

Assessment Schedule – 2013

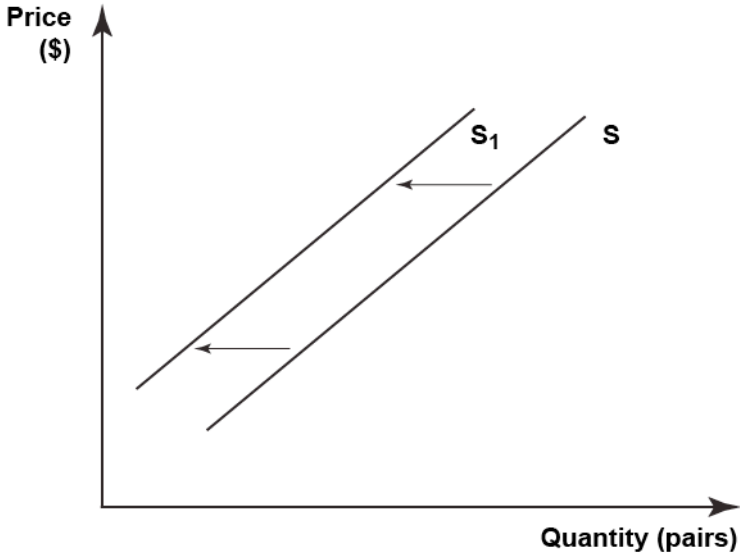
Economics: Demonstrate understanding of producer choices using supply (90985)

Evidence Statement

Question	Evidence	
<p>ONE</p>	<p>(a) Graph requirements: Title (Stanley, monthly, street shoes), units (\$, pairs), even scales, axes labelled (Price or P, Quantity or Q), points correct and coordinates joined by lines curve labelled S.</p>	<p>(b) Movement along the supply curve: changes indicated by (dotted) lines AND P_1, P_2, Q_1, Q_2 labels OR arrows.</p>
	<div style="text-align: center;"> <p>Title: Stanley's monthly supply of street shoes</p> </div>	
<p>(c)</p>	<p>Law of Supply: As the price of Stanley's street shoes increases from \$80 to \$130 per pair, the quantity of street shoes supplied by Stanley rises from 1 000 pairs to 2 000 pairs per month. Ceteris paribus.</p> <p>Explanation of the reason for law of supply: As the price of street shoes rises, selling street shoes becomes more profitable for Stanley since the revenue is increased and is better able to cover the costs / difference between revenue and costs is greater. Therefore, Stanley will want to increase the quantity (of street shoes) supplied in order to maximise profits.</p> <p>Explanation of the effect of the increase in price of street shoes on a related good: A related good is one that can be made with similar resources. School shoes and street shoes are related goods because similar resources/ leather, rubber and shoe workers are used. With street shoes being relatively more profitable than school shoes, Stanley will switch his resources away from school shoes towards street shoes. This will decrease Stanley's supply of school shoes / decrease the quantity of school shoes Stanley will supply at each price.</p>	

