

Assessment Schedule – 2019

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

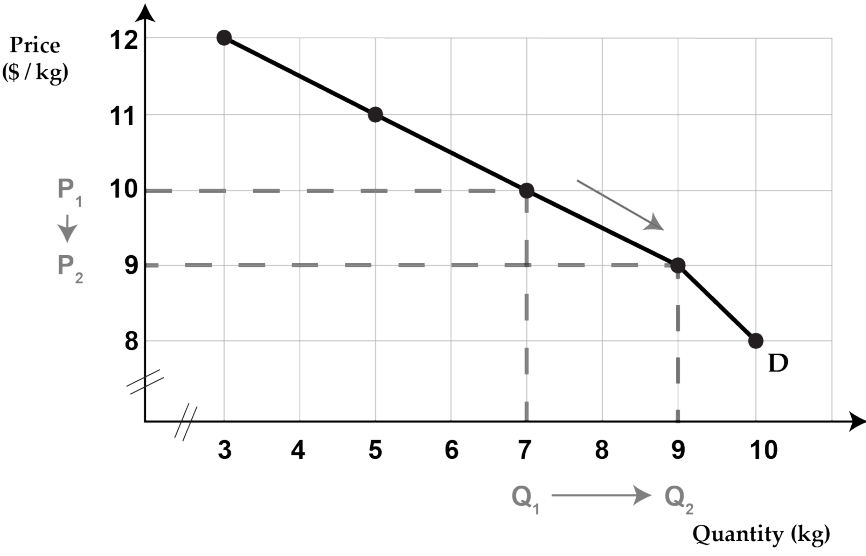
Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding</i> involves:</p> <ul style="list-style-type: none"> defining, identifying, describing and / or providing an explanation of consumer choices related to scarcity identifying, describing and / or providing an explanation of choices a consumer makes in response to either a change in price or non-price factors identifying, describing and / 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 using the demand model to provide a detailed explanation of choices a consumer makes in response to a change in either 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 either 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.

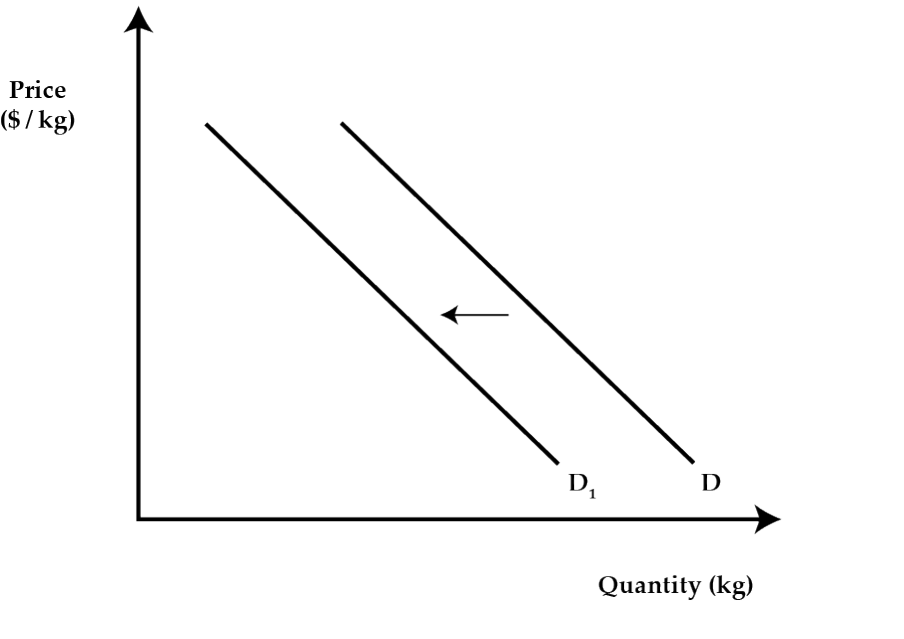
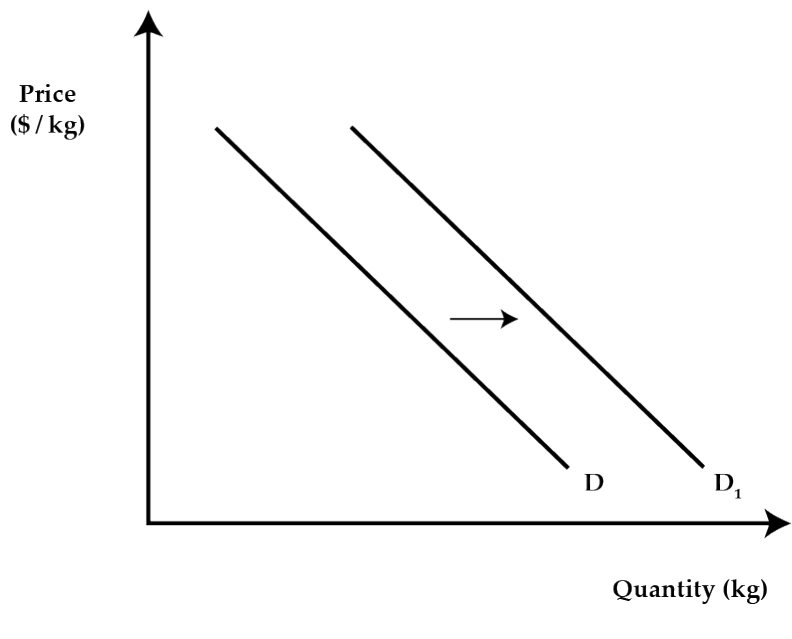
Evidence

