

Assessment Schedule – 2011

Economics: Demonstrate understanding of consumer choices, using scarcity and / or demand (90983)

Evidence Statement

Question	Evidence
<p>ONE (a)</p>	<ul style="list-style-type: none"> • Time is limited because there are only 24 hours a day, and Rina has more things or unlimited activities she wants to do, such as work to earn a wage, attend <i>Zumba</i> fitness classes, etc. This illustrates the idea of scarcity (limited time vs unlimited activities / wants). More activities to do than can be achieved in one day. • Due to scarcity, Rina must choose which activity(ies) are most important to her so that she gets to do them within the limited time that she has. • When she chooses one activity (eg work) over another (eg spend time with family) she has to give up her next best alternative, which is defined as her opportunity cost (in this instance, spending time with her family).
<p>(b)</p>	<ul style="list-style-type: none"> • If Rina values her health, she is likely to choose to attend <i>Zumba</i> fitness classes. • However, if Rina values financial stability, she is likely to want to spend more time working to earn a wage. <p>Possible conflict:</p> <ul style="list-style-type: none"> • If Rina attends <i>Zumba</i> classes to keep fit, she cannot go to work to earn an income to provide for financial stability, vice versa. <p>Conflict resolution:</p> <ul style="list-style-type: none"> • To resolve this conflict, she could attend <i>Zumba</i> classes in the evenings and work during the day <i>OR</i> work during the day and go for a run after work. Either choice will allow her to earn a wage for financial stability, as well as maintain her fitness.

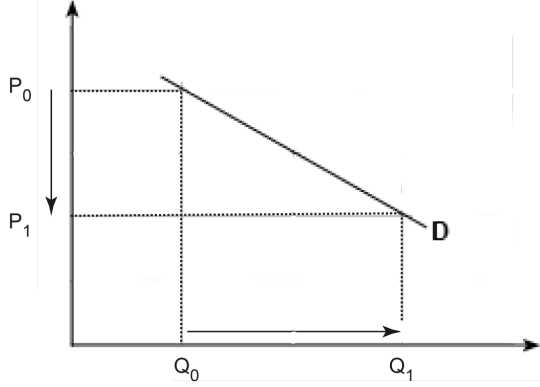
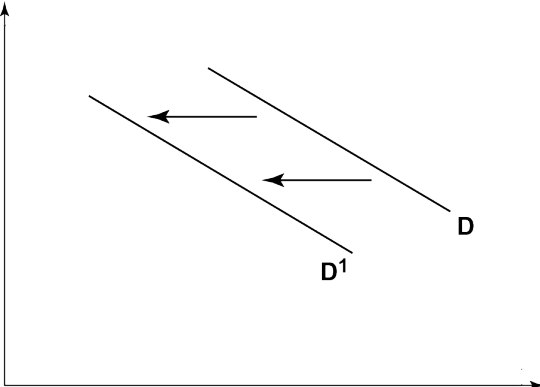
N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> • describes scarcity • describes choice • defines opportunity cost • identifies likely activity for each of BOTH values. 	<p>Shows partial understanding with THREE of:</p> <ul style="list-style-type: none"> • describes scarcity • describes choice • defines opportunity cost • identifies likely activity for each of BOTH values. 	<p>Shows understanding by describing scarcity in context of time, AND TWO of:</p> <ul style="list-style-type: none"> • describes choice • defines opportunity cost • identifies likely activity for each of BOTH values. 	<p>Shows breadth of understanding with ALL of:</p> <ul style="list-style-type: none"> • describes scarcity in context of time and Rina's options • describes choice • defines opportunity cost • identifies likely activity for each of BOTH values. 	<p>Detailed explanation which includes</p> <ul style="list-style-type: none"> • correct description of time as a scarce resource <p>AND TWO OF</p> <ul style="list-style-type: none"> • linking to choice and opportunity cost • a valid conflict for (b) • how ONE resolution may be reached for (b). 	<p>Detailed explanation which includes</p> <ul style="list-style-type: none"> • correct description of time as a scarce resource <p>AND ALL OF</p> <ul style="list-style-type: none"> • linking to choice and opportunity cost • a valid conflict for (b) • how ONE resolution may be reached for (b). 	<p>Comprehensive explanation of how scarcity and values affect consumer choices, and how this may lead to conflict and resolution; mostly in context of Rina's options with ALL of the following:</p> <ul style="list-style-type: none"> • links the concepts of scarcity, choice and opportunity cost in context of Rina's options • links the two values to the most likely decisions or activities in context of Rina's options • explains a valid conflict in context of Rina's options • explains ONE way a resolution may be reached in context of Rina's options. 	<p>Comprehensive explanation of how scarcity and values affect consumer choices, and how this may lead to conflict and resolution; in context of Rina's options with ALL of the following:</p> <ul style="list-style-type: none"> • links the concepts of scarcity, choice and opportunity cost in context of Rina's options • links the two values to the most likely decisions or activities in context of Rina's options • explains a valid conflict in context of Rina's options • explains TWO ways a resolution may be reached in context of Rina's options.

