

Assessment Schedule – 2023**Economics: Analyse international trade using economic concepts and models (91223)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Analyse international trade</i> involves:</p> <ul style="list-style-type: none"> • explaining causes of changes in international trade using economic models • explaining the impacts of changes in international trade on various groups in New Zealand society • identifying, defining, or describing international trade concepts. 	<p><i>Analyse international trade in depth</i> involves:</p> <ul style="list-style-type: none"> • explaining, in detail, causes of changes in international trade using economic models • explaining, in detail, the impacts of changes in international trade on various groups in New Zealand society. 	<p><i>Analyse international trade comprehensively</i> involves:</p> <ul style="list-style-type: none"> • comparing and / or contrasting the causes of changes in international trade and assessing their impact on international trade • comparing and / or contrasting the impacts of changes in international trade and assessing their impact on various groups in New Zealand society • integrating changes shown on economic models into detailed explanations.

Evidence

Q1	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	The New Zealand climate is less suitable for growing bananas than other countries. This leads to the cost of growing bananas being higher in New Zealand than other countries. There is a high opportunity cost as land must be taken from other more profitable uses. The demand for bananas in New Zealand is very high at the current world price.	<ul style="list-style-type: none"> Explains that New Zealand is unable to produce enough bananas to meet current demand. 	<ul style="list-style-type: none"> Explains in detail why producing bananas in New Zealand costs more and is unable to satisfy demand. 	
(b)	Illustrates new level of imports as M_1 on Graph One (see Appendix).	<ul style="list-style-type: none"> Illustrates the new level of imports. 	<ul style="list-style-type: none"> Graph is full and correct. 	
(c)	Imports will decrease from M to M_1 . New Zealand banana growers will expand production as bananas are now relatively more profitable and the revenue gained by NZ banana growers will increase from $(P_w \times Q_s)$ to $(P_{w1} \times Q_{s1})$.	<ul style="list-style-type: none"> Explains that the higher price will cause imports to decrease. 	<ul style="list-style-type: none"> Explains in detail why imports will decrease, why NZ production will increase and revenues increase, with correct reference to the graph. 	Explains in detail why imports will decrease, and revenue gained by NZ producers will increase, with correct reference to the graph.
(d)	The Government could protect through a tariff, quota, or subsidy. For example, a tariff is a tax on imported bananas. This would increase the price of imported bananas, making them relatively more expensive compared to locally grown bananas, which would increase sales of locally grown bananas.	<ul style="list-style-type: none"> States a method of protecting the banana industry. 	<ul style="list-style-type: none"> Explains how the method will protect the local banana industry. 	<ul style="list-style-type: none"> Explains in detail how the method will protect the banana industry. <p>Refers to a resource or price taker model.</p>
(e)	The Government will not want the price of bananas to increase for consumers as this will add to the cost of living and may result in less healthy diets. It may also be in breach of its free trade agreements with other countries, in particular the ASEAN free trade area. New Zealand and the Philippines are both members of this agreement, and a tariff would breach its rules.	<ul style="list-style-type: none"> States one reason why the Government is unlikely to protect the banana industry. 	<ul style="list-style-type: none"> Explains one reason why the Government is unlikely to protect the banana industry. 	<ul style="list-style-type: none"> Explains in detail why the Government is unlikely to protect the banana industry. <p>Refers to a resource or price taker model.</p>