Question	Sample answers/Evidence
<p>ONE (a & b)</p>	<p>Harper's weekly demand curve for chicken (kg)</p>  <p>The graph shows a downward-sloping demand curve labeled 'D'. The vertical axis is labeled 'Price (\$/kg)' and has values 8, 9, 10, 11, and 12. The horizontal axis is labeled 'Quantity (kg)' and has values 3, 4, 5, 6, 7, 8, 9, and 10. The curve passes through points (3, 12), (5, 11), (7, 10), (9, 9), and (10, 8). A dashed horizontal line at price $P_1 = 10$ intersects the curve at quantity $Q_1 = 7$. A dashed horizontal line at price $P_2 = 9$ intersects the curve at quantity $Q_2 = 9$. An arrow points from P_1 down to P_2, and another arrow points from Q_1 to Q_2, showing that as price decreases, quantity demanded increases.</p>
<p>(c)</p>	<p>The law of demand states that as price decreases, the quantity demanded increases (and <i>vice versa</i>), assuming <i>ceteris paribus</i> (i.e. all other factors remaining unchanged). Harper's weekly demand for chicken will increase from a quantity of 7 kg chicken to a quantity of 9 kg chicken when the price decreases from \$10/kg to \$9/kg.</p> <p>This is because chicken has now become relatively more affordable than previously. This means Harper can now afford more chicken with her given level of income.</p> <p>Instead of buying protein substitutes such as beef, lamb and fish, Harper may decide to buy more chicken as it may now be relatively cheaper.</p>
<p>(d)</p>	<ul style="list-style-type: none"> • Harper might see more positive results from her exercise as she eats more lean protein. • As she is seeing more positive results from her exercise, she might spend more time in the gym and less time studying. As a result, either her university marks may get worse or she may have less time to spend with friends. • Harper loves chicken so she may enjoy her meals more than if she were to eat either beef, lamb or fish. • Harper's iron levels might drop if she eats less red meat, meaning she may start to feel tired. • Although Harper now spends less on each chicken, her overall spending on chicken has increased by \$11 a week. Harper will therefore have \$11 less to spend on other groceries, entertainment, clothing and so forth.

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<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> • accurately completing the demand curve (FOUR of: title, axis, line, label and scale) • identifying accurate movement down the demand curve (TWO of arrows, labels and dotted lines) • stating quantity demanded will increase • explaining a reason for the law of demand • identifies a flow-on effect. 	<p>Detailed explanation that includes:</p> <ul style="list-style-type: none"> • explaining the law of demand and the idea of increased affordability with some reference to the information in either the table or graph • explaining the increase in the chicken demanded • explaining ONE flow-on effect. <p>Uses detailed explanations and makes some reference to the graph.</p>	<p>Comprehensive explanation that includes fully explaining:</p> <ul style="list-style-type: none"> • the law of demand, using correct data linking to increased affordability and switching from a substitute product • TWO flow-on effects. <p>Refers to the changes on the graph and uses correct data and economic terminology.</p>

