

Assessment Schedule – 2011

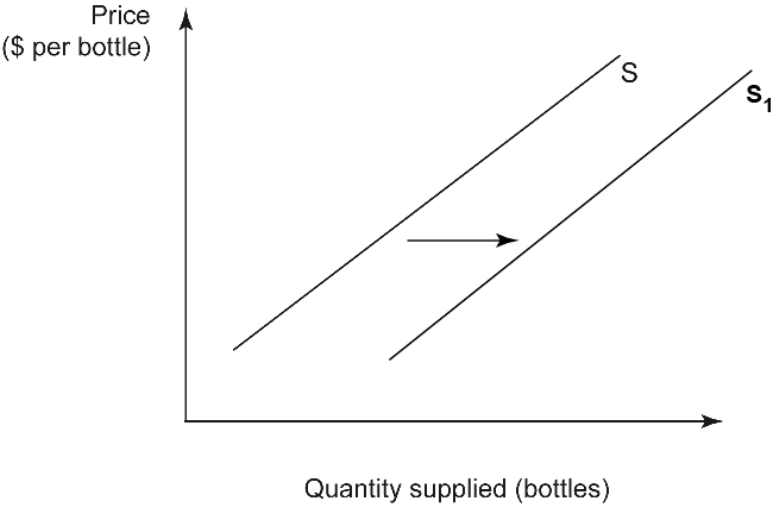
Economics: Demonstrate understanding of producer choices using supply (90985)

Evidence Statement

Question	Evidence	
<p>ONE</p>	<p>(a) Graph requirements: Title (Cameron, weekly, Ginger Beer), units (\$, bottles), even scales, axes labelled (Price, Quantity supplied), correct points and curve labelled S.</p>	<p>(b) Movement along the supply curve: changes indicated by (dotted) lines P, P₁, Q, Q₁ labels OR arrows.</p>
	<p style="text-align: center;">Title: <i>Cameron's weekly supply curve of ginger beer</i></p>	
<p>(c)</p>	<p>Law of Supply: As the price of Cameron's ginger beer decreases from \$8.50 to \$7.00 per bottle the quantity supplied falls from 115 bottles to 80 bottles per week. Ceteris paribus.</p> <p>Explanation of the reasons for law of supply: As the price of Ginger Beer falls, selling ginger beer becomes less profitable for Cameron since the revenue is lowered and is less able to cover the costs/ difference between revenue and costs is smaller. Therefore Cameron will want to decrease the quantity (of ginger beer) supplied in order to maximise profits.</p> <p>Explanation of what Cameron might do if the price of ginger beer falls below \$4: If the price falls below \$4, Cameron is unlikely to be able to cover any of the costs of his ingredients and time so supplying ginger beer is even less profitable. He will subsequently reduce his quantity supplied or even shut down his operations. Cameron may divert his resources to a related good such as fruit juice which may be relatively more profitable.</p>	

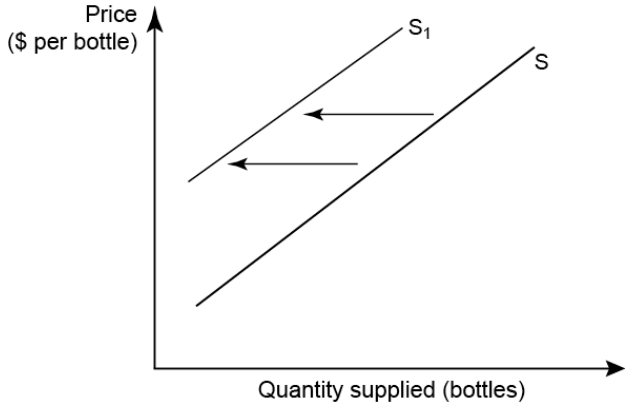
N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with ONE of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements shows movement down the supply curve states the law of supply identifies a decrease in quantity supplied at \$4. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements accurate movement down the supply curve states the law of supply identifies a decrease in quantity supplied at \$4. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements accurate movement down the supply curve states the law of supply identifies a decrease in quantity supplied at \$4. 	<p>Shows breadth of understanding with ALL of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements accurate movement down the supply curve states the law of supply identifies a decrease in quantity supplied at \$4. 	<p>Detailed explanation of the law of supply mostly using data and context.</p> <ul style="list-style-type: none"> accurate movement down the supply curve <p>AND</p> <ul style="list-style-type: none"> explains the decrease in Quantity supplied of ginger beer with the law of supply and idea of less profitability <p>OR</p> <ul style="list-style-type: none"> explains decreased quantity supplied at \$4 due to less profitability or unable to cover costs 	<p>Detailed explanation of the law of supply mostly using data and context.</p> <ul style="list-style-type: none"> accurate movement down the supply curve <p>AND</p> <ul style="list-style-type: none"> explains the decrease in Quantity supplied of ginger beer with the law of supply and idea of less profitability <p>AND</p> <ul style="list-style-type: none"> explains decreased quantity supplied at \$4 due to less profitability or unable to cover costs 	<p>Comprehensive explanation of the law of supply in context with correct data and mostly using economic terminology</p> <ul style="list-style-type: none"> refers to the idea of profitability linking lower / non-profitability to inability to cover production costs <p>AND</p> <ul style="list-style-type: none"> explains decreased quantity supplied at \$4 due to less profitability and unable to cover costs 	<p>Comprehensive explanation of the law of supply in context with correct data, and using correct economic terminology.</p> <ul style="list-style-type: none"> refers to the idea of profitability linking lower / non-profitability to inability to cover production costs <p>AND</p> <ul style="list-style-type: none"> fully explains decreased quantity supplied at \$4 by diverting resources to producing a related good

