

Assessment Schedule – 2017**Economics: Analyse economic growth using economic concepts and models (91224)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Analyse</i> involves:</p> <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. <p><i>Explanation</i> involves giving a reason for the answer.</p>	<p><i>Analyse in depth</i> involves:</p> <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. <p><i>Detailed explanation</i> involves giving an explanation with breadth (more than one reason for the answer) and / or depth (e.g. using flow-on effects to link the main cause to the main result).</p>	<p><i>Analyse comprehensively</i> involves:</p> <ul style="list-style-type: none"> analysing causes of changes in economic growth by comparing and / or contrasting their impact on economic growth analysing 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 integrating changes shown on economic models into detailed explanations.

Cut Scores

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

Evidence

Question	Achievement	Achievement with Merit	Achievement with Excellence
ONE			
(a)	<ul style="list-style-type: none"> • Illustrates and labels an increase in aggregate demand (<i>see Appendix</i>). • Explains: <ul style="list-style-type: none"> - that an increase in domestic demand in the form of increased consumption or increased investment or increased government spending increases the AD, resulting in economic growth, and the AD curve shifts to the right. 	<ul style="list-style-type: none"> • Fully explains: <ul style="list-style-type: none"> - the an increase in the domestic demand results in an increase in aggregate demand and, therefore, growth, with full references to Graph One. <i>The depth of a full explanation can be identified as (but not restricted to) why two components of AD have increased from consumption/investment/government spending</i> <p style="text-align: center;">OR</p> <p>an increase in consumption or investment or government spending, resulting in a referenced increase in aggregate demand.</p>	
(b)	<ul style="list-style-type: none"> • Identifies Flow A as import payments and defines it as payment for goods or services not made in New Zealand or to a producer in the overseas sector / market. • Identifies Government spending (including subsidies) or investment as an injection, AND taxes or savings as a withdrawal. • Explains that an increase in export receipts results in an increase in production or profits or investment for producers, resulting in growth. • Explains that an increase in export receipts results in an increase in jobs or income, resulting in an increase in consumption, resulting in an increase in growth. 	<ul style="list-style-type: none"> • Fully explains that an increase in export receipts results in an increase in production or profits or investment for the producer sector, resulting in growth <p style="text-align: center;">AND</p> <p>Explains that an increase in export receipts results in an increase in jobs or income in the households sector, resulting in an increase in consumption and a consequent increase in growth.</p>	<ul style="list-style-type: none"> • Fully explains that an increase in export receipts results in an increase in production or profits or investment for the producer sector, resulting in growth <p style="text-align: center;">AND</p> <p>Explains that an increase in export receipts results in an increase in jobs or income in the household sector, resulting in an increase in consumption, resulting in an increase in growth</p>

<ul style="list-style-type: none"> Explains that the increase in economic growth through export receipts is reduced because of withdrawals such as import payments, savings, and / or taxes. 	<p>Fully explains that:</p> <ul style="list-style-type: none"> the injection of export receipts will be smaller than expected because households spend part of their increased income on imported personal goods or services that increase the withdrawal of import payments; or savings or income / consumption taxes <p>OR</p> <p>the injection of export receipts will be smaller than expected because producers spend part of their increased revenue on imported capital goods or services that increase the withdrawal of import payments; or increased revenue will increase tax payments (company tax or GST on capital goods and services made in New Zealand).</p>	<p>Fully explains that:</p> <ul style="list-style-type: none"> the injection of export receipts will be smaller than expected because households spend part of their increased income on imported personal goods or services that increase the withdrawal of import payments, or savings or income / consumption taxes <p>AND</p> <p>the injection of export receipts will be smaller than expected because producers spend part of their increased revenue on imported capital goods or services that increase the withdrawal of import payments, or increased revenue will increase tax payments (company tax or GST on capital goods and services made in New Zealand).</p>
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N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanation.	Some Achievement evidence.	Most Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Question	Achievement	Achievement with Merit	Achievement with Excellence
TWO			
(a)	<ul style="list-style-type: none"> • Defines Nominal GDP and Real GDP per capita. • Explains a limitation of nominal GDP OR an advantage of Real GDP per capita in terms of growth, e.g.: <ul style="list-style-type: none"> - a limitation of nominal GDP is that it is influenced by inflation or population changes - Real GDP per capita removes the influence of inflation or population changes. 	<ul style="list-style-type: none"> • Fully explains how either a disadvantage of nominal GDP is reduced or eliminated by real GDP per capita OR an advantage of real GDP per capita. <p>The detailed explanation correctly links the two measurements of growth, making good use of either the removal of inflation that allows changes in actual output to be measured or population changes which indicate the changes in output per person being measured.</p>	
(b)	<ul style="list-style-type: none"> • Explains that the opportunity cost from moving from point A to point B is a decrease in (present) capital goods • Draws a future PPF (B*) for point B correctly (<i>see Appendix</i>). • Explains that the future PPF for Point A is further out because more capital goods are being produced (in the present) OR Future PPF for Point B is less further out because more consumer goods are being produced (in the present). 	<ul style="list-style-type: none"> • Fully explains that the opportunity cost from moving from point A to point B is a decrease in (present) capital goods. A limited quantity of resources is available; therefore, compared to production at point B, an opportunity cost of capital goods has been forgone to be able to produce a combination with more consumer goods. <p>OR</p> <p>Fully explains that the future PPF from point A is further out than the future PPF from point B because fewer capital goods are being produced at point B. This reduces the potential capacity of the economy relative to PPF A* (less resources/ technology available).</p>	<ul style="list-style-type: none"> • Fully explains that the opportunity cost from moving from point A to point B is a decrease in (present) capital goods. A limited quantity of resources is available; therefore, compared to production at point B, an opportunity cost of capital goods has been forgone to be able to produce a combination with more consumer goods. • Illustrates and identifies that the future PPF for point A is further out than the future PPF (B*) for Point B, B* is referenced in the answer. • Fully explains that the future PPF from point A is further out than the future PPF from point B because fewer capital goods are being produced at point B. This reduces the potential capacity of the economy relative to PPF A* (less resources/ technology available).