Question	Sample answers / Evidence
<p>TWO (a)</p>	<p>Time is a limited resource for Harper because there are only 24 hours in each day. There are many activities she wants to undertake in that limited period of time. She needs study time for a university course but wants to spend time exercising at the gym and also working at her part-time job in a health-food shop.</p> <p>This illustrates the idea of scarcity (i.e. limited time <i>versus</i> potentially unlimited activities, wants and needs). Harper has more activities to do than she can achieve in the time available to her each day.</p> <p>As a result of this scarcity of time, Harper must make some choices. She must choose what activity or activities are the most important to her so that she can make the most of her available time. This will allow her to complete all activities within the time she has available.</p> <p>When Harper chooses one activity (e.g. studying) over another (e.g. exercising at the gym) she has to give up her next-best alternative, which is defined as her opportunity cost (e.g. exercising at the gym, in the event she chooses studying).</p>
(b)	<p>Values are those ideas/beliefs that people consider to be important in their lives, and that influence their decisions and choices.</p>
(c)	<p>Affordable pricing / financial security / frugality</p>
(d)	<p>Animal welfare / Kindness / Empathy</p>
(e)	<p>Harper wants to win a weightlifting competition and therefore believes that she needs to eat a lot of protein. Her preferred protein-rich food is chicken. Harper only works part time, which means she needs to buy the cheapest form of chicken. Battery-farmed chicken is affordable for Harper. She is aware that battery-farmed chickens are poorly raised and so she would rather consume the free-range alternative. Free-range chicken is more expensive and less affordable on Harper's limited income. This means she might buy less chicken than before and substitute it for a different protein-rich food (e.g. tofu or protein powder).</p>

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<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> • describing scarcity • identifying choice • explaining opportunity cost • defining the term 'values' • describing Harper's value for each purchase • explaining either a conflict or a compromise. 	<p>Detailed explanation that includes:</p> <ul style="list-style-type: none"> • explaining why time is a limited resource • explaining choice and opportunity cost • fully explaining Harper's value for each purchase • fully explaining a conflict that Harper might make. <p>Uses detailed explanations, mostly in context.</p>	<p>Comprehensive explanation that includes fully explaining:</p> <ul style="list-style-type: none"> • the concepts of scarcity, choice and opportunity cost in the context of Harper's options and time as a limited resource • Harper's choices for each value and ONE compromise to resolve any conflict she might have. <p>Uses integrated explanations in context and uses correct economic terminology.</p>

Question	Sample answers/Evidence	
<p>THREE (a)</p>	<p>Harper's monthly demand for kilograms of battery-farmed chicken</p> 	<p>Harper's monthly demand for kilograms of free-range chicken</p> 
(b)	Battery-farmed and free-range chicken can be used in place of one another.	
(c)	<p>Battery-farmed chicken is an inferior good for Harper as it is of poorer quality than free-range chicken. She will only buy this product when her income is low, meaning all she can afford is battery-farmed chicken.</p> <p>Free-range chicken is a luxury good for Harper. This meat tends to be more expensive as it is of better quality than battery-farmed chicken. Harper will only buy this product if her income increases and she is able to afford it.</p>	
(d)	Harper's monthly demand for free-range chicken will increase from D to D1 because she can now afford to buy more free-range chicken. Her demand will shift to the right (e.g. when her income increases) showing that more free-range chicken is purchased at each and every price.	
(e)	<p>Possible answers:</p> <ul style="list-style-type: none"> • Harper will be able to buy more of a better quality of chicken so she will be healthier. • Since she is consuming a good-quality protein she may see positive results from her gym exercise. • Since she is not buying battery-farmed chicken she may feel happy that she is eating more ethically produced foods. 	

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<p>Demonstrates understanding by:</p> <ul style="list-style-type: none"> identifying battery-farmed chicken as inferior goods defining inferior goods identifying free-range chicken as luxury goods. defining luxury goods explaining the change in demand for free-range chicken identifying ONE flow-on effect for Harper. 	<p>Detailed explanation that includes:</p> <ul style="list-style-type: none"> why battery-farmed chicken and free-range chicken are substitute goods for one another why battery-farmed chicken is an inferior good and free-range chicken is a luxury good (i.e. she purchases more free-range chicken when her income is higher) the effect of Harper's increase in income on her demand for free-range chicken ONE flow-on effect for Harper. <p>Uses detailed explanations and makes some reference to the graph.</p>	<p>Comprehensive explanation that includes fully explaining:</p> <ul style="list-style-type: none"> inferior goods and luxury goods in relation to Harper's choosing between chicken in response to her income increasing why demand for free-range chicken will change, with reference to the graphs ONE flow-on effect for Harper. <p>Refers to the changes on the graph and uses correct data and economic terminology.</p>

Cut Scores

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