N0 = No response; no relevant evidence.

Question	Evidence
<p>TWO (a)</p>	<p>Shows a shift to the right of the supply curve of apple juice and labelled S_1.</p> <p style="text-align: center;">Cameron's weekly supply curve of apple juice</p> 
<p>(b)</p>	<p>Relationship between ginger beer and apple juice:</p> <p>Ginger beer and apple juice are related goods for Cameron, in that they are similar / alternative (NOT: Substitute) goods where resources used for the production of one good can also be used for the production of the other. In this case ginger beer and apple juice may use similar resources such as bottles and vats.</p> <p>Lower prices of ginger beer will mean Cameron will divert his resources from the production of ginger beer to the production of apple juice, hence increasing supply of apple juice at each and every price. With ginger beer being less profitable, this has made apple juice relatively more profitable than ginger beer, so Cameron will have an incentive to supply more apple juice. This is shown as a shift of the supply curve of apple juice to the right from S to S_1.</p> <p>A flow-on effect:</p> <p>Examples include: Cameron may have to produce new labels for his apple juice bottles / source different ingredients, ie apples for juicing / change his advertising towards apple juice / switch existing workers from ginger beer to apple juice production which may involve retraining workers. If Cameron's workers are not skilled in apple juice production, he may have to lay off those workers and employ workers specifically trained in apple juice production. He may have to sell off some ginger beer equipment and purchase equipment specific to apple juice production such as a juicing machine (eg the idea of switching resources away from ginger beer to apple production).</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with ONE of:</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • defines related goods • states increase in supply of apple juice • states a flow-on effect. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • defines related goods • states increase in supply of apple juice • states a flow-on effect. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • defines related goods • states increase in supply of apple juice • states a flow-on effect. 	<p>Shows breadth of understanding with ALL of:</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • defines related goods • states increase in supply of apple juice • states a flow-on effect. 	<p>Detailed explanation of the concepts of related goods and resource use.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling (arrows and S) <p>AND</p> <ul style="list-style-type: none"> • defines related good in context of apple juice and ginger beer <p>AND</p> <ul style="list-style-type: none"> • explains the increase in supply of apple juice with relative profitability idea <p>OR</p> <ul style="list-style-type: none"> • explains ONE flow-on effect linked to apple juice . 	<p>Detailed explanation of the concepts of related goods and resource use.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling (arrows and S) <p>AND</p> <ul style="list-style-type: none"> • defines related good in context of apple juice and ginger beer <p>AND</p> <ul style="list-style-type: none"> • explains the increase in supply of apple juice with relative profitability idea <p>AND</p> <ul style="list-style-type: none"> • explains ONE flow-on effect linked to apple juice. 	<p>Comprehensive explanation of the concepts of related goods and resource use in context and mostly using correct economic terms.</p> <ul style="list-style-type: none"> • links the effect of switching from ginger beer to apple juice production to the shift in the supply curve <p>AND</p> <ul style="list-style-type: none"> • relates the explanation to the concepts of relative profitability and related goods <p>AND</p> <ul style="list-style-type: none"> • Explains ONE flow on effect linked to the increase in supply of apple juice. 	<p>Comprehensive explanation of the concepts of related goods and resource use in context using correct economic terms.</p> <ul style="list-style-type: none"> • clearly links the effect of switching from ginger beer to apple juice production in terms of resource use <p>AND</p> <ul style="list-style-type: none"> • relates the explanation to the concepts of relative profitability and related goods <p>AND</p> <ul style="list-style-type: none"> • Explains ONE flow on effect linked to the increase in apple juice production <p>AND</p> <ul style="list-style-type: none"> • Refers to the graph to support the explanation.