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	All Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Q2	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Illustrates an increase in demand for grass-fed beef in the United States market. Correctly labels the new levels of exports as X_1 and imports as M_1 (refer to appendix).	<ul style="list-style-type: none"> Illustrates the new levels of exports and imports at the higher trade price. 	<ul style="list-style-type: none"> Both graphs are full and correct. 	
(b)	Higher demand will lead to a higher trade price, increasing the quantity of exports and export receipts. Exports will increase from X to X_1 , and export receipts will increase from $P_t \times X$ to $P_{t_1} \times X_1$. Export receipts increase as there is an increase in the trade price and export volume.	<ul style="list-style-type: none"> Explains that exports and export receipts will increase. 	<ul style="list-style-type: none"> Explains in detail why exports increase, drawing on evidence on the graph. OR <ul style="list-style-type: none"> Explains why exports receipts increase, drawing on evidence from the graph. 	<ul style="list-style-type: none"> Uses the graph to explain in detail why exports and export receipts will increase, with reference to trade price and quantity of exports ($P_t \times X$ to $P_{t_1} \times X_1$).
(c)	New Zealand households that are consumers of beef will have to pay the higher trade price. This is likely to lead to less beef purchased and other substitute products such as chicken purchased more. NZ workers involved in beef production are likely to have more secure employment as the businesses are more profitable and could get a pay raise. They will also have to pay higher prices for beef consumption.	Explains: <ul style="list-style-type: none"> a cost to households that consume beef a benefit to workers involved in beef production. 	<ul style="list-style-type: none"> Explains in detail why New Zealand households are advantaged or disadvantaged by the trade price increase. Refers to graph.	<ul style="list-style-type: none"> Explains in detail why New Zealand households are advantaged and disadvantaged by the trade price increase. Refers to graph and in context.

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Q3	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Vehicles, oils, electrical machinery / equipment, or plastics.	One identified.		
(b)	An increase in supply for the NZ\$ (see Appendix).	<ul style="list-style-type: none"> • Increase in supply of the NZ\$ shown on Graph Three. 		
(c)	<p>The increase in machinery imports will mean that the importers will require US\$ to pay for the machinery. This will increase the supply for the NZ\$ from $S_{\\$NZ}$ to $S_{\\$NZ1}$ as more NZ\$ are swapped for US\$.</p> <p>The exchange rate will depreciate from E_r to E_{r1}.</p>	<ul style="list-style-type: none"> • Explains that the supply for the NZ\$ increases. 	<ul style="list-style-type: none"> • Explains why the supply for the NZ\$ increases, with correct reference to the graph. 	
(d)(i)	<p>The depreciation of the NZ\$ will positively affect businesses in the tourism industry as the overseas tourists will now find it relatively cheaper to visit, increasing visitor numbers and increasing the revenue of the tourism operators. New Zealand businesses that import consumer goods will be negatively affected as those consumer goods are now more expensive to import. The businesses will have to put prices up or reduce their profit margins.</p>	<p>Explains why:</p> <ul style="list-style-type: none"> • tourist businesses will be positively affected • importing businesses will be negatively affected. 	<ul style="list-style-type: none"> • Explains in detail why different businesses may be negatively OR positively affected by depreciation of the NZ\$, in context. 	<ul style="list-style-type: none"> • Explains comprehensively why the depreciation of the NZ\$ will have positive effects on some groups but negative effects on others, in context. <p>Four groups to cover.</p>
(ii)	<p>The depreciation of the NZ\$ will positively affect most households who work in dairy farming as a high percentage of agricultural products are exported. They will receive a higher amount of NZ\$ for the same amount of overseas currency and therefore, households may have more secure jobs and get pay increases.</p> <p>Households that are intending to purchase a new vehicle will be negatively affected as the depreciation is likely to cause the vehicle to cost more as more NZ\$ are required to purchase the vehicle from overseas.</p>	<p>Explains why:</p> <ul style="list-style-type: none"> • households in the farming sector will be positively affected • households looking to purchase a new vehicle will be negatively affected. 	<ul style="list-style-type: none"> • Explains in detail why households may be both negatively OR positively affected by depreciation of the NZ\$, in context. 	

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Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Most Merit evidence.	All Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

