

Assessment Schedule – 2013

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"> • Wants are those items Taylor desires to make her life comfortable, or are not required for survival, eg football boots, singing lessons, computer games. They are unlimited. • Taylor has limited means to fulfil all of her wants. Time is limited because there are only 24 hours a day, and Taylor has to pack a lot into this time, such as working for the family business, attending choir, etc. This illustrates scarcity (limited time versus unlimited activities/wants). This means there are more activities to do than can be achieved in one day. • Taylor is also likely to have limited money. There is only so much she can earn in her parents' family business. She cannot afford all the choir lessons, football accessories, and computer games she enjoys. This illustrates scarcity (limited money versus unlimited activities/wants). • Due to scarcity, Taylor must choose which activity(ies) are most important to her so that she gets to do them within the limited time and limited budget that she has. • When she chooses one activity (eg playing computer games) over another (eg choir lessons), she has to give up her next-best alternative, which is defined as her opportunity cost (in this instance, choir lessons).
<p>(b)</p>	<ul style="list-style-type: none"> • Taylor values having fun/personal enjoyment/challenge/friendships when playing computer games. • Taylor's parents value hard work/education as a key to the future. <p>Possible conflict: Taylor may conflict with her parents if they want her to work extra hours in the business, when she wants to either play computer games, or relax. <i>OR</i> Taylor may miss out on time with her friends if she is to spend more time in the family business.</p> <p>Conflict resolution:</p> <ul style="list-style-type: none"> • Taylor could arrange for her friends to meet to play games once she has finished her work. • Taylor could get her friends to help in the business, to get the jobs done quicker – then spend time playing games . • Taylor could reduce time on one of her other activities, and therefore spend more time on games and helping in the business.

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding, with TWO of:</p> <ul style="list-style-type: none"> describes wants describes a limited mean (money or time) describes scarcity defines opportunity cost identifies two likely values. 	<p>Shows partial understanding, with THREE of:</p> <ul style="list-style-type: none"> describes wants describes a limited mean (money or time) describes scarcity defines opportunity cost identifies two likely values. 	<p>Shows understanding by describing scarcity in context of time or money.</p> <p>AND TWO of:</p> <ul style="list-style-type: none"> defines opportunity cost identifies two likely values identifies a conflict or a compromise. 	<p>Shows breadth of understanding by describing scarcity in context of time or money.</p> <p>AND ALL of:</p> <ul style="list-style-type: none"> defines opportunity cost identifies two likely values identifies a conflict or a compromise. 	<p>Detailed explanation, which includes:</p> <ul style="list-style-type: none"> correct description of time <i>OR</i> money 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 AND money 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 Taylor'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 Taylor's options links the two values to the most likely decisions or activities in context of Taylor's options explains a valid conflict in context of Taylor's options explains ONE way a resolution may be reached in context of Taylor'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 Taylor'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 Taylor's options links the two values to the most likely decisions or activities in context of Taylor's options explains a valid conflict in context of Taylor's options explains TWO ways a resolution may be reached in context of Taylor's options.

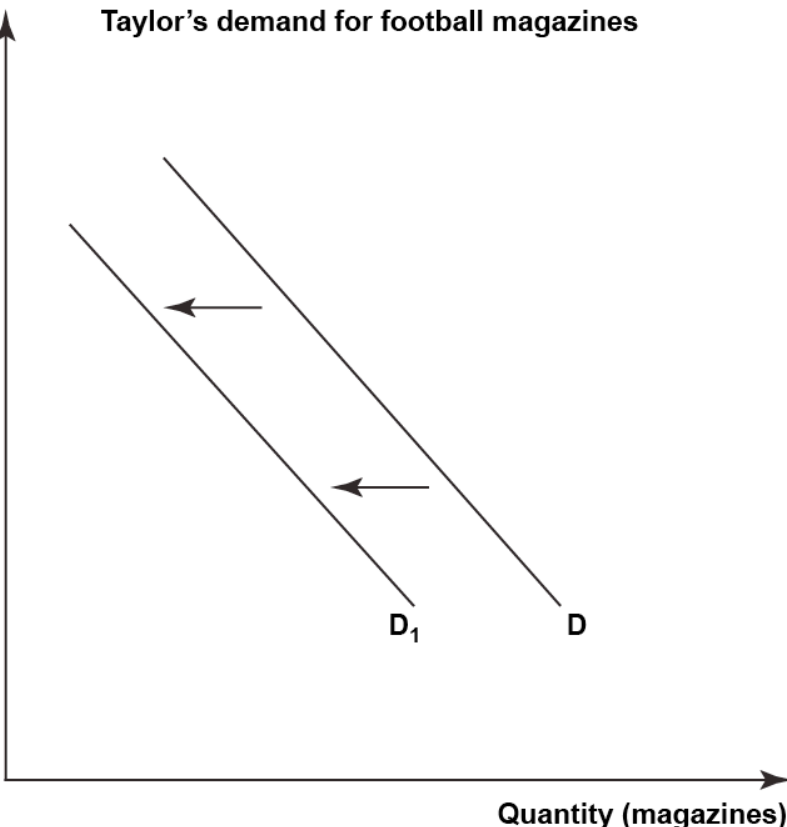
N0 = No response; no relevant evidence.

