

Assessment Schedule – 2013**Economics: Analyse economic growth using economic concepts and models (91224)****Assessment criteria**

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding involves: <ul style="list-style-type: none"> • identifying, defining, or describing economic growth concepts • providing an explanation of causes of changes in economic growth, using economic models • providing an explanation of the impacts of changes in economic growth on various groups in New Zealand society and / or the environment. 	Demonstrate in-depth understanding involves: <ul style="list-style-type: none"> • providing a detailed explanation of causes of changes in economic growth, using economic models • providing a detailed explanation of the impacts of changes in economic growth on various groups in New Zealand society and / or the environment. 	Demonstrate comprehensive understanding involves analysing: <ul style="list-style-type: none"> • causes of changes in economic growth by comparing and / or contrasting their impact on economic growth • the impacts of changes in economic growth by comparing and / or contrasting the impact on various groups in New Zealand society and / or the environment • by integrating changes shown on economic models into detailed explanations.

Explanation involves giving a reason for the answer.

Detailed explanation involves giving an explanation with breadth (more than one reason for the answer) and / or depth (eg using flow-on effects to link the main cause to the main result).

Evidence Statement

Question ONE		Evidence	
Not Achieved	N1	1/4 requirements for Achievement are met	Analysis includes: (a) (i) Identifies that export receipts would be the money flow affected OR Describes a recession as lower output OR Explanation of how export receipts would decline due to fewer exports being sold. (b) (i) Identifies / describes New Zealand's European trading partners being in recession would decrease growth OR Explanation for why New Zealand's European trading partners being in recession would reduce growth, due to reduced exports / output (ii) Identifies / describes an increase in business confidence would increase growth OR Explanation of why an increase in business confidence would increase growth, due to more investment / more output. (iii) Explanation of why the combined impact will be a decrease in growth, as the negative effect of our European trading partners being in recession will be greater than the positive effect of an increase in business confidence OR vice-versa.
	N2	2/4 requirements for Achievement are met	
Achievement	A3	3/4 requirements for Achievement are met, including at least TWO valid explanations	
	A4	4/4 requirements for Achievement are met, including at least THREE valid explanations	
Achievement with Merit	M5	2/4 requirements for Achievement with Merit are met	Analysis in depth includes: (a) Detailed explanation of why export receipts would decrease – as a recession will reduce income / output levels of our European trading partners – therefore they demand less of our exported goods / materials, so export receipts will decline. Must give a valid reason for why exports will decrease.

	M6	3/4 requirements for Achievement with Merit are met	<p>(b)</p> <p>(i) Detailed explanation of how our European trading partners being in recession would reduce growth, due to the decrease in exports / exporters' revenue, exporters will be consuming / investing less – therefore there is less AD (may discuss components of AD - X plus others) / less future increase in productive capacity, so less is produced. Must have a valid link between reduced exports / export receipts, and less output.</p> <p>(ii) Detailed explanation of how an increase in business confidence would increase growth, due to firms expecting higher levels of future profits / income / returns on investment, so investment will increase, resulting in greater AD / productive capacity so more produced. Must give a valid reason for investment increasing.</p> <p>(iii) Detailed explanation of why the combined impact will be a decrease in growth, as the negative effect of our European trading partners being in recession will be greater than the positive effect of an increase in business confidence, due to the increase in business confidence being short-lived</p> <p>OR</p> <p>Detailed explanation that the combined impact would be an increase in economic growth, as the positive effect of an increase in business confidence would be greater than the negative effect of our European trading partners being in recession, eg due to the increase in business confidence affecting all / most firms in New Zealand.</p> <p>Must give a valid reason for why the effect on growth will be greater for one of the two events.</p>
Achievement with Excellence	E7	(b) (i), (ii) AND (iii)	<p>Comprehensive analysis includes:</p> <p>(b)</p> <p>Compare and contrast the impact on economic growth of our European trading partners being in recession with an increase in business confidence by:</p> <p>(i) explanation in detail how our European trading partners being in recession would reduce economic growth</p> <p>(ii) explanation in detail how increased business confidence would increase economic growth</p> <p>(iii) explanation that the combined impact would be a reduction in economic growth, as our European trading partners being in recession would have a greater effect on growth than increased business confidence, due to eg the increase in business confidence is likely to be short lived compared to the recession, which will last longer</p> <p>OR</p> <p>explanation that the combined impact would be an increase in economic growth, as the increase in business confidence would have a greater effect on growth than our European trading partners being in recession, due to the increase in business confidence affecting all / most firms in New Zealand compared to the recession in Europe, which may only affect firms that export to Europe</p> <p>Must give a valid reason for why the effect on growth will be greater for one of the two events AND the reason must include a comparison between the two events</p>
	E8	(b) (i), (ii), (iii) AND (iv)	<p>(iv) referring specifically to TWO flows from the model in their answer, eg the increase in business confidence will increase the investment flow (from Model One) because ... (answer gives a valid reason).</p>

