

Assessment Schedule – 2014

Economics: Demonstrate understanding of consumer choices, using scarcity and/or demand (90983)

Assessment Criteria

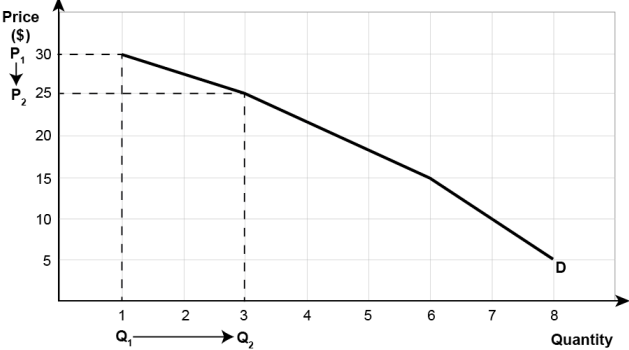
Achievement	Achievement with Merit	Achievement with Excellence
<p>Demonstrate understanding involves:</p> <ul style="list-style-type: none"> • defining, identifying, describing, or providing an explanation of consumer choices related to scarcity • identifying, describing, or providing an explanation of choices a consumer makes in response to a change in price or non-price factors • identifying, describing, or providing an explanation of flow-on effects for the consumer • clearly illustrating changes using the demand model. 	<p>Demonstrate in-depth understanding involves:</p> <ul style="list-style-type: none"> • providing a detailed explanation of consumer choices related to scarcity • providing a detailed explanation, using demand, of choices a consumer makes in response to a change in price or non-price factors • providing a detailed explanation of the flow-on effects for the consumer. 	<p>Demonstrate comprehensive understanding involves:</p> <ul style="list-style-type: none"> • providing an integrated explanation of consumer choices related to scarcity • linking detailed explanations of flow-on effects for the consumer with detailed explanations of choices the consumer makes in response to a change in a price or non-price factors affecting demand • integrating changes in demand into detailed explanations.

Each question should be read as a whole before awarding a grade.

Evidence Statement

Question One	Sample answers / Evidence				Achievement	Achievement with Merit	Achievement with Excellence
<p>(a)</p> <p>(b)</p>	<p>Time is limited because there are only 24 hours in a day (or suggestion of hours after school), and Ehsan has more things or unlimited activities he wants to do, such as working in the café, playing basketball, attending cooking lessons, etc. This illustrates the idea of scarcity (limited time vs unlimited activities / wants) – more activities to do than can be achieved in one afternoon / evening.</p> <p>Because of scarcity, Ehsan must choose which activity(ies) are most important to him, so that he gets to do them within the limited time that he has.</p> <p>When he chooses one activity (eg basketball) over another (eg spending time with his younger sister), he has to give up his next best alternative, which is defined as his opportunity cost (in this instance, spending time with his sister).</p> <p>Values are those ideas / beliefs that people consider important in their lives, and that influence their decisions.</p> <p>If Ehsan values contributing to the community, he will most likely spend his time volunteering at the local charity shop. If he values his chosen future career path, he will spend his time attending cooking lessons.</p> <p>Ehsan faces a conflict when deciding whether to spend his time helping others, or spend the time helping himself and advancing his own future.</p> <p>In order to resolve this conflict, Ehsan could try to find a position helping at the local soup kitchen. He could also arrange for any leftover food from his cooking class to go to a charity group so he could give back to the community, while still practising the skills he will use for his future career.</p>				<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> describing scarcity identifying choice(s) explaining opportunity cost defining the term 'values' identifying Ehsan's choice for each value explaining a conflict or a compromise. 	<p>Detailed explanation, which includes:</p> <ul style="list-style-type: none"> explaining why time is a scarce resource explaining choice and opportunity cost fully explaining Ehsan's choice for each value fully explaining compromise(s) Ehsan may make. <p>Candidate uses detailed explanations, mostly in context.</p>	<p>Comprehensive explanation, which includes:</p> <ul style="list-style-type: none"> fully explaining the concepts of scarcity, choice, and opportunity cost in the context of Ehsan's options, and time as a scarce resource fully explaining Ehsan's choices for each value and TWO compromises to resolve any conflict he may have. <p>Candidate uses integrated explanations in context, and uses correct economic terminology.</p>
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanation.	Most Achievement evidence.	Nearly all Achievement evidence, which includes at least one explanation.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part is weaker.	All points covered.

