Assessment Schedule – 2023

Economics: Analyse economic growth using economic concepts and models (91224)

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
Analyse economic growth involves: • **explaining** causes of changes in economic growth using economic models • **explaining** the impacts of changes in economic growth on various groups in New Zealand society and/or the environment • **identifying, defining,** or **describing** economic growth concepts.	*Analyse economic growth **in depth*** involves: • **explaining, in detail,** causes of changes in economic growth using economic models • **explaining, in detail,** the impacts of changes in economic growth on various groups in New Zealand society and/or the environment.	*Analyse economic growth **comprehensively*** involves: • **assessing** causes of changes in economic growth by **comparing** and/or **contrasting** their impact on economic growth • **assessing** 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.

Evidence

Q1	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Building the data centres will increase investment as construction requires billions of dollars. There will be ongoing employment that will increase consumption. This will cause an increase in AD to AD_1, resulting in an increase in growth (real GDP). The data centres will increase efficiency/productivity in the New Zealand economy as businesses find cost savings from moving services online and more innovation is encouraged. This will cause an increase in AS to AS_1, resulting in an increase in growth (real GDP).	• Either the shift in AS or AD is explained.	• Explains Graph One. • Shifts are explained for both AS and AD with reference made to growth/GDP.	
(b)	Working from home (WFH) will lead to less consumption spending on commuting costs and food at cafes. This will cause a decrease in AD to AD_2, resulting in a decrease in growth (real GDP). WFH will lead to lower costs for businesses as less office space is required. There will also be more productive workers as absenteeism is reduced and there will be less congestion on the roads, lowering the costs for other businesses such as transport companies. This will cause an increase in AS to AS_2, resulting in an increase in growth (real GDP).	• Either the shift in AS or AD is explained.	• Explains Graph Two. • Shifts are explained for both AS and AD with reference made to growth/GDP.	
(c)	Building the data centres increases both the aggregate supply and aggregate demand curves, leading to a higher increase in real GDP. While WFH increases aggregate supply, the decrease in aggregate demand counteracts some of the increase in growth. The increase in aggregate supply from WFH is also likely to be relatively small, given that in most industries, for example retail and farming, most workers will continue to commute and work on-site. The increase in real GDP from Y to Y_1 in Graph One is greater than the increase in real GDP from Y to Y_2 in Graph Two.			• Compares and contrasts the shifts in AS/AD with an accurate explanation of why part (a) has a greater impact on growth than part (b). • Variation in depth can be demonstrated by depth of reference to graphs and resource material.

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.

Q2	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	The increase in visitors to Queenstown will increase export receipts (an injection into the circular flow) as spending occurs on accommodation and activities in the area. As output increases, there will be an increase in the number of households employed, who will now have higher incomes to spend on other goods and services from producers in Queenstown and other areas in New Zealand. There may also be more firms attracted to the area to take advantage of the increased spending, increasing investment as more tourist-related activities are built, for example restaurants. The increase in taxes paid from the region may also increase government spending in the area.	• Explains increased growth using either income or output in the region due to jobs/output increasing due to the increased number of tourists in the Queenstown region.	• Explains increased growth using either income or output in the region due to the increased number of tourists in the Queenstown region. Depth can also be shown by: • explaining the effects of attracting other firms to support the growth in tourism • referencing resource material.	
(b)(i)	The increased number of tourists to New Zealand will lead to greater growth in regions that already rely on tourism and offer attractions that are sustainable tourism activities. For example, if the Queenstown and Rotorua regions continue to develop their attractions as sustainable then it is likely that these regions will grow at an increased rate compared to other regions. These other regions, which do not have tourism as a major contributor to output, may see small growth as there may be a small increase in the number of tourists visiting and/or increased spending due to higher incomes in other regions.	• Explains why some regions may grow faster than others.	• Explains why the increased number of tourists may lead to some regions growing faster than others.	• Compares and contrasts the effect of higher tourism numbers on regional growth. • Depth may be shown by referencing resource material or using context of the New Zealand tourism industry.
(ii)	Workers in the tourism industry are likely to have higher-paying jobs and increased job security as the demand for sustainable tourism increases. As the quality of the tourism experience increases, businesses will need staff with higher skills, and this will mean increased incomes for those staff with these skills. Workers in agricultural sectors may see the gap between the earnings in tourism and agricultural sectors increase and may be attracted to the tourism sector. This could require some re-training to be a part of this sector.	• Explains why workers in the tourism sector will benefit.	• Explains why workers in the tourism sector will benefit and/or the effect on workers in the agricultural sector.	• Compares and contrasts reasons why the growth in sustainable tourism will benefit workers in the tourism sector compared to workers in the agricultural sector. • Depth could be shown through the idea of re-training.

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	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Gross domestic product.	• States answer.		
(b)	An increase in real GDP means: • there are more goods and services produced, which means that consumers can satisfy more of their unlimited wants. • the economy is growing – this will give confidence to businesses to invest for the future, further increasing the level of goods and services available. • the government is able to collect more taxes from the growing income / expenditure. A decrease in real GDP means: • the economy is shrinking, leading to lower business confidence and lower investment. • the tax take will be decreasing, reducing the ability of the government to fund their spending. • fewer goods and services are available to the population. Any other reasonable answer.	• Gives a reason why an increase in real GDP is beneficial for the NZ economy. • Gives one reason why a decrease in real GDP is negative for the NZ economy.	Explains two reasons why an increase in real GDP is beneficial for the NZ economy.	
(c)	Real GDP is adjusted for changes in the price level by removing the impact of inflation. An increase in real GDP means that actual output of goods and services is increasing. An increase in nominal GDP does not necessarily mean that output is increasing as it measures the value of output at current prices. Output may have stayed the same, but prices increased.	• Explains real GDP with a definition.	• Explains in detail real GDP, showing an increase in physical / actual output as opposed to nominal GDP showing an increase in value of output.	

| (d) | Strengths of real GDP in measuring economic growth:

Objective or measurable, linked to income or expenditure in economy, can be compared to different time periods and other countries.

Weaknesses of real GDP:

Does not include non-economic factors such as non-market activities, e.g. growing own vegetables, black-market activities, activities that reduce overall welfare such as pollution are counted as increasing real GDP.

Other measures (such as the HDI) use a combination of indicators to measure economic growth. These include real GDP but also other measures such as life expectancy and education levels. This gives a broader picture as to whether the economy is producing better outcomes for its citizens. Therefore, it may be more useful than relying on only the increase in the output of goods and services. | • Explains real GDP or an alternative measure in terms of a weakness or a strength.

• Shows understanding of another measure of growth, for example HDI. | • Explains in detail a strength and weakness of real GDP or an alternative measure in measuring economic growth. | • Compares and contrasts real GDP as a measure of growth with another measure of growth.
• Depth can be shown by knowledge of alternative measures in New Zealand context. |

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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.

Cut Scores

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