N0 = No response; no relevant evidence.

Question TWO		Evidence	
Not Achieved	N1	1/5 requirements for Achievement are met.	Analysis includes: (a) (i) AS shifted to the left with the decrease in Real GDP fully labelled (see Appendix One) (ii) Explanation that the increased costs of the ETS will reduce Real GDP due to costs of production increasing for firms
	N2	2/5 requirements for Achievement are met.	
Achievement	A3	3/5 requirements for Achievement are met including at least TWO valid explanations.	(b) (i) Explanation that farmers may suffer, due to an increase in costs of production / reduced profits OR explaining that farmers may benefit, due to increased sales / exports / revenue / profits (ii) Explanation that households may suffer, due to higher prices / job losses OR explaining that households may benefit, due to more jobs / (environmental) goods being produced (iii) Identifies that the environment will benefit OR explanation that the environment will benefit, due to less pollution / global warming.
	A4	4/5 requirements for Achievement are met including at least THREE valid explanations.	
Achievement with Merit	M5	2/4 requirements for Achievement with Merit are met.	Analysis in depth includes: (a) AS shifted left with the decrease in real GDP fully labelled, PLUS detailed explanation for why the increased costs of the ETS will reduce real GDP, as firms' costs of production will increase, so production will be less profitable, and less will be produced at each price, reducing AS and real GDP. Must refer to higher costs and lower profitability. (NOTE profitability may be discussed in (b) and can be used as supplementary evidence)

	M6	3/4 requirements for Achievement with Merit are met.	<p>(b)</p> <p>(i) Explanation in detail that farmers may suffer due to increased costs of production, which will reduce profits and hence they may have to cut back on production or lay off workers <i>OR</i> explaining in detail that farmers may benefit, as New Zealand's improved international reputation may result in increased exports of agricultural products, therefore increasing revenue / profits for farmers.</p> <p>(ii) Explanation in detail that households may suffer, as prices will increase due to increased costs for farmers, or due to job losses, as profits decline in the agricultural sector or due to less output being available in the economy as farmers produce less <i>OR</i> explaining in detail that households may benefit from more jobs or more agricultural goods being available or more environmentally sound products due to increased output / profits for farmers or improved health through less pollution (Net Social Welfare idea).</p> <p>(iii) Explanation in detail that the environment will benefit, due to farmers reducing their output so there will be less pollution / carbon emissions / global warming / fewer producers emitting GHG as they find ways to reduce emissions.</p>
Achievement with Excellence	E7	(b) (i) <i>AND</i> (ii)	<p>Comprehensive analysis includes:</p> <p>Compare and contrast the impact of the change in economic growth resulting from the agricultural sector entering the ETS on farmers, households, and the environment by: THREE OF</p> <ul style="list-style-type: none"> • Costs for farmers • Benefits for farmers • Costs for households • Benefits for households <p>Explained in detail as described below</p> <p>(b)</p> <p>(i) Explanation in detail that farmers may suffer due to increased costs of production, which will reduce profits and hence they may have to cut back on production or lay off workers, <i>AND/OR</i> explanation in detail that farmers may benefit, as New Zealand's improved international reputation may result in increased exports of agricultural products, therefore increasing revenue / profits for farmers</p> <p>(ii) Explanation in detail that households may suffer as prices of agricultural products will increase, due to increased costs for farmers or due to job losses as profits decline in the agricultural sector, or due to less agricultural products being available on the market as farmers produce less, <i>AND/OR</i> explanation in detail that households may benefit from more jobs or more agricultural goods being available, due to increased output / profits for farmers or improved health through less pollution (Net Social Welfare idea).</p> <p>(iii) Referring specifically to ONE change made on Graph One. Eg households will suffer, as there are now fewer goods available in the economy (Y to Y_1) or prices have increased (PL to PL_1).</p>
	E8	(b) (i), (ii) <i>AND</i> (iii)	

