated. Often these candidates were not answering the question in the correct context.</p> <p>Candidates should be using proper economic terms and conventions (e.g.: decrease in quantity, not less sales). Common synonyms such as drop, lower, fall, negatively affect, negatively influence, decline are less precise.</p> <p>In Q3, many candidates missed the point of a maximum price and stated that consumer spending had increased. Consumer spending in fact decreased because of the maximum price.</p>