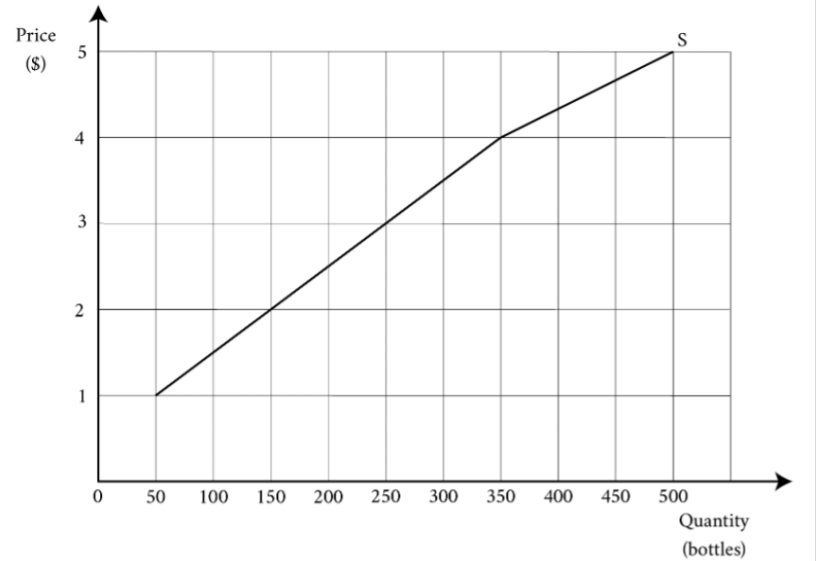


Assessment Schedule – 2021**Economics: Demonstrate understanding of producer choices using supply (90985)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding involves:</i></p> <ul style="list-style-type: none"> • defining, identifying, describing and /or providing an explanation of choices a producer makes in response to a change in either internal or external factors affecting supply • identifying, describing, and /or providing an explanation of the flow-on effects for the producer clearly illustrating changes using the supply model. 	<p><i>Demonstrate in-depth understanding involves:</i></p> <ul style="list-style-type: none"> • using the supply model to provide a detailed explanation of choices a producer makes in response to a change in either internal or external factors affecting supply • providing a detailed explanation of the flow-on effects for the producer. 	<p><i>Demonstrate comprehensive understanding involves:</i></p> <ul style="list-style-type: none"> • linking detailed explanations of the flow-on effects for the producer, with detailed explanations of choices a producer makes in response to a change in either internal or external factors affecting supply • integrating changes in supply into detailed explanations.

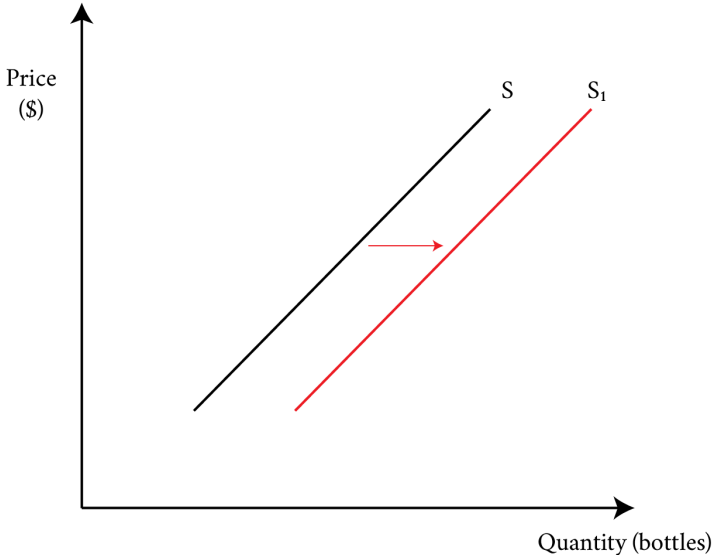
Each question should be read as a whole before awarding a grade.