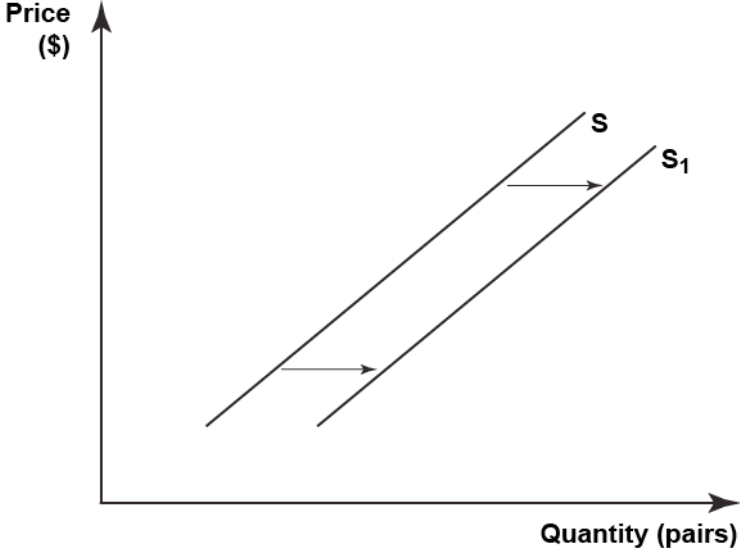
N1	N2	A3	A4	M5	M6	E7	E8
<p>Shows partial understanding with ONE of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements shows movement up the supply curve states the law of supply identifies or defines school shoes as a related good states supply of school shoes would decrease. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements accurate movement up the supply curve states the law of supply identifies or defines school shoes as a related good states supply of school shoes would decrease. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements accurate movement up the supply curve states the law of supply identifies or defines school shoes as a related good states supply of school shoes would decrease. 	<p>Shows breadth of understanding with FOUR of:</p> <ul style="list-style-type: none"> draws a supply curve with FIVE graph requirements accurate movement up the supply curve states the law of supply identifies or defines school shoes as a related good states supply of school shoes would decrease. 	<p>Detailed explanation of the law of supply mostly using data and context.</p> <ul style="list-style-type: none"> accurate movement up the supply curve <p>AND</p> <ul style="list-style-type: none"> explains the increase in quantity supplied of street shoes with the law of supply and idea of more profitability <p>OR</p> <ul style="list-style-type: none"> explains decreased supply of school shoes, the related good, with the idea of it being less profitable. 	<p>Detailed explanation of the law of supply mostly using data and context.</p> <ul style="list-style-type: none"> accurate movement up the supply curve <p>AND</p> <ul style="list-style-type: none"> explains the increase in quantity supplied of street shoes with the law of supply and idea of more profitability <p>AND</p> <ul style="list-style-type: none"> explains decreased supply of school shoes, the related good with the idea of it being less profitable. 	<p>Comprehensive explanation of the law of supply in context with correct data and mostly using correct economic terminology.</p> <p>AND</p> <ul style="list-style-type: none"> refers to the idea of profitability linking higher profitability to increased ability to cover production costs or link to diverting resources <p>AND</p> <ul style="list-style-type: none"> explains decreased supply of school shoes (the related good) with the idea of it being relatively less profitable. 	<p>Comprehensive explanation of the law of supply in context with correct data, and using correct economic terminology.</p> <p>Including ceteris paribus</p> <p>AND</p> <ul style="list-style-type: none"> refers to the idea of profitability linking higher profitability to increased ability to cover production costs and that Stanley will divert resources. <p>AND</p> <ul style="list-style-type: none"> fully explains decreased supply of school shoes (the related good) with the idea of it being relatively less profitable

N0 = No response; no relevant evidence.

Question	Evidence
<p>TWO (a)</p>	<p>The supply curve is shifted to the left.</p> <p style="text-align: center;">Stanley's supply of shoes</p> 
<p>(b)</p>	<p>Explaining the effect of the factor:</p> <p>Examples of how faulty wiring and power failure can affect operations may include</p> <ul style="list-style-type: none"> • Stanley is unable to use all areas of his factory / must leave some machinery idle, which means it will take longer to produce the shoes, making them less profitable to supply (Time Cost factor). • Productivity of labour falls because machinery is no longer usable. • Repairs will have to be undertaken, increasing costs. • Stanley will have to hire an electrician to rewire the factory. This will add to Stanley's costs of production. (Cost factor) <p>This will incur costs or time loss, which reduces profitability since the difference between revenue and costs will now be smaller / less able to cover costs.</p> <p>Consequently, his supply of shoes will fall as shown by a shift of the supply curve to the left from S to S₁, which indicates Stanley supplies fewer pairs of shoes at each and every price.</p> <p>Flow-on effects:</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Stanley may have to lay off some workers because there are fewer machines able to be used and fewer shoes being made. • Expansion plans may have to be put on hold until the factory is up to standard. • The factory may have to be shut down if the business fails to recover from the cost of rewiring in the long term. • Stanley may have to look for temporary premises if he is no longer able to operate from that site due to electrical issues. • Stanley may have to advertise to customers that he is still in business (damage control). • Stanley might have to concentrate on the type of shoes that are less affected by some parts of the factory being unusable.