Question	Evidence													
<p>TWO</p> <p>(a) Table: Four of five combinations correct.</p> <p>(b) Graph: Look for:</p> <ul style="list-style-type: none"> labelled points directions of change. 	<p style="text-align: center;">Taylor's annual demand for computer games</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Data points from Taylor's annual demand graph</caption> <thead> <tr> <th>Quantity (games)</th> <th>Price (\$)</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>120</td> </tr> <tr> <td>3</td> <td>100</td> </tr> <tr> <td>5</td> <td>80</td> </tr> <tr> <td>8</td> <td>60</td> </tr> <tr> <td>12</td> <td>40</td> </tr> </tbody> </table>	Quantity (games)	Price (\$)	2	120	3	100	5	80	8	60	12	40	<p>(c)</p> <p>The law of demand states that as the price falls, the quantity demanded rises. In this case, as the price of computer games falls from \$100 ($P_1$) to \$60 (P_2), Taylor's quantity demanded rises from 3 (Q_1) to 8 (Q_2) games per year. Ceteris paribus.</p> <p>This is because she can now afford to buy more games with her income, and she will now switch away from other goods or activities because gaming has become relatively cheaper (substitution).</p> <p>A flow-on effect is that Taylor may now need to buy complementary goods that go with the games she buys, eg a new gaming console to go with the games, or more gaming accessories that go with the games – or she may now buy gaming magazines, or a second controller, so others can play with her, or more snack food to eat, while gaming.</p>
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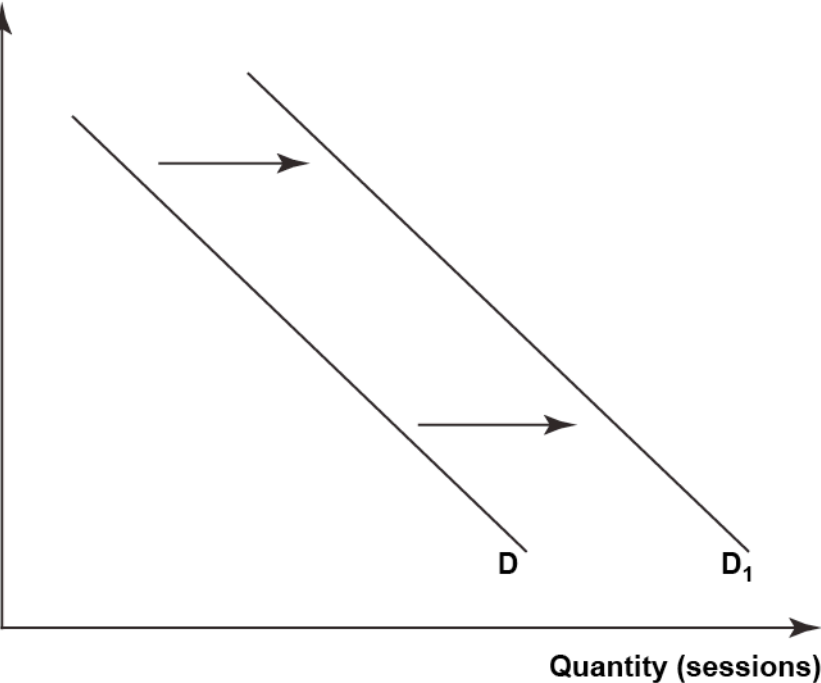
N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with only ONE of:</p> <ul style="list-style-type: none"> • schedule correct • a movement down the demand curve • the law of demand stated • an increase in the number of computer games purchased • identifies a complementary good for computer games OR correctly defines a complementary good. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> • schedule correct • accurate movement down the demand curve • the law of demand stated • an increase in the number of computer games purchased • identifies a complementary good OR correctly defines a complementary good. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> • schedule correct • accurate movement down the demand curve • the law of demand stated • an increase in the number of computer games purchased • identifies a complementary good OR correctly defines a complementary good. 	<p>Shows breadth of understanding with FOUR of:</p> <ul style="list-style-type: none"> • schedule correct • accurate movement down the demand curve • the law of demand stated • an increase in the number of computer games purchased • identifies a complementary good OR correctly defines a complementary good. 	<p>Detailed explanation of the law of demand using data / graph,</p> <ul style="list-style-type: none"> • schedule correct • accurate movement down the demand curve with prices and quantities identified (P_1Q_1 and P_2Q_2 or 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"> • complementary good is linked. 	<p>Detailed explanation of the law of demand using data / graph</p> <ul style="list-style-type: none"> • schedule correct • accurate movement down the demand curve with change in quantity demanded identified (P_1Q_1, P_2Q_2 or arrows) <p>AND</p> <ul style="list-style-type: none"> • ONE reason given for the law of demand <p>AND</p> <ul style="list-style-type: none"> • complementary good is linked. 	<p>Comprehensive explanation of the law of demand mostly in context using data / graph and correct terms:</p> <p>AND</p> <ul style="list-style-type: none"> • law of demand explained with change in price AND quantity demanded includes ceteris paribus <p>AND</p> <ul style="list-style-type: none"> • ONE reason explained for the law of demand <p>AND</p> <ul style="list-style-type: none"> • flow-on to buying a complementary good is explained. 	<p>Comprehensive explanation of the law of demand in context using data / graph and correct terms:</p> <p>AND</p> <ul style="list-style-type: none"> • law of demand explained with change in price AND quantity demanded includes ceteris paribus <p>AND</p> <ul style="list-style-type: none"> • TWO reasons explained for the law of demand <p>AND</p> <ul style="list-style-type: none"> • flow-on to buying a complementary good is explained.