NOTE: If it is explained that if not enough capital goods are produced in the present to replace worn/ depleted/depreciated capital goods, then it is possible that the PPF may move inwards from the PPF in the diagram, as future productive capacity will decrease; this can be an alternative Merit answer if B is illustrated correctly.*

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N0 = No response; no relevant evidence.

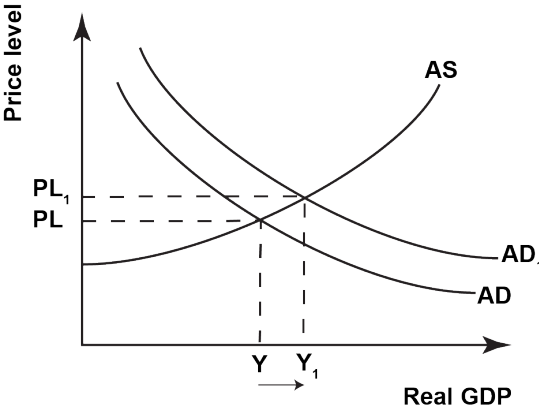
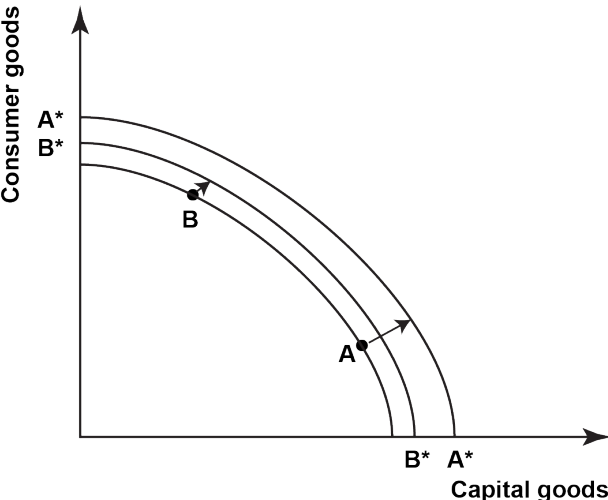
Question	Achievement	Achievement with Merit	Achievement with Excellence
THREE			
(a)	<ul style="list-style-type: none"> • Illustrates and labels a shift in AS curve to the right (<i>see Appendix</i>). • Illustrates and labels a shift in AD curve to the right (see below if AS is shifted left). • Explains that increased investment spending (on infrastructure) increases the AD, resulting in an increase in growth, and the AD curve shifts to the right. • Explains that increased infrastructure increases productivity or productive capacity increasing the AS, resulting in an increase in growth. Alternatively, in the short run during the building of the infrastructure there may be a fall in productivity and / or increase in costs of production due to congestions, travel delays. 	<ul style="list-style-type: none"> • Illustrates and labels (either individually or as a combined equilibrium) the shifts to the right of AS and AD curves (see below if AS is shifted left). <i>AND</i> • Explains that increased investment spending (on infrastructure) increases the Aggregate Demand, resulting in an increase in growth <i>AND</i> Explains that increased infrastructure increases productivity or productive capacity is increasing the AS, resulting in an increase in growth. Alternatively, in the short run during the building of the infrastructure there may be a fall in productivity and / or increase in costs of production due to congestions, travel delays. • Each explanation references the individual equilibrium points OR the response references combined with the final impact of an increase in growth 	<ul style="list-style-type: none"> • Fully explains how workers in the regions that service the cruise ships benefit because they have more job opportunities and/or income, allowing higher consumption and a higher standard of living. The increased consumption creates job opportunities for workers in other industries and a higher income / standard of living for the whole community. <i>AND</i> Fully explains how workers in the regions that service the cruise ships are worse off because they may have more job competition as workers from other areas looking for work. The additional
(b)	<ul style="list-style-type: none"> • Explains how workers in the regions that service the cruise ships benefit because they have more job opportunities and/or income (allowing higher consumption). • Explains how workers in the regions that service the cruise ships are worse off because they may have more job competition as workers from other areas look for work OR the additional demand / congestion from higher wages / more workers / 	<ul style="list-style-type: none"> • Fully explains how workers in the regions that service the cruise ships benefit because they have more job opportunities and/or income, allowing higher consumption and a higher standard of living. The increased consumption creates job opportunities for workers in other industries and higher income / standard of living for the whole community. • Fully explains how workers in the regions that service the cruise ships are worse off because they may have more job competition as workers from other areas look for work. The additional 	<ul style="list-style-type: none"> • Fully explains how workers in the regions that service the cruise ships benefit because they have more job opportunities and/or income, allowing higher consumption and a higher standard of living. The increased consumption creates job opportunities for workers in other industries and a higher income / standard of living for the whole community. <i>AND</i> Fully explains how workers in the regions that service the cruise ships are worse off because they may have more job competition as workers from other areas looking for work. The additional