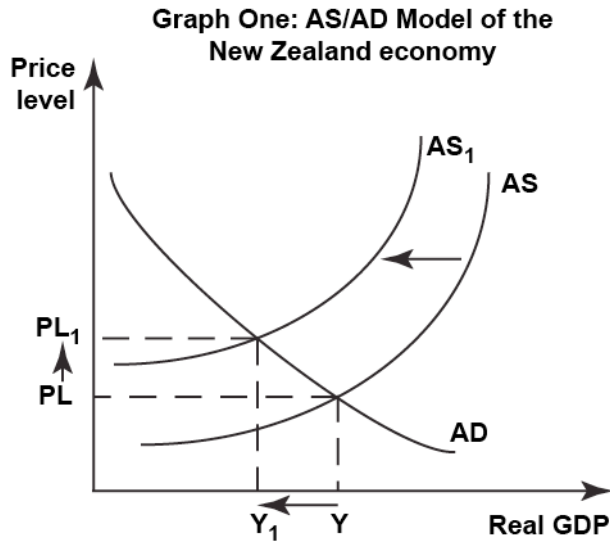
N0 = No response; no relevant evidence.

Question THREE		Evidence	
Not Achieved	N1	1/6 requirements for Achievement are met.	Analysis includes: (a) AD shifted to the left with the decrease in Real GDP clearly labelled (see Appendix Two). (b) Explanation that an increase in savings will reduce Real GDP due to lower consumption by consumers. (c) (i) Increase in capital goods <i>AND</i> decrease in consumer goods shown on Graph Three (see Appendix Three) (ii) Outward shift of PPF shown on Graph Three (see Appendix Three) (iii) Identifies / describes that an increase in savings will increase investment / more funds available for banks OR Explanation that an increase in savings would increase investment, due to more capital goods being produced / purchased (iv) Explanation that increased savings would increase long-term growth, as more will be produced in the future OR because of increased productive capacity.
	N2	2/6 requirements for Achievement are met.	
Achievement	A3	4/6 requirements for Achievement are met, including at least TWO valid explanations.	
	A4	5/6 requirements for Achievement are met, including at least THREE valid explanations.	
Achievement with Merit	M5	1/3 requirements for Achievement with Merit are met.	Analysis in depth includes: (a) and (b) AD shifted to the left with the decrease in Real GDP fully labelled, <i>PLUS</i> a detailed explanation for why an increase in savings would reduce Real GDP, as consumers would have less leftover (discretionary) income to spend so consumption would decrease, resulting in less AD and hence less Real GDP. Must give a valid reason for consumption decreasing. (c) Increase in capital goods <i>AND</i> decrease in consumer goods shown on Graph Three <i>OR</i> PPF shifted outwards, <i>PLUS</i> : (i) Explanation in detail that an increase in savings would increase investment, as more resources would be available to produce capital goods as less consumer goods are being produced, <i>OR</i> because there will be more funds available for banks to lend out to firms for investment (ii) Explanation in detail that an increase in savings would increase long-term growth, as the productive capacity has increased for the New Zealand economy, so more can be produced in the future.
	M6	2/3 requirements for Achievement with Merit are met.	