N0 = No response; no relevant evidence.

Question	Evidence	
<p>THREE</p>	<p>(a)</p> <p>Taylor's demand for football magazines</p> 	<p>(b)</p> <p>Football magazines and computer games are substitute goods for Taylor, because they both give her enjoyment, and she could either read / buy more magazines, <i>OR</i> play / buy more computer games, with her spare time / money.</p> <p>When the price of computer games fell, Taylor bought more games. As a result, her demand for magazines will fall as seen in the graph on page 6 – from $D - D_1$ to the left at all prices. This is because she does not have the income to buy both.</p> <p>Possible flow-on effects:</p> <ul style="list-style-type: none"> Taylor may lose her football skill as she spends more time gaming <i>OR</i> she may become more popular with her friends, because she has more games to share, rather than football magazines <i>OR</i> she gets really good at gaming and reaches higher levels – which may earn her prizes <i>OR</i> she may get out of date with the latest football news <i>OR</i> she loses fitness as she plays too many computer games.

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding, with only ONE of:</p> <ul style="list-style-type: none"> • shifts the magazine demand curve left • identifies substitutes • states fewer magazines will be bought • identifies one flow-on effect. 	<p>Shows partial understanding, with TWO of:</p> <ul style="list-style-type: none"> • shifts the magazine demand curve left • identifies substitutes • states fewer magazines will be bought • identifies one flow-on effect. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> • shifts the magazine demand curve left • identifies substitutes • states fewer magazines will be bought • identifies one flow-on effect. 	<p>Shows breadth of understanding, with FOUR of:</p> <ul style="list-style-type: none"> • shifts the magazine demand curve left • identifies substitutes • states more computer games will be bought, so fewer magazines will be bought • identifies one flow-on effect. 	<p>Detailed explanation of substitute goods using data / graph</p> <p>AND TWO of:</p> <ul style="list-style-type: none"> • explains substitute goods in terms of can be used instead of each other • refers to graph in explaining shift of demand curve • ONE flow-on effect explained. 	<p>Detailed explanation of substitute goods using data / graph</p> <p>AND THREE of:</p> <ul style="list-style-type: none"> • explains substitute goods in terms of can be used instead of each other • refers to graph in explaining 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 graph, and correct terms such as Quantity demanded and Demand.</p> <p>AND</p> <ul style="list-style-type: none"> • fully explains substitutes • refers to graph in explaining shift of demand curve, eg D to D₁ • ONE flow-on effect explained. 	<p>Comprehensive explanation of the concept of substitutes in context using graph, and correct terms such as Quantity demanded and Demand.</p> <p>AND</p> <ul style="list-style-type: none"> • fully explains substitutes • refers to graph in explaining shift of demand curve • TWO flow-on effects explained.