N0 = No response; no relevant evidence.

Question	Evidence	
<p>TWO</p> <p>(a) Graph – look for:</p> <ul style="list-style-type: none"> • title • units (\$, sessions) • axes labelled (P, Qd) • even scales • D Label • correct points. <p>(b) Graph – look for:</p> <ul style="list-style-type: none"> • labelled points • directions of change. 	<p>(c) The Law of Demand states that as the price rises, the quantity demanded falls, in this case as the price of <i>Zumba</i> sessions rises from \$7 (P) to \$12 (P₁). Ceteris Paribus.</p> <p>Rina will reduce the number of sessions she attends from 7 a month (Q) to only 4 a month (Q₁). This is because she cannot afford to go to as many sessions (income) and she will now want to attend other leisure activities that are not as expensive, such as jogging or karate. (substitution)</p> <p>A flow-on effect of this is that she may not be able to keep up with her friends from <i>Zumba</i> or she may not progress to higher level <i>Zumba</i> classes or she may lose her fitness if she does some other activity that is not as effective. Has more time to do other activities such as reading, or time with family.</p>	<p style="text-align: center;">Rina's monthly demand for <i>Zumba</i> fitness classes</p> <p style="text-align: center;">Q (sessions) OR Number of sessions demanded</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with only ONE of:</p> <ul style="list-style-type: none"> graph with FIVE correct requirements a movement up the demand curve the Law of Demand stated a decrease in number of sessions attended. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> graph with FIVE correct requirements accurate movement up the demand curve the Law of Demand stated a decrease in number of sessions attended. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> graph with FIVE correct requirements accurate movement up the demand curve the Law of Demand stated a decrease in number of sessions attended. 	<p>Shows breadth of understanding with ALL of:</p> <ul style="list-style-type: none"> graph with FIVE correct requirements accurate movement up the demand curve the Law of Demand stated a decrease in number of sessions attended. 	<p>Detailed explanation of the Law of Demand using data / graph, including ceteris paribus</p> <ul style="list-style-type: none"> graph with FIVE correct requirements accurate movement up the demand curve with prices and quantities identified (PQ and P_1Q_1)AND ONE reason given for the Law of Demand <p>OR</p> <ul style="list-style-type: none"> flow-on effect explained. 	<p>Detailed explanation of the Law of Demand using data / graph including ceteris paribus</p> <ul style="list-style-type: none"> graph with FIVE correct requirements accurate movement up the demand curve with change in quantity demanded identified (PQ, P_1Q_1 and arrows) <p>AND</p> <ul style="list-style-type: none"> ONE reason given for the Law of Demand <p>OR</p> <ul style="list-style-type: none"> flow-on effect explained. 	<p>Comprehensive explanation of the Law of Demand mostly in context using data / graph and correct terms.</p> <ul style="list-style-type: none"> graph with FIVE correct requirements Law of Demand explained with change in price AND quantity demanded reasons given for the Law of Demand flow-on effect explained. 	<p>Comprehensive explanation of the Law of Demand in context using data / graph and correct terms.</p> <ul style="list-style-type: none"> graph with FIVE correct requirements Law of Demand explained with change in price AND quantity demanded reasons given for the Law of Demand TWO flow-on effects explained.

N0 = No response; no relevant evidence.

