

Assessment Schedule – 2018

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

Assessment Criteria

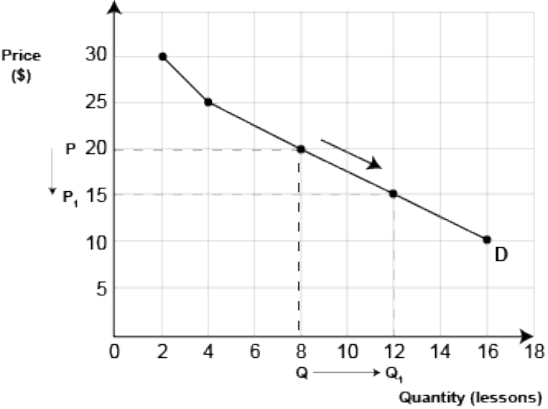
Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding</i> involves:</p> <ul style="list-style-type: none"> defining, identifying, describing, or providing an explanation of consumer choices related to scarcity identifying, describing, or providing an explanation 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><i>Demonstrate in-depth understanding</i> 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><i>Demonstrate comprehensive understanding</i> 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.

NØ	N1	N2	A3	A4	M5	M6	E7	E8
No response; no relevant evidence.	Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence, at least one explanation.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

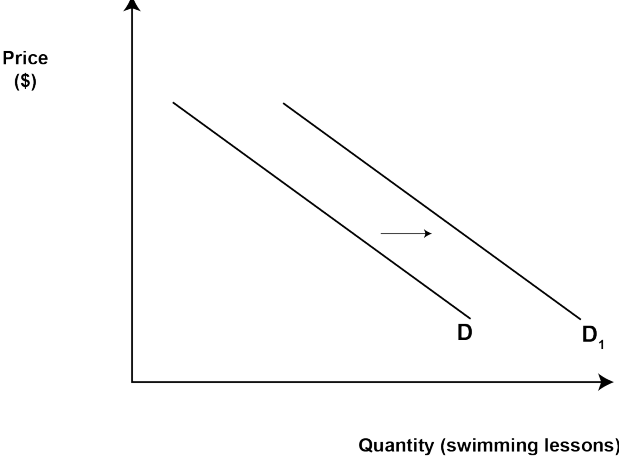
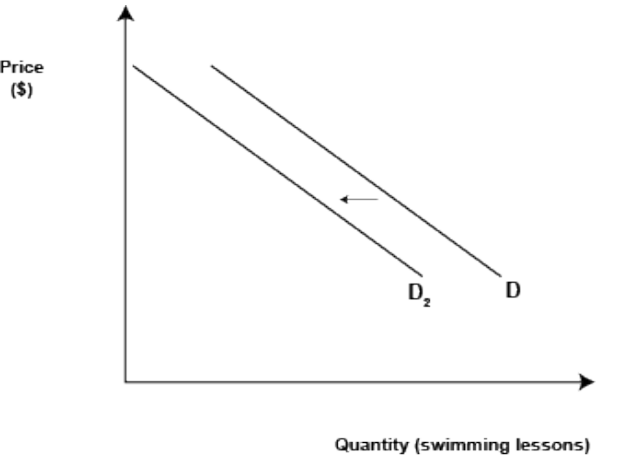
NB: Each question should be read as a whole before awarding a grade.