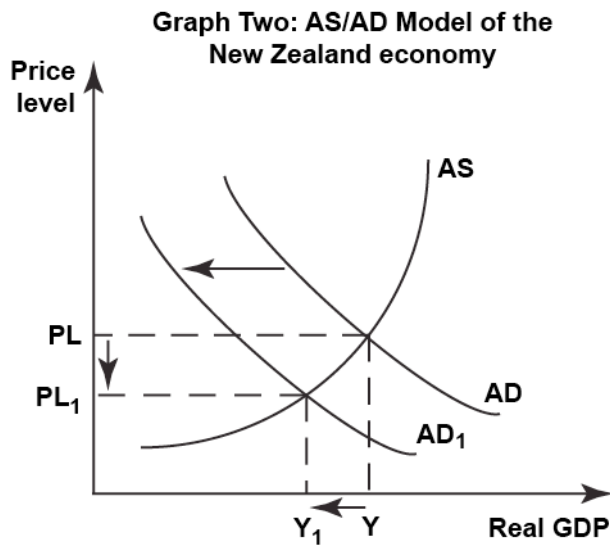
Achievement with Excellence	E7	(c) (i), (ii) <i>AND</i> (iii)	Comprehensive analysis includes: Comparing and contrasting the effect of increased savings on short-term and long-term growth by:
	E8	(c) (i), (ii), (iii) <i>AND</i> (iv)	<p>(c)</p> <p>(i) Showing an increase in capital goods <i>AND</i> a decrease in consumer goods <i>AND</i> an outwards shift of the PPF on Graph Three</p> <p>(ii) Explanation in detail that an increase in savings would increase investment, as more resources would be available to produce capital goods, as less consumer goods are being produced <i>OR</i> because there will be more funds available for banks to lend out to firms for investment</p> <p>(iii) Explanation in detail that an increase in savings would have a more positive effect on long-term growth as the productive capacity has increased for the New Zealand economy, so future Real GDP will increase, whereas in the short term, there is less Real GDP. Must make a specific comparison between the effect on short-term and the effect on long-term growth</p> <p>(iv) Referring specifically to changes made on Graphs Two <i>AND</i> Three, eg in the long-term Real GDP will increase (point B to point C on Graph Three), whereas in the short term there will be a decline in Real GDP (Y to Y₁ on Graph Two).</p>

N0 = No response; no relevant evidence.

Appendix One
Question Two (a)

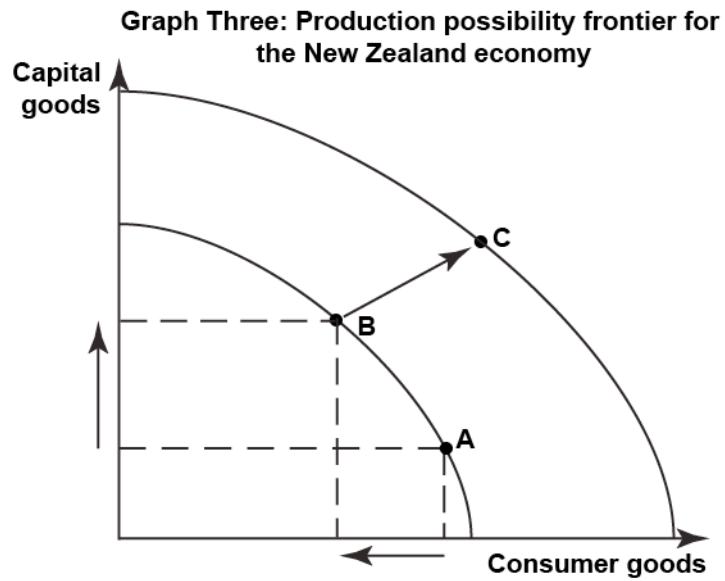


Appendix Two
Question Three (a)



Appendix Three

Question Three (c)



Judgement Statement

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