N0 = No response; no relevant evidence.

Question	Evidence statement	
<p>FOUR</p>	<p>(a)</p> <p style="text-align: center;">Taylor's demand for gym sessions</p> 	<p>(b) Paying for gym sessions is a luxury good for Taylor. It has superior features such as specialised equipment, trained staff, and facilities that will help Taylor improve her football skills and fitness. She will increase her gym sessions only if her income allows her to do so. This is because they tend to be more expensive.</p> <p>This is shown as a rise in the demand for gym sessions at each and every price from $D - D_1$, because she can now afford to buy more gym time.</p> <p>Taylor's skipping rope is an inferior good, because it is limited in terms of the exercises she can do, and may not improve skills required for football. When on a low income, Taylor will use her skipping rope – because it is cheaper and is all she can afford.</p> <p>As Taylor's income rises, she will switch away from the skipping rope to the luxury gym sessions.</p> <p>Possible flow-on effects:</p> <p>Taylor improves her football skills, because of the varied exercises available / help from knowledgeable staff etc, and therefore she scores / saves more goals / is selected for higher teams.</p> <p>Taylor will have to account for travelling time and time at the gym, which means she will have less time for other activities, eg unable to meet with friends / sing in the choir. (NOT: less time for work).</p> <p>Taylor may increase her circle of friends, because there are lots of like-minded people at a gym.</p>

N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding, with only ONE of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies gym sessions as a luxury • identifies skipping rope as an inferior good • correctly shifts the demand curve for gym sessions, or states more gym sessions will be used. 	<p>Shows partial understanding, with TWO of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies gym sessions as a luxury • identifies skipping rope as an inferior good • correctly shifts the demand curve for gym sessions, or states more gym sessions will be used. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies gym sessions as a luxury • identifies skipping rope as an inferior good • correctly shifts the demand curve for gym sessions, or states more gym sessions will be used. 	<p>Shows breadth of understanding with FOUR of:</p> <ul style="list-style-type: none"> • defines luxury good • defines inferior good • identifies gym sessions as a luxury • identifies skipping rope as an inferior good • correctly shifts the demand curve for gym sessions, or states more gym sessions will be used. 	<p>Detailed explanation of inferior and luxury goods using data / graph</p> <p>AND THREE of:</p> <ul style="list-style-type: none"> • explains luxury goods • explains inferior goods • refers to graph as to why gym sessions are a luxury good • ONE flow-on effect explained. 	<p>Detailed explanation of inferior and luxury goods using data / graph.</p> <p>AND ALL of:</p> <ul style="list-style-type: none"> • explains luxury goods • explains inferior goods • refers to graph as to why gym sessions are a luxury good • ONE flow-on effect explained. 	<p>Comprehensive explanation of the concept of luxuries / inferior goods mostly in context using graph and correct terms</p> <p>AND</p> <ul style="list-style-type: none"> • fully explains luxury and inferior goods in relation to a skipping rope and gym sessions and income rise, in context • refers to graph in explaining shift of demand curve • ONE flow-on effect explained. 	<p>Comprehensive explanation of the concept of luxuries / inferior goods in context using features of gym sessions, graph and correct terms</p> <p>AND</p> <ul style="list-style-type: none"> • fully explains luxury and inferior goods in relation to a skipping rope and gym sessions and income rise, in context • refers to graph in explaining shift of the demand curve • TWO flow-on effects explained.

N0 = No response; insufficient relevant evidence.

Judgement Statement

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 9	10 – 17	18 – 24	25 – 32