Question	Evidence
<p>THREE</p>	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>Rina's demand for karate</p>  </div> <div style="text-align: center;"> <p>Rina's demand for Zumba fitness class</p>  </div> </div>
	<p>Descriptions of substitute goods, movements and shifts of demand curve, etc. Possible flow-on effects: may need to purchase equipment; saving money; self defence; missing friends from Zumba. OR Refer to the following scoring schedule for a guide to appropriate discussion answers.</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with only ONE of:</p> <ul style="list-style-type: none"> identifies substitutes states more karate lessons taken states fewer <i>Zumba</i> lessons taken shows movement down (along) karate demand curve shifts the <i>Zumba</i> demand curve left. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> identifies substitutes states more karate lessons taken states fewer <i>Zumba</i> lessons taken shows movement down (along) karate demand curve shifts the <i>Zumba</i> demand curve left. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> identifies substitutes states more karate lessons taken states fewer <i>Zumba</i> lessons taken shows movement down (along) karate demand curve shifts the <i>Zumba</i> demand curve left. 	<p>Shows breadth of understanding with FOUR of:</p> <ul style="list-style-type: none"> identifies substitutes states more karate lessons taken states fewer <i>Zumba</i> lessons taken shows movement down (along) karate demand curve shifts the <i>Zumba</i> demand curve left. 	<p>Detailed explanation of substitute goods using data / graph.</p> <p>TWO of:</p> <ul style="list-style-type: none"> explains substitute goods in terms of can be used instead of each other refers to graphs in explaining movement down <i>OR</i> shift of demand curve ONE flow-on effect explained. 	<p>Detailed explanation of substitute goods using data / graph.</p> <p>THREE of:</p> <ul style="list-style-type: none"> explains substitute goods in terms of can be used instead of each other refers to graphs in explaining movement down <i>OR</i> shift of demand curve eg: D curve shifted left ONE flow-on effect explained. 	<p>Comprehensive explanation of the concept of substitutes mostly in context using graphs and correct terms such as Quantity demanded and Demand.</p> <ul style="list-style-type: none"> fully explains substitutes. refers to graphs in explaining movement down <i>AND</i> shift of demand curve. Eg: D to D¹ ONE flow-on effect explained. 	<p>Comprehensive explanation of the concept of substitutes in context using graphs and correct terms such as Quantity demanded and Demand.</p> <ul style="list-style-type: none"> fully explains substitutes. refers to graphs in explaining movement down <i>AND</i> shift of demand curve TWO flow-on effects explained.

N0 = No response; no relevant evidence.

Question	Evidence statement
FOUR	<p>Branded sportswear is a luxury good for Rina. She will only buy branded items like Nike or Reebok if her income allows her to do so. This is because these tend to be more expensive.</p> <p>This is shown as a fall in the demand for branded sportswear as Rina's income falls, because she can no longer afford to buy as much. Her demand for these goods will shift to the left (from D_{2010} to D_{2011}) when income falls indicating less is purchased at all prices.</p> <p>Non-branded sportswear from stores like the Warehouse, are inferior goods for Rina. She will only buy them, when her income is low and being cheaper is all she can afford. Her demand for this type of sportswear rose when she had less income as they were more affordable. The demand for this type of good will shift to the right (from D_{2010} to D_{2011}) when income falls.</p> <p>A flow-on effect could be Rina ends up spending more on sportswear as the inferior good does not last as long, she may have to make her branded gear last longer.</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with only TWO of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies branded sportswear as a luxury • identifies non-branded sportswear as an inferior good • states less branded items will be purchased • states more non-branded items will be purchased. 	<p>Shows partial understanding with THREE of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies branded sportswear as a luxury • identifies non-branded sportswear as an inferior good • states less branded items will be purchased • states more non-branded items will be purchased. 	<p>Shows understanding with FOUR of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies branded sportswear as a luxury • identifies non-branded sportswear as an inferior good • states less branded items will be purchased • states more non-branded items will be purchased. 	<p>Shows breadth of understanding with FIVE of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies branded sportswear as a luxury • identifies non-branded sportswear as an inferior good • states less branded items will be purchased • states more non-branded items will be purchased. 	<p>Detailed explanation of inferior and luxury goods using data / graph.</p> <p>THREE of:</p> <ul style="list-style-type: none"> • explains luxury goods • explains inferior goods • refers to graph as to why branded sportswear falls in demand • refers to graph as to why non-branded sportswear rises in demand • ONE flow-on effect explained. 	<p>Detailed explanation of inferior and luxury goods using data/ graph.</p> <p>FOUR of:</p> <ul style="list-style-type: none"> • explains luxury goods • explains inferior goods • refers to graph as to why branded sportswear falls in demand • refers to graph as to why non-branded sportswear rises in demand • ONE flow-on effect explained. 	<p>Comprehensive explanation of the concept of luxuries / inferior goods mostly in context using graph and correct terms.</p> <ul style="list-style-type: none"> • fully explains luxury and inferior goods in relation to branded and non-branded sportswear and income fall, in context • refers to graphs in explaining shifts of demand curves • ONE flow-on effect explained. 	<p>Comprehensive explanation of the concept of luxuries / inferior goods in context using examples of branded and non-branded sports wear, graph and correct terms.</p> <ul style="list-style-type: none"> • fully explains luxury and inferior goods in relation to branded and non-branded sportswear and income fall, in context • refers to graphs in explaining shifts of demand curves • TWO flow-on effects explained.

N0 = No response; no relevant evidence.

Judgement Statement

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 11	12 - 19	20 - 25	26 - 32