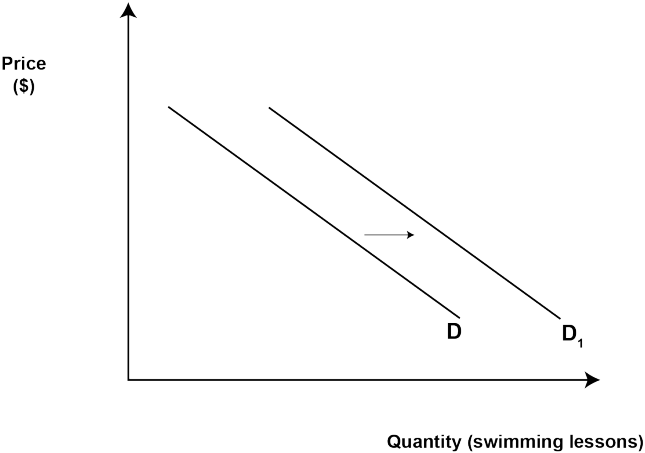
Evidence

Question	Sample answers/Evidence		
ONE (a)	<p>Time is a limited resource/mean for Rania because she has unlimited/multiple activities she wants to do, such as swimming, running, cycling, and teaching at the swim school, but she has only a limited amount of time/24 hours a day in which to do these activities. Rania will need to make a choice about how she spends her time. This illustrates the idea of scarcity (limited means versus unlimited/multiple wants).</p> <p>Rania will need to choose which activities she spends her time on, and how she will schedule them, in order not to miss out. When Rania chooses one activity over another (e.g. choosing swimming over running), then she has to give up her next best alternative, which is defined as her opportunity cost. For example, choosing swimming might mean that she has to sacrifice training for her run.</p>		
(b)	Values are those ideas/beliefs that people consider important in their lives and that influence their decisions.		
(c)	Triathlon training shows that Rania values being fit/healthy/winning/being active.		
(d)	Teaching at the local swim school shows that Rania values education/water safety/earning money.		
(e)	The conflict that has arisen between Rania's triathlon training and her teaching is that since her time is limited, she cannot just add more hours to her training, because she has to attend school.		
(f)	<p>Possible compromises:</p> <ul style="list-style-type: none"> • Rania could teach fewer hours per week at the swim school (i.e. just after school OR just in the weekend) • Rania could teach only the school holiday programmes and not do after-school lessons • Rania could take a short break from teaching while she has the extra training and then resume lessons afterwards • Rania could find a different job that doesn't take up so much time • Rania could train only on Mon/Wed/Fri/Sunday and teach on the other days • Rania could go on short training runs during lunch time • Rania could ride her bike to school and home and also to her job at the swim school – this would give her extra cycling training. 		
Achievement	Achievement with Merit	Achievement with Excellence	
Demonstrates understanding by: <ul style="list-style-type: none"> • describing scarcity • identifying choice • explaining opportunity cost • defining the term 'values' • describing/identifying the values expressed by Rania • explaining a conflict OR a compromise. 	Detailed explanation that includes explaining : <ul style="list-style-type: none"> • why time is a scarce resource • choice and opportunity cost • the conflict between Rania's values • the compromise(s) Rania could make to resolve the conflict. <p>Uses detailed explanations, mostly in context.</p>	Comprehensive explanation that includes fully explaining : <ul style="list-style-type: none"> • the concepts of scarcity, choice, and opportunity costs in the context of Rania's options and time as a scarce resource • the conflict between Rania's values and TWO compromises to resolve the conflict. <p>Uses integrated explanations in context, and uses correct economic terminology.</p>	

Question	Sample answers/Evidence	
<p>TWO</p> <p>(a) and (b)</p> <p>Rania's Demand for Swimming Lessons (monthly)</p> 		<p>(c)</p> <p>The law of demand states that as the price decreases, the quantity demanded increases, and vice versa – assuming ceteris paribus (all other factors remain unchanged). In this case, as the price of swimming lessons decreases from \$20 (P) to \$15 (P₁) per month, Rania will increase her quantity demanded of swimming lessons from 8 lessons (Q) to 12 lessons (Q₁) per month. This is because with her given income, she can now afford to attend more lessons, i.e. swimming lessons have become relatively more affordable for her (affordability). Rania might also demand more sessions because they are now relatively less expensive than substitute activities (substitution).</p>
<p>(d)</p>	<p>Possible flow-on effects:</p> <ul style="list-style-type: none"> • Rania might become a better swimmer, and then go on to compete in many more triathlons • Rania might spend so much time swimming that her cycling / running performance starts to get worse • Rania might experience burnout because she is dedicating all of her time to training for the triathlon • Rania's school work might suffer because she is swimming more frequently and not completing her homework anymore • Rania is now spending more money than before, so she might end up saving less money ($8 \times 20 = 160$ versus $12 \times 15 = 180$). 	