Evidence

Q1	Evidence	Achievement	Achievement with Merit	Achievement with Excellence												
(a) (i) (ii)	<p><i>The Clean Shop's weekly supply schedule for bottles of sanitiser</i></p> <table border="1" data-bbox="203 347 1095 746"> <thead> <tr> <th>Price (\$)</th> <th>Quantity (bottles)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>50</td> </tr> <tr> <td>2</td> <td>150</td> </tr> <tr> <td>3</td> <td>250</td> </tr> <tr> <td>4</td> <td>350</td> </tr> <tr> <td>5</td> <td>500</td> </tr> </tbody> </table>	Price (\$)	Quantity (bottles)	1	50	2	150	3	250	4	350	5	500	Completes table. Labels graph with: <ul style="list-style-type: none"> • title (incl. weekly) • axes (P \$, Q bottles) • numbering on axes • line (plotted) • line label (S). 		
	Price (\$)	Quantity (bottles)														
1	50															
2	150															
3	250															
4	350															
5	500															
<p><i>The Clean Shop's weekly supply for bottles of hand sanitisers</i></p> 																

<p>(b)</p>	<p><i>The Clean Shop's</i> weekly supply for bottles of hand sanitisers</p>	<p>Labels graph with:</p> <ul style="list-style-type: none"> • dotted lines (plotted) • arrows • arrow labels (P, P₁, Q, Q₁). 		
<p>(c)</p>	<p>The law of supply says that as the price per bottle of sanitiser increases from \$2 (P₁) to \$4 (P₂), the quantity of sanitiser that <i>The Clean Shop</i> will supply will increase from 150 bottles (Q₁) to 350 bottles (Q₂) per week, assuming <i>ceteris paribus</i>.</p>	<p>Describes law of supply.</p>		<p>Describes law of supply in context (giving figures and with reference to the graph).</p>
<p>(d)</p>	<p>All other factors (for example: cost of bottles, productivity, workers' wage levels) therefore remain unchanged, so the price change alone determines the change in quantity supplied.</p>		<p>Gives definition of <i>ceteris paribus</i>.</p>	<p>Definition of <i>ceteris paribus</i> with examples.</p>
<p>(e)</p>	<p>As the price of hand sanitisers increases, <i>The Clean Shop</i> is better able to cover the cost of producing each bottle of sanitiser. These costs include raw materials, wages, labelling, power, etc. It therefore becomes more profitable for <i>The Clean Shop</i> because there is a greater difference between the costs and the revenue that they will receive. As it is more profitable for <i>The Clean Shop</i> at the higher price of \$4, they will be willing to increase the number of bottles that they supply per week to 350 bottles.</p>		<p>Increased profitability.</p>	<p>Increased profitability and difference between costs and revenue is greater. Figures and reference to graph.</p>

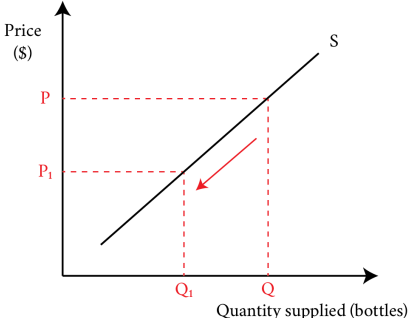
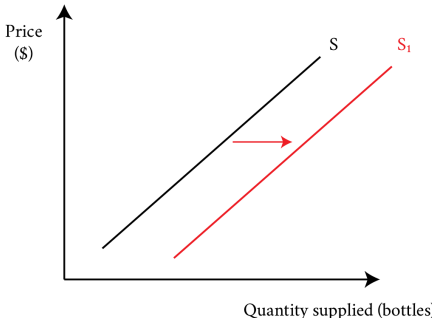
N1	N2	A3	A4	M5	M6	E7	E8
<p>Very little Achievement evidence.</p>	<p>Some Achievement evidence, partial explanations.</p>	<p>Most Achievement evidence, at least one explanation.</p>	<p>Nearly all Achievement evidence.</p>	<p>Some Merit evidence.</p>	<p>Most Merit evidence.</p>	<p>Excellence evidence. One part may be weaker.</p>	<p>All points covered.</p>

Q2	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p><i>The Clean Shop's</i> weekly supply of hand sanitiser (bottles)</p> 	<ul style="list-style-type: none"> • Shifts supply curve to the right. • Labels S₁. • Arrow to show movement. • Shows the shift correctly, with appropriate labelling. 		
(b)	<p>Productivity is the rate of output (or rate of production), measured as output per unit of input (e.g., time). It is a measure of efficiency.</p> <p>The new bottling machine works at a faster rate than the older machine. Because of this, having the new machine will mean that productivity rises because production / output will increase as more sanitiser can be bottled in the original amount of time.</p> <p>Since the bottling machine can bottle more sanitiser in the same amount of time, less wages are needed to be paid to machine operators because fewer people may be needed to operate it. This reduces cost of production for <i>The Clean Shop</i>.</p> <p>Profit is revenue minus costs.</p> <p>As cost of production has fallen, producing sanitiser is now more profitable, because there is a larger gap between revenue and costs. The increased profitability results in <i>The Clean Shop</i> being more willing and able to supply a greater quantity of sanitiser at each and every price. This increase in</p>	<ul style="list-style-type: none"> • Defines productivity. • States / explains that the new machine will increase productivity. • States that the new machine will increase the supply of sanitiser. • States that the new machine will increase profitability. 	<ul style="list-style-type: none"> • Links the new machine to an increase in production, profitability, and supply. • Uses detailed explanations and makes some reference to the graph. • Explains how the new machine will increase productivity and / or production, leading to an increase in profitability and supply. 	<ul style="list-style-type: none"> • Clearly links the new machine to a rise in production, profitability (by referring to revenue or costs), and supply. • Refers to the shift in the supply curve, and the idea that quantity supplied will increase at every price. • Uses integrated explanations in context and uses correct economic terminology. • Fully explains how the machine will increase productivity and