<p>higher population /higher number of tourists (or prices rise in the region due to these factors).</p> <ul style="list-style-type: none"> Explains how producers in the regions that service the cruise ships benefit because they have more customers in the form of passengers/ crew members/local workers (allowing higher revenue/profits)/ more investment funds are available for producers in these regions. Explains how producers in the regions that service the cruise ships are worse off because there is more congestion/ inflation in the region negatively affecting costs of production OR more competition as regions attract producers from outside of region because of higher profits. 	<p>demand/congestion from higher wages/ more workers/higher population/higher number of tourists reduce the standard of living OR workers may experience higher prices in the region as a result of these factors.</p> <ul style="list-style-type: none"> Fully explains how producers in the regions that service the cruise ships benefit because they have more customers in the form of passengers/ crew members/local workers (allowing higher revenue/profits). This will increase investment in the region by producers allowing increased revenue/sales for producers in other industries, increasing growth in the whole community. Fully explains how producers in the regions that service the cruise ships are worse off because (for example) there is more congestion/inflation in in the region negatively affecting costs of production and more competition as regions attract producers from outside of region as a result of higher profit. Firms may have to increase investment to meet the higher demand. 	<p>demand/congestion from higher wages/ more workers/higher population/higher number of tourists reduce the standard of living OR workers may experience higher prices in the region as a result of these factors</p> <ul style="list-style-type: none"> Fully explains how producers in the regions that service the cruise ships benefit because they have more customers in the form of passengers/ crew members/local workers (allowing higher revenue/profits). This will increase investment in the region by producers allowing increased revenue/sales for producers in other industries, increasing growth in the whole community <p><i>AND</i></p> <p>Fully explains how producers in the regions that service the cruise ships are worse off because (for example) there is more congestion/inflation in the region negatively affecting costs of production and more competition as regions attract producers from outside of region as a result of higher profits. Firms may have to increase investment to meet the higher demand.</p>
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N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanation.	Some Achievement evidence.	Most Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Appendix: Graphs

Question One (a)	Question Two (b)	Question Three (a)
<p style="text-align: center;">Graph One: AD / AS model of the New Zealand economy</p> 	<p style="text-align: center;">Graph Two: Production Possibility Frontier</p>  <p style="text-align: center;"><i>Note: The new PPF B* may be drawn as being below the original PPF.</i></p>	<p style="text-align: center;">Graph Three: AD / AS model of the New Zealand economy</p> 