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 left • states that there is a decrease in supply of shoes • states an example of a rising cost of production or time loss • states a flow-on effect. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> • shift supply curve left • states that there is a decrease in supply of shoes • states an example of a rising cost of production or time loss • states a flow-on effect. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> • shift supply curve left • states that there is a decrease in supply of shoes • states an example of a rising cost of production or time loss • states a flow-on effect. 	<p>Shows breadth of understanding with ALL of:</p> <ul style="list-style-type: none"> • shift supply curve left • states that there is a decrease in supply of shoes • states an example of a rising cost of production or time loss • states a flow-on effect. 	<p>Detailed explanation of the effect of the factor.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling (arrows and S₁) <p>AND</p> <ul style="list-style-type: none"> • uses an example to explain a time or cost factor, linked to less supply <p>AND 1 of:</p> <ul style="list-style-type: none"> • refers to lower profitability to explain a fall in supply of shoes <p>OR</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 factor.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling (arrows and S₁) <p>And ALL of</p> <ul style="list-style-type: none"> • uses an example to explain a time or cost factor, linked to less supply • refers to lower profitability to explain fall in supply • explains a flow-on effect linked to the fall in supply 	<p>Comprehensive explanation of the effect of the factor in context of Stanley's supply of shoes mostly using correct economic terms.</p> <ul style="list-style-type: none"> • explains Stanley's falling supply of shoes with a clear example of time or cost factor linked to less profitability with decreased ability to cover production costs <p>AND</p> <ul style="list-style-type: none"> • explains ONE flow-on effect clearly linked to the factor affecting supply. 	<p>Comprehensive explanation of the effect of the factor in context of Stanley's supply of shoes using correct economic terms.</p> <ul style="list-style-type: none"> • explains Stanley's falling supply of shoes with a clear example of a time or cost factor linked to less profitability with decreased ability to cover production costs <p>AND</p> <ul style="list-style-type: none"> • explains ONE flow-on effect clearly linked to the factor affecting supply <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 (a)</p>	<p>Shows a shift to the right of the supply curve of shoes and labelled S_1.</p> <p style="text-align: center;">Stanley's supply of shoes</p> 
<p>(b)</p>	<p>Effect of lower wages on Stanley's supply of shoes:</p> <p>Wages are a cost of production. Lower wages mean decreased costs of production. This will make shoe production more profitable as the difference between revenue and costs will be higher, thus Stanley will be encouraged to increase his supply of shoes. This is shown by the shift of the supply curve to the right from S to S_1, which indicates Stanley supplies more pairs of shoes at each and every price.</p> <p>Effect of employing youth workers on productivity:</p> <p><i>Stanley's Shoes'</i> productivity will decrease because the youth workers are less experienced in making shoes so will be slower / less efficient / work at a lower production rate take the same number of new workers longer to make the same number of shoes compared to the older, more experienced staff.</p> <p>This will lead to a decrease in supply of shoes or the initial increase in supply may be offset by a fall in supply</p> <p>OR</p> <p><i>Stanley's Shoes'</i> productivity will increase as the new youth workers will be eager to prove themselves worthy of the job and will work extra hard, increased production rate / faster / more efficient / take the same number of new workers less time to make the same number of shoes compared to the older, more experienced staff.</p> <p>This will result in their producing more in the same amount of time as the old staff. This would lead to a (further) increase in the supply of shoes.</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 right • identifies wages as a cost of production • states increase in supply of shoes • states an effect of employing youth workers on productivity OR supply. 	<p>Shows partial understanding with TWO of:</p> <ul style="list-style-type: none"> • shift supply curve right • identifies wages as a cost of production • states increase in supply of shoes • states an effect of employing youth workers on productivity OR supply. 	<p>Shows understanding with THREE of:</p> <ul style="list-style-type: none"> • shift supply curve right • identifies wages as a cost of production • states increase in supply of shoes • states an effect of employing youth workers on productivity OR supply. 	<p>Shows breadth of understanding with FOUR of:</p> <ul style="list-style-type: none"> • shift supply curve right • identifies wages as a cost of production • states increase in supply of shoes • states an effect of employing youth workers on productivity OR supply. 	<p>Detailed explanation of the concept of determinants of supply.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling (arrows and S_1) <p>AND</p> <ul style="list-style-type: none"> • explains the increase in supply of shoes to a fall in the cost of production (wages) <p>AND ONE of:</p> <ul style="list-style-type: none"> • refers to profitability to explain the rise in the supply of shoes <p>OR</p> <ul style="list-style-type: none"> • explains an effect of employing youth workers on productivity AND supply. 	<p>Detailed explanation of the concept of determinants of supply.</p> <ul style="list-style-type: none"> • shows the shift correctly with appropriate labelling (arrows and S_1) <p>AND ALL of</p> <ul style="list-style-type: none"> • explains the increase in supply of shoes to a fall in the cost of production (wages) • refers to profitability to explain the rise in the supply of shoes • explains an effect of employing youth workers on productivity AND supply 	<p>Comprehensive explanation of the concepts of determinants of supply in context and mostly using correct economic terms.</p> <ul style="list-style-type: none"> • links the effect of lower wages to increased supply, linked to more profitability with increased ability to cover production costs <p>AND</p> <ul style="list-style-type: none"> • explains an effect of employing youth workers on productivity AND supply. 	<p>Comprehensive explanation of the concept of determinants of supply in context using correct economic terms.</p> <ul style="list-style-type: none"> • clearly links the effect of lower wages to increased supply, with link to more profitability with increased ability to cover production costs <p>AND</p> <ul style="list-style-type: none"> • explains a flow-on effect of employing youth workers on productivity ie output per worker AND supply <p>AND</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 – 12	13 – 18	19 – 24