N0 = No response; no relevant evidence.

Question Two	Sample answers / Evidence	Achievement	Achievement with Merit	Achievement with Excellence
<p>(a) & (b)</p> <p>(c)</p>	<p style="text-align: center;">Ehsan's monthly demand for cooking lessons</p>  <p>The law of demand states that as the price decreases, the quantity demanded increases and vice versa, assuming <i>ceteris paribus</i>. In this case, as the price of cooking lessons falls from \$30 ($P_1$) to \$25 (P_2) per lesson, Ehsan will increase his quantity demanded of cooking lessons from 1 lesson a month (Q_1) to 3 lessons a month (Q_2). This is because with his given income, he can now afford more cooking lessons, ie lessons have become more affordable. Ehsan might also demand more lessons, because they are now relatively cheaper than substitute activities, such as buying cookery books or going to the movies (or any other activity he could do after school).</p> <p>Possible flow-on effects:</p> <p>The price decrease may lead Ehsan to:</p> <ul style="list-style-type: none"> • need to buy more ingredients for the increased cooking lessons, which may incur further costs/ affect his budget • spend more time at cooking lessons, which will result in Ehsan's having less time to spend on other activities such as volunteer work or spending time with his sister or completing homework, meaning his academic progress could be hindered • have a less healthy lifestyle, as he has less time to play basketball, and because he might be eating more at the cooking lessons. 	<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> • drawing the graph with FIVE correct requirements (from: title, price (\$), quantity, points correct, D label, scale correct) • identifying accurate movement down the demand curve • describing the law of demand • explaining an increase in number of lessons demanded • explaining flow-on effect(s). 	<p>Detailed explanation, which includes fully explaining:</p> <ul style="list-style-type: none"> • the law of demand, with reference to the information in the table or the graph, or • the change in the number of lessons attended by Ehsan • flow-on effect(s) for Ehsan. <p>Candidate uses detailed explanations, mostly uses correct data, and in context.</p>	<p>Comprehensive explanation, which includes:</p> <ul style="list-style-type: none"> • fully explaining the law of demand in the context of the number of lessons attended by Ehsan, (with reference to the graph and /or the table) • fully explaining TWO flow-on effects for Ehsan. <p>Candidate uses integrated explanations in context, and uses correct data and economic terminology.</p>

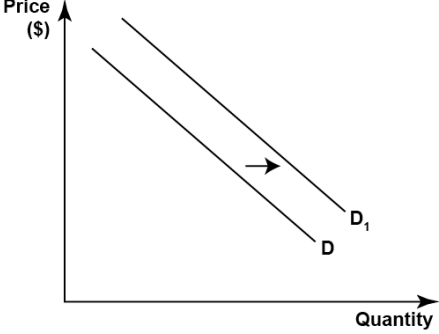
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence	Some Achievement evidence, partial explanation.	Most Achievement evidence.	Nearly all Achievement evidence, which includes at least one explanation.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part is weaker.	All points covered.