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<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> • drawing the graph with FOUR correct requirements (from: title, points plotted correctly, line, D label, scales correct) • identifying accurate movement up the demand curve (dotted lines, arrows, labels) • describing the law of demand • explaining an increase in the number of swimming lessons demanded • explaining ONE flow-on effect. 	<p>Detailed explanation that includes fully explaining:</p> <ul style="list-style-type: none"> • the law of demand, with some reference to the information in the table or the graph • the increase in the number of swimming lessons taken by Rania • flow-on effect(s) for Rania. <p>Uses detailed explanations and makes some reference to the graph or table.</p>	<p>Comprehensive explanation that includes fully explaining:</p> <ul style="list-style-type: none"> • the law of demand in the context of the number of swimming lessons taken by Rania (with reference to the graph and/or the table) • flow-on effects for Rania. <p>Refers to changes in the graph and uses correct data and economic terminology.</p>

Question	Sample answers/Evidence
<p>Part A THREE (a)</p>	<p>A fitness-tracking watch is a complementary good to Rania's swimming lessons. A complementary good is one that works well with another / used in conjunction with each other / consumed together. In this case, Rania's fitness-tracking watch will be able to time her laps or analyse her oxygen (or something similar), which will help Rania to improve her time.</p>
(b)	<p>Substitute good.</p>
(c)	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Rania's weekly demand for private swimming lessons</p>  </div> <div style="text-align: center;"> <p>Rania's weekly demand for group swimming lessons</p>  </div> </div>

<p>PART B (d)</p>	<p style="text-align: center;">Rania's weekly demand for private swimming lessons</p> 
<p>(e)</p>	<p>Private lessons are a luxury good. The demand for luxury goods increases as income increases.</p>
<p>(f)</p>	<p>Because Rania's income has increased, her demand for private coaching sessions (a luxury good) will increase, shown as a shift to the right (from D to D₁). This is because she can now afford more privately coached lessons.</p>
<p>(g)</p>	<p>Possible flow-on effects:</p> <ul style="list-style-type: none"> • her swimming speed increases as she trains harder in order to keep her sponsors happy (so they might continue sponsorship) • Rania ends up saving money because the sponsorship money covers the cost of the private lessons • Rania loses touch with her regular swimming squad, misses out on the competitive nature of a group swimming lesson, and does not perform as well • her swimming technique improves amazingly with the personalised coaching and she goes on to win this (and many other) triathlons.

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<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> • identifies that a fitness watch is a complement to swimming lessons • defines complement • identifies that a substitute is a good used instead of another good • shift right of demand curve for private lessons • shift left of demand curve for group swimming lessons • explaining why private coaching sessions are a luxury good • explaining why more private lessons are demanded 	<p>Detailed explanation that includes:</p> <ul style="list-style-type: none"> • identifies and explains that a fitness watch is a complementary good (in terms of goods that work well together) • accurately shows the shifts of the demand curve for private lessons AND group swimming, with correct labelling • explaining why private lessons are a luxury good for Rania (i.e.: purchase more of these when income is higher) • fully explaining shift right of the demand curve for privately coached lessons, with some reference to the graph • explaining ONE flow-on effect. <p>Uses detailed explanations and makes some reference to the graph.</p>	<p>Comprehensive explanation that includes:</p> <ul style="list-style-type: none"> • fully explains that fitness watches are a complementary good with definition, and in context of swimming • fully explaining luxury goods, in terms of private lessons, and the impact of the increase in income, with reference to graph changes • fully explaining ONE flow-on effect for Rania. <p>Refers to changes in the graphs and uses correct economic terminology.</p>

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 6	7 – 13	14 – 18	19 – 24