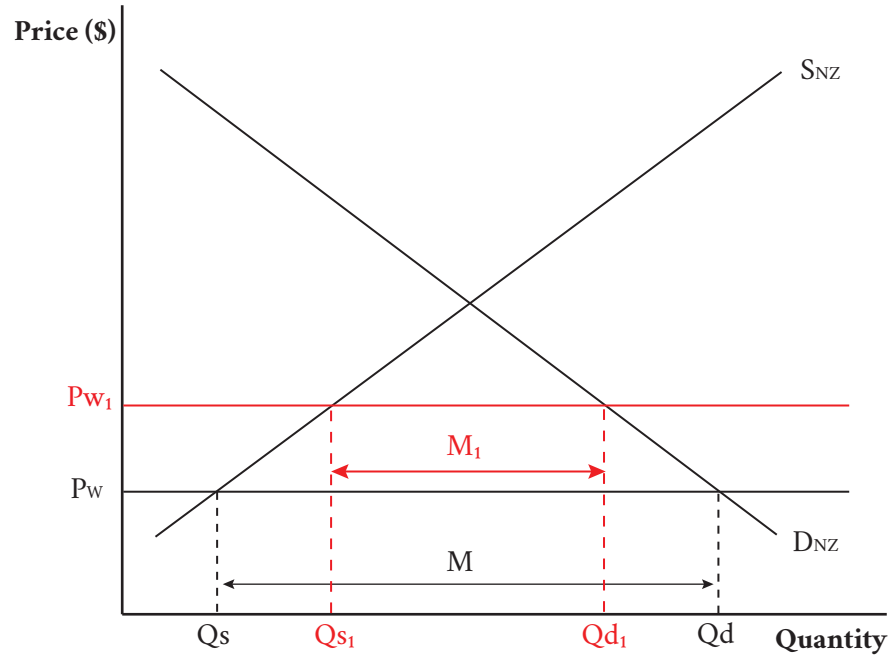
Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 – 13	14 – 18	19 – 24

Appendix

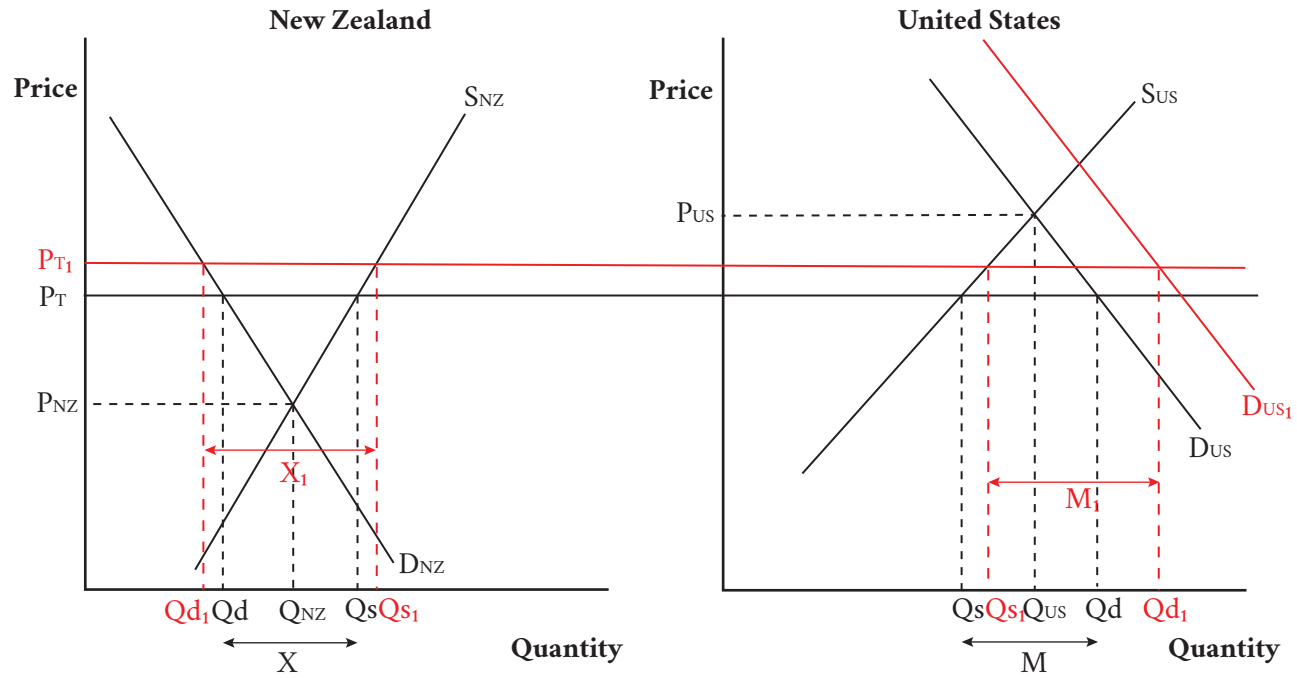
Question One (b)

Graph One: The market for bananas



Question Two (a)

Graph Two: Two-country model for grass-fed beef



Question Three (b)

Graph Three: The New Zealand exchange rate