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Question Three	Sample answers /Evidence	Achievement	Achievement with Merit	Achievement with Excellence
<p>(a)</p> <p>(b)</p>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="302 288 698 683"> <p>Ehsan's monthly demand for bus rides</p> </div> <div data-bbox="728 288 1137 683"> <p>Ehsan's monthly demand for cooking lessons</p> </div> </div> <p>Bus rides and cooking lessons are complements for Ehsan, meaning they are goods that he consumes together. When the price of bus rides increases from P_1 to P_2, the quantity demanded of bus rides falls from Q_1 to Q_2, and Ehsan will decrease his demand for cooking lessons. The decrease in quantity demanded of bus rides is shown by a movement along (up) the demand curve.</p> <p>The decrease in demand for cooking lessons is shown by a shift of the demand curve left from D to D_1, meaning fewer lessons will be demanded at each and every price.</p> <p>Possible flow-on effects:</p> <ul style="list-style-type: none"> • Ehsan will have more time to spend on his other activities, eg spending time with his sister or doing community work, now that he is spending less time at cooking lessons. • With Ehsan taking fewer cooking lessons, it will take him longer to achieve his goal of becoming a chef, because he is getting less practice. • Now that Ehsan is unable to attend as many lessons, he may have to look towards alternative means to learn about cooking, such as looking online, or taking out books from the library. 	<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> • identifying complements • identifying fewer bus rides bought • identifying upward movement along the demand curve for bus rides • stating fewer cooking lessons are attended • shifting demand curve for cooking classes to the left • explaining flow-on effect(s) for Ehsan. 	<p>Detailed explanation, which includes:</p> <ul style="list-style-type: none"> • explaining complements, in terms of being used together • fully explaining movement up the demand curve for bus rides, with some reference to the graph • fully explaining shift of demand curve for cooking lessons, with some reference to the graph • fully explaining flow-on effect(s) for Ehsan. <p>Candidate uses detailed explanations, mostly uses correct data, and in context.</p>	<p>Comprehensive explanation, which includes:</p> <ul style="list-style-type: none"> • fully explaining complements, in terms of being used together in the context of Ehsan, with reference to graph changes • fully explaining TWO flow-on effects for Ehsan. <p>Candidate uses integrated explanations in context, and uses correct data and economic terminology.</p>

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Very little Achievement evidence.	Some Achievement evidence, partial explanation.	Most Achievement evidence.	Nearly all Achievement evidence, which includes at least one explanation.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

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Question Four	Sample answers / Evidence				Achievement		Achievement with Merit	Achievement with Excellence
(a)	<p style="text-align: center;">Ehsan's monthly demand for cooking lessons</p> 				<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> defining disposable income correctly shifting demand curve explaining the link between decreased income tax rates and Ehsan's demand for cooking lessons explaining flow-on effect for Ehsan's future employment. 	<p>Detailed explanation, which includes:</p> <ul style="list-style-type: none"> fully explaining the link between income tax rates and disposable income explaining why the demand for cooking classes increases fully explaining flow-on effect for Ehsan's future employment. 	<p>Comprehensive explanation, which includes:</p> <ul style="list-style-type: none"> fully explaining the link between income tax rates, disposable incomes and Ehsan's demand for cooking lessons fully explaining the flow-on effect for Ehsan's future employment. 	
(b)	<p>Disposable income is income minus tax. A decrease in income tax rates means that less of Ehsan's income will need to be paid to the government in tax, leaving him with more disposable income. This increase in disposable income will lead to an increase in Ehsan's demand for cooking lessons, and the demand curve will shift to the right, from D to D₁, as Ehsan is willing and able to pay for more cooking lessons at each and every price.</p> <p>As Ehsan will be attending more cooking lessons, he will gain more knowledge of cooking principles and techniques, and his knife skills etc will increase, because he is getting more practice at the class. The increased knowledge and skill gained from the extra lessons will increase his chances of getting employed in the hospitality industry in the future. This is because Ehsan's improved ability (skills, general knowledge about food, recipe ideas, understanding of working in a kitchen etc) might put him ahead of other job seekers.</p>					<p>Candidate uses detailed explanations, mostly uses correct data, and in context.</p>	<p>Candidate uses integrated explanations in context, and uses correct data and economic terminology.</p>	
N1	N2	A3	A4	M5	M6	E7	E8	
Very little Achievement evidence.	Some Achievement evidence, partial explanation.	Most Achievement evidence.	Nearly all Achievement evidence, which includes at least one explanation.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part is weaker.	All points covered.	

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Cut Scores

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