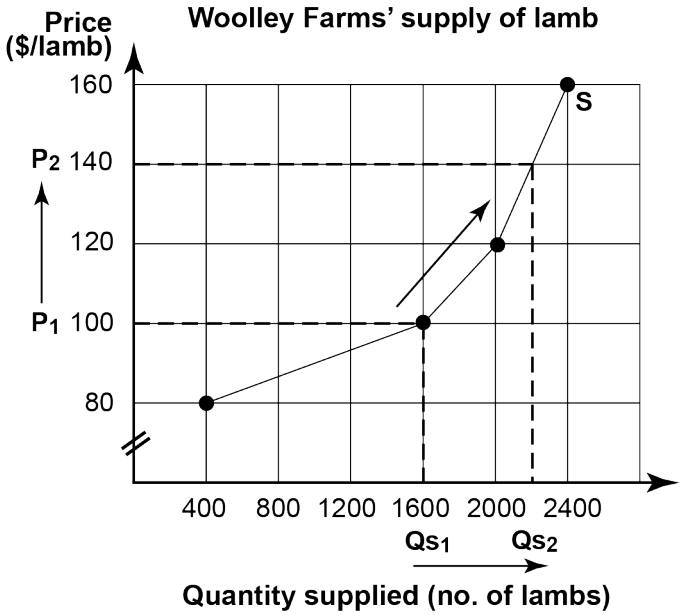


**Assessment Schedule – 2012**

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

**Evidence Statement**

Question	Evidence										
<p><b>ONE</b> (a)</p>	<table border="1" data-bbox="349 434 1244 730"> <thead> <tr> <th>Price (\$ per lamb)</th> <th>Quantity supplied (no. of lambs)</th> </tr> </thead> <tbody> <tr> <td>80</td> <td>400</td> </tr> <tr> <td>100</td> <td>1600</td> </tr> <tr> <td>120</td> <td>2000</td> </tr> <tr> <td>160</td> <td>2400</td> </tr> </tbody> </table> <p><b>Required:</b> Price heading, quantity heading, prices, quantities (can be ascending or descending)</p>	Price (\$ per lamb)	Quantity supplied (no. of lambs)	80	400	100	1600	120	2000	160	2400
Price (\$ per lamb)	Quantity supplied (no. of lambs)										
80	400										
100	1600										
120	2000										
160	2400										
<p>(b)</p>	 <p>Movement along the curve with Labels – P<sub>1</sub>, P<sub>2</sub>, Q<sub>s1</sub>, Q<sub>s2</sub> OR Arrows</p>										
<p>(c)</p>	<p>The law of supply states quantity supplied rises (falls) as the price of the good rises (falls) ceteris paribus. This is shown on Woolley Farms' supply curve: when the price of lamb at auction rises from \$100 to \$140, the quantity supplied by Woolley Farms rises from 1600 lambs to 2200 lambs.</p> <p>There is a greater incentive for lamb farming as lamb prices rise because farming lambs becomes relatively more profitable since the price/revenue covers the costs more easily OR the difference between price/revenue and cost is greater.</p> <p><b>Flow-on effect:</b></p> <p>With goats being relatively less profitable than lambs, Woolley Farms' supply of goats will fall / the supply curve for goats will shift to the left. Therefore, Sally will divert resources (such as feed and land space) to lamb farming rather than goat farming, as lamb farming is relatively more profitable than goat farming.</p>										