	supply is shown by a shift of the supply curve to the right from S to S ₁ (increased supply).			profitability (idea of revenue minus costs), and supply.
(c)	<p>Possible flow-on effects (related to change in supply):</p> <ul style="list-style-type: none"> As a result of the increase in supply, <i>The Clean Shop</i> will need to increase the number of bottles or sanitiser ingredients that are purchased. As a result of the increase in supply, and the increase in bottles and materials purchased by <i>The Clean Shop</i>, they will try to negotiate discounts on their orders of these supplies. <i>The Clean Shop</i> employees may be given training to use the new machine. <i>The Clean Shop</i> may increase advertising of sanitiser since now they want to produce and sell more stock. 	Identifies a flow-on effect.	Explains a flow-on effect.	Explains a flow-on effect in depth.

N1	N2	A3	A4	M5	M6	E7	E8
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.

N0 = No response; no relevant evidence.

Q3	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Hand soap and sanitiser are related goods for <i>The Clean Shop</i> , which means that resources used by <i>The Clean Shop</i> for production of one good can also be used to make the other. In this case hand soap and sanitiser may use similar resources such as bottles and vats / staff etc.	Identifies or defines that they are related goods.	Defines related goods and gives examples in context of hand soap and sanitiser.	
(b)	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><i>The Clean Shop's weekly supply of bottles of sanitiser</i></p>  </div> <div style="text-align: center;"> <p><i>The Clean Shop's weekly supply of bottles of hand soap</i></p>  </div> </div>	<ul style="list-style-type: none"> Indicates increase in supply for hand soap. Indicates decrease in quantity supplied / decrease in price of sanitiser. 	<ul style="list-style-type: none"> Correctly shifts S curve to right for hand soap (with arrow and label). Correctly shows decrease in price for sanitiser (dotted lines, arrow, label). 	
(c)	The lower prices and decrease in quantity supplied of sanitiser is shown on the graph as P to P ₁ and Q to Q ₁ .			References the graph to explain decrease in price / decrease in Qs of sanitiser.
(d)	Lower prices of sanitiser will mean <i>The Clean Shop</i> will divert resources (such as bottles, staff etc) from the production of sanitiser to the production of hand soap, hence increasing supply of hand soap at each and every price.			Links diverting resources (with examples) from sanitiser to hand soap due to increased relative profitability.
(e)	With sanitiser becoming less profitable due to a fall in price, now hand soap is relatively more profitable, so <i>The Clean Shop</i> will have an incentive to supply more hand soap and less hand sanitiser. This means that there will be a shift of the supply curve of hand soap to the right from S to S ₁ .		<ul style="list-style-type: none"> Explains that hand soap is relatively more profitable. Explains that S curve shifts to the right. 	References the graph when explaining increase in supply of hand soap, and the shift to the right of the supply curve.
(f)	Possible flow-on effects include: <ul style="list-style-type: none"> Because some production will be switched from HS to LS, there will be a need for more hand soap labels to be produced / ordered. 			Explains TWO flow-on effects.

<ul style="list-style-type: none"> • Since hand soap has now become relatively more profitable, switch existing workers to hand soap instead of sanitiser – and they may decide to retrain staff. • Change advertising towards more hand soap to encourage consumers to buy the increased amount of soap that <i>The Clean Shop</i> wants to supply. • May lay off some workers who don't have the skills needed for hand soap and then employ new employees who have appropriate skills/knowledge, because more production will be diverted towards hand soap. • May decide to sell off some equipment that can't be used for soap production that is no longer needed for sanitiser production. • May need to buy different shaped bottles now that they are producing more hand soap. 			
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N1	N2	A3	A4	M5	M6	E7	E8
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.

N0 = No response; no relevant evidence.

Cut Scores

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