

Assessment Schedule – 2024

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"> • identifying, defining, or describing international trade concepts • 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. 	<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.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
00–07	08–13	14–18	19–24

Evidence

Q1	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Illustrates the new level of exports as X_1 on Graph One. See Appendix.	<ul style="list-style-type: none"> Illustrates the new level of exports. 	<ul style="list-style-type: none"> Graph is complete and correctly labelled. 	
(b)	New Zealand lamb producers reduce production from Q_s to Q_{s1} and New Zealand consumers increase consumption from Q_d to Q_{d1} so exports will decrease from X to X_1 .	Explains: <ul style="list-style-type: none"> the lower price will cause exports to decrease. 	Explains: <ul style="list-style-type: none"> why the quantity of exports will decrease by referring to New Zealand production and consumption. Correct reference to Graph One.	
(c)	Exports have decreased and are now selling at a lower price; therefore, export receipts have fallen. This is shown on Graph One as decreasing from $(P_w \times X)$ to $(P_{w1} \times X_1)$.	Explains: <ul style="list-style-type: none"> export receipts will decrease. 	Explains: <ul style="list-style-type: none"> export receipts will decrease due to a lower price and quantity for exports. Correct reference to Graph One.	
(d)	<p>New Zealand producers of lamb will have a reduction in revenue as they are selling less lamb, at a lower price. Total revenue (revenue to domestic consumers + export revenue) will fall from $(P_w \times Q_s)$ to $(P_{w1} \times Q_{s1})$. Some producers may decide to reallocate their resources to other activities, e.g. wool production.</p> <p>New Zealand consumers of lamb will benefit as they are paying a lower price (P_{w1} which is less than P_w). Lamb is more affordable, and households will consume more lamb compared with substitute goods. Other producers may also be consumers of lamb, for example restaurants. They will have lower costs of production and will be more profitable.</p>	Explains: <ul style="list-style-type: none"> New Zealand producers of lamb are worse off New Zealand consumers of lamb are better off. 	Explains in detail: <ul style="list-style-type: none"> New Zealand producers of lamb are disadvantaged by the decrease in world price New Zealand consumers are advantaged by the world price decrease. 	Explains comprehensively: <ul style="list-style-type: none"> New Zealand producers of lamb are disadvantaged by the decrease in world price New Zealand consumers of lamb are advantaged by the world price decrease. Refers to Graph One.

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)	Possible reasons include: <ul style="list-style-type: none"> • free trade agreement signed with China • availability of cheaper manufactured goods in China • more industrialised economy in China • India having more of a protectionist trade policy • India being more self-sufficient in New Zealand's main export markets, e.g. dairy • cultural / religious restrictions against beef products. 	Identifies: <ul style="list-style-type: none"> • one reason why trade with India is relatively low or trade with China is relatively high. 	Explains: <ul style="list-style-type: none"> • one reason why trade with India is relatively low or trade with China is relatively high. 	
(b)	The trade price is where the quantity of exports in New Zealand = quantity of imports in India. See Appendix.	<ul style="list-style-type: none"> • Identifies correct trade price. • Identifies and correctly labels New Zealand exports and Indian imports. 	<ul style="list-style-type: none"> • Both graphs completed correctly. 	
(c)	Revenue gained by exporters of logs will increase as exporters gain a higher price and sell a higher quantity. Revenue increases from $(P_{NZ} \times Q_{NZ})$ to $(P_t \times Q_{S1})$. The current account balance will improve (deficit decrease or surplus increase). This is because export receipts of $(P_t \times X)$ now occur.	Explains: <ul style="list-style-type: none"> • revenue for New Zealand producers will increase • current account will improve. 	Explains: <ul style="list-style-type: none"> • revenue for New Zealand producers will increase due to a higher price received and a higher quantity sold • the current account will improve due to the balance on goods increasing due to export receipts increasing. 	Explains comprehensively: <ul style="list-style-type: none"> • revenue will increase, with correct reference to the Graph Two AND • current account will improve by referencing export receipts of $(P_t \times X)$.

Q2	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(d)	Higher revenue and profits in the wood industry will make it more attractive for producers to expand production and they will require more resources (land, labour) to do this. Other agricultural industries, e.g. dairy, may struggle to compete in the resource market and face losing resources (land, labour) to the wood industry. This may cause their output to fall.	Explains: <ul style="list-style-type: none"> there will be a shift of resources from other industries to wood production. 	Explains that there will be a shift of resources from other industries to wood production because: <ul style="list-style-type: none"> the wood industry uses similar resources to other agricultural industries OR <ul style="list-style-type: none"> the wood industry will need to acquire these resources (land, labour) from other industries OR <ul style="list-style-type: none"> other industries may find it difficult to compete for resources (they can't increase price to cover costs). 	Compares resource allocation between industries. Explains that the wood industry requires more resources (land, labour) to increase output for export which