## Judgement Statement – Question One

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial description by achieving only ONE of:</p> <ul style="list-style-type: none"> <li>supply schedule with 3 / 4 correct</li> <li>movement up the supply curve</li> <li>states the law of supply</li> <li>states supply of goats will fall.</li> </ul>	<p>Shows description by achieving TWO of:</p> <ul style="list-style-type: none"> <li>supply schedule with 3 / 4 correct</li> <li>movement up the supply curve</li> <li>states the law of supply</li> <li>states supply of goats will fall.</li> </ul>	<p>Shows breadth of description by achieving THREE of:</p> <ul style="list-style-type: none"> <li>supply schedule with 3 / 4 correct</li> <li>movement up the supply curve</li> <li>states the law of supply</li> <li>states supply of goats will fall.</li> </ul>	<p>Shows breadth of description by achieving ALL of:</p> <ul style="list-style-type: none"> <li>supply schedule with 3 / 4 correct</li> <li>movement up the supply curve</li> <li>states the law of supply</li> <li>states supply of goats will fall.</li> </ul>	<p>Detailed explanation of the law of supply using quantity data <b>mostly</b> in context</p> <p>AND</p> <ul style="list-style-type: none"> <li>accurate movement and labelling up the supply curve</li> </ul> <p>AND 1 of:</p> <ul style="list-style-type: none"> <li>explains the increase in quantity supplied of lambs with the law of supply idea of greater profitability</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>explains the decrease in goat supply due to relative profitability.</li> </ul>	<p>Detailed explanation of the law of supply using quantity data <b>mostly</b> in context</p> <p>AND</p> <ul style="list-style-type: none"> <li>accurate movement and labelling up the supply curve</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>explains the increase in quantity supplied of lambs with the law of supply idea of greater profitability</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>explains the decrease in goat supply due to relative profitability.</li> </ul>	<p>Comprehensive explanation of the law of supply with correct price and quantity data <b>in context</b>, and <b>mostly</b> using economic terminology</p> <p>AND</p> <ul style="list-style-type: none"> <li>explains in detail the relationship between increased profits and increased qty supplied of lambs referring to covering costs</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>explains the link to the supply of goats with relative profitability OR switching resources.</li> </ul>	<p>Comprehensive explanation of the law of supply with correct price and quantity data <b>in context</b>, and using economic terminology</p> <p>AND</p> <ul style="list-style-type: none"> <li>explains in detail the relationship between increased profits and increased qty supplied of lambs referring to covering costs</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>explains the link to the supply of goats with relative profitability AND switching resources.</li> </ul>

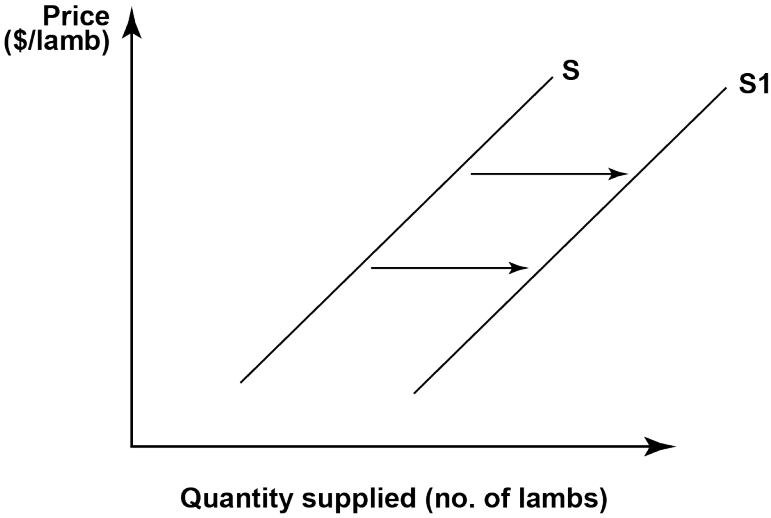
**N0** = No response; insufficient relevant evidence.