N0 = No response; no relevant evidence.

Question	Evidence
<p>THREE</p> <p>(a)</p>	<p>The supply curve is shifted to the left.</p> 
<p>(b)</p>	<p>Explaining the effect of the legal factor:</p> <p>The legal factor requires Cameron to comply with the food safety standard which will impose a further cost of compliance. This is because Cameron will need to purchase special equipment such as label makers and sterilisers to ensure the drinks he makes meet the safety standard. This will add to his costs of production making ginger beer less profitable thus reducing supply</p> <p>OR</p> <p>Cameron will have to use more production time on quality control/labelling/sterilising bottles thus adding an extra step to his production process making the process less efficient. Some of his resources (eg time or funds that would otherwise go towards buying ingredients) have to be devoted to compliance with the food safety standard / less of his resources will be available for ginger beer production, so supply of ginger beer decreases</p> <p>Consequently, his supply of ginger beer will fall as shown by a shift of the supply curve to the left from S to S₁ which indicates Cameron supplies fewer bottles of ginger beer at each and every price.</p> <p>Flow-on effects:</p> <p>Examples include: Cameron may have to hire new workers to oversee the regulations / may have to lay off workers since they can no longer be afforded with these extra costs. Cameron might choose to do another activity with his time and resources that is more profitable, he may have to find alternative work or product to supply that does not require such compliance costs such as supplying ginger beer / potential business closure as the cost of compliance becomes too high, potential to use the legal requirement as a marketing tool (eg high standards of food safety) and therefore increasing competitiveness and profits. Cameron may get fined and incur further penalty if he tries to cut corners.</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with ONE of</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • states a rise in cost of production (in time or funds) • states a decrease in supply • states a flow-on effect. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • states a rise in cost of production (in time or funds) • states a decrease in supply • states a flow-on effect. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • states a rise in cost of production (in time or funds) • states a decrease in supply • states a flow-on effect. 	<p>Shows breadth of understanding with ALL of:</p> <ul style="list-style-type: none"> • shift supply curve correctly with arrow or appropriate labelling • states a rise in cost of production (in time or funds) • states a decrease in supply • states a flow-on effect. 	<p>Detailed explanation of the effect of the legal factor.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling <p><i>AND</i></p> <ul style="list-style-type: none"> • explains a cost factor or less profitable, for supply decreasing <p><i>OR</i></p> <ul style="list-style-type: none"> • explains a flow-on effect linked to the fall in supply. 	<p>Detailed explanation of the effect of the legal factor.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling <p><i>AND</i></p> <ul style="list-style-type: none"> • explains a cost factor or less profitable, for supply decreasing <p><i>AND</i></p> <ul style="list-style-type: none"> • explains a flow-on effect linked to the fall in supply. 	<p>Comprehensive explanation of the effect of the legal factor in context of Cameron's supply of ginger beer mostly using correct economic terms</p> <ul style="list-style-type: none"> • explains why Cameron's supply of ginger beer will fall with clear links to one of the factors in the resource box using a cost factor or less profitability <p><i>AND</i></p> <ul style="list-style-type: none"> • explains a flow-on effect clearly linked to the legal factor affecting supply. <p><i>AND</i></p> <ul style="list-style-type: none"> • explains a flow-on effect clearly linked to the legal factor affecting supply. 	<p>Comprehensive explanation of the effect of the legal factor in context of Cameron's supply of ginger beer using correct economic terms</p> <ul style="list-style-type: none"> • explains why Cameron's supply of ginger beer will fall with clear links to one of the factors in the resource box using a cost factor or less profitability <p><i>AND</i></p> <ul style="list-style-type: none"> • explains a flow-on effect clearly linked to the legal factor affecting supply <p><i>AND</i></p> <ul style="list-style-type: none"> • Refers to the graph to support the explanation.

N0 = No response; no relevant evidence.

Judgement Statement

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 6	7 - 13	14 - 18	19 - 24