Question	Evidence
<p>TWO (a)</p>	<p style="text-align: center;"><b>Woolley Farms' supply of lambs</b></p> <p style="text-align: center;"><b>Price (\$/lamb)</b></p> <p style="text-align: center;"><b>Quantity supplied (no. of lambs)</b></p>
<p>(b)</p>	<p>The snowfall will increase Woolley Farms' costs of production, for example:</p> <ul style="list-style-type: none"> <li>• hiring extra labour is required to prepare lambs for the snow</li> <li>• extra heating costs for the farm</li> <li>• costs relating to the death or sickness of lambs</li> <li>• stock loss due to lambs dying or not reaching maturity.</li> </ul> <p>The snow will reduce supply of lambs due to the extra costs or stock loss which means lambing will be less profitable/difference between revenue/price and costs will be smaller.</p> <p>This is shown as a fall in supply of lambs from S to S1 (by 50%)/at each and every price/supply shifts left by 50% at each price.</p> <p><b>Flow on effects:</b> May include, but are not limited to Woolley Farms having to:</p> <ul style="list-style-type: none"> <li>• lay off workers – because they are no longer earning enough revenue to pay the workers.</li> <li>• look to insurance or borrow to see them through – due to lack of cash in tough times</li> <li>• reduce the size of their farm – to lower levels, since the flock will now be smaller</li> <li>• farm other types of livestock – that are not so prone to the weather, eg goats and horses</li> <li>• switch resources into another less weather-dependent activity</li> <li>• postpone expansion plans due to the loss of sales.</li> </ul>

**Judgement Statement – Question Two**

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial description by achieving only ONE of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the left</li> <li>• identifies a rise in the cost of production</li> <li>• states an example of a valid cost of production due to the snow</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Shows description by achieving TWO of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the left</li> <li>• identifies a rise in the cost of production</li> <li>• states an example of a valid cost of production due to the snow</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Shows breadth of description by achieving THREE of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the left</li> <li>• identifies a rise in the cost of production</li> <li>• states an example of a valid cost of production due to the snow</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Shows breadth of description by achieving ALL of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the left</li> <li>• identifies a rise in the cost of production</li> <li>• states an example of a valid cost of production due to the snow</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Detailed explanation of the effect on supply due to an environmental factor.</p> <ul style="list-style-type: none"> <li>• Shows the shift <b>correctly</b> with appropriate labelling (arrows or S1)</li> </ul> <p>AND TWO of:</p> <ul style="list-style-type: none"> <li>• explains, with an example, the idea of increased costs/ stock loss</li> <li>• explains the decrease in supply of lambs with relative profitability idea</li> <li>• explains ONE valid flow-on effect from the fall in supply, due to snow.</li> </ul>	<p>Detailed explanation of the effect on supply due to an environmental factor.</p> <p>ALL of:</p> <ul style="list-style-type: none"> <li>• Shows the shift <b>correctly</b> with appropriate labelling (arrows or S1)</li> </ul> <ul style="list-style-type: none"> <li>• explains, with an example, the idea of increased costs/ stock loss</li> <li>• explains the decrease in supply of lambs with relative profitability idea</li> <li>• explains ONE valid flow-on effect from the fall in supply, due to snow.</li> </ul>	<p>Comprehensive explanation of the effect on supply due to an environmental factor <b>in context, mostly</b> using correct economic terms.</p> <p>THREE of:</p> <ul style="list-style-type: none"> <li>• <b>clearly</b> links the effect of the snow to increased costs/ stock loss, using a valid example</li> <li>• <b>clearly</b> links the fall in supply to increased costs or lower production, and relative profitability</li> <li>• explains ONE valid flow-on effect linked to the decrease in supply of lambs, due to snow</li> <li>• incorporates the shift of the supply curve into the explanation.</li> </ul>	<p>Comprehensive explanation of the effect on supply due to an environmental factor <b>in context</b>, using correct economic terms.</p> <p>ALL of:</p> <ul style="list-style-type: none"> <li>• <b>clearly</b> links the effect of the snow to increased costs/stock loss using a valid example</li> <li>• <b>clearly</b> links the fall in supply to increased costs or lower production, and relative profitability</li> <li>• explains ONE valid flow-on effect linked to the decrease in supply of lambs due to snow</li> <li>• incorporates the shift of the supply curve into the explanation.</li> </ul>

**N0** = No response; insufficient relevant evidence.

Question	Evidence
<p><b>THREE</b> (a)</p>	<p style="text-align: center;"><b>Woolley Farms' supply of lamb</b></p> 
<p>(b)</p>	<p>The new technology/computer system will increase productivity because it means:</p> <ul style="list-style-type: none"> <li>• the production process will be more efficient/faster/quicker/have greater speed/save time/fewer mistakes/less human error (NOT: easier or better alone)</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• the rate of production will be greater</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• be more output per worker/process more lambs in the same time/process same number of lambs in less time/with fewer workers</li> </ul> <p>Greater productivity will increase supply because more lambs can be processed at each price. Costs will fall as savings are made and therefore it will be relatively more profitable to supply lambs. As a result, the supply curve will increase/shift right from S to S1.</p> <p><b>Flow-on effects:</b> Could include – but are not limited to – Woolley Farms finding that with more technology/productivity they:</p> <ul style="list-style-type: none"> <li>• can expand operations – because they are earning greater profits and can have funds to expand</li> <li>• can expand operations – look to exporting overseas or buy more land</li> <li>• need fewer workers/lay some off – due to new technology replacing them</li> <li>• need fewer workers/lay some off – which may cost Woolley Farms redundancy payments</li> <li>• can hire more workers skilled in this technology – because the existing workers may not have the skills or need to be retrained</li> <li>• can hire more workers – especially farm hands or manual labour – to farm the extra sheep being supplied</li> <li>• can repay debt due to the greater profits from selling more lambs at a lower unit cost.</li> </ul>

**Judgement Statement – Question Three**

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial description by achieving only ONE of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the right</li> <li>• states a rise in supply</li> <li>• describes a productivity gain</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Shows description by achieving TWO of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the right</li> <li>• states a rise in supply</li> <li>• describes a productivity gain</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Shows breadth of description by achieving THREE of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the right</li> <li>• states a rise in supply</li> <li>• describes a productivity gain</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Shows breadth of description by achieving ALL of:</p> <ul style="list-style-type: none"> <li>• shift of supply to the right</li> <li>• states a rise in supply</li> <li>• describes a productivity gain</li> <li>• identifies a valid flow-on effect.</li> </ul>	<p>Detailed explanation of the effect of the technology factor.</p> <ul style="list-style-type: none"> <li>• Shows the shift correctly with appropriate labelling (arrows or S1)</li> </ul> <p>AND TWO of:</p> <ul style="list-style-type: none"> <li>• explains the idea of productivity gains</li> <li>• explains the idea of greater profitability</li> <li>• explains ONE valid flow-on effect from the rise in supply, due to technology/productivity gain.</li> </ul>	<p>Detailed explanation of the effect of the technology factor.</p> <p>ALL of:</p> <ul style="list-style-type: none"> <li>• Shows the shift correctly with appropriate labelling (arrows or S1)</li> </ul> <ul style="list-style-type: none"> <li>• explains the idea of productivity gains</li> <li>• explains the idea of greater profitability</li> <li>• explains ONE valid flow-on effect from the rise in supply, due to technology/productivity gain.</li> </ul>	<p>Comprehensive explanation of the effect of the technology factor, <b>mostly</b> in context of Woolley Farms' supply of lambs, <b>mostly</b> using correct economic terms.</p> <p>THREE of:</p> <ul style="list-style-type: none"> <li>• clearly links the new technology to productivity gains</li> <li>• clearly links the idea of productivity making it more profitable to supply more</li> <li>• explains ONE valid flow-on effect linked to the rise in supply, due to technology/productivity gain</li> <li>• incorporates the shift of the supply curve into the explanation.</li> </ul>	<p>Comprehensive explanation of the effect of the technology factor in context of Woolley Farms' supply of lambs, using correct economic terms.</p> <p>ALL of:</p> <ul style="list-style-type: none"> <li>• clearly links the new technology to productivity gains</li> <li>• clearly links the idea of productivity making it more profitable to supply more</li> <li>• explains ONE valid flow-on effect linked to the rise in supply, due to technology/productivity gain</li> <li>• incorporates the shift of the supply curve into the explanation.</li> </ul>

**N0** = No response; insufficient relevant evidence.

**Judgement Statement – Overall**

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 6	7 – 12	13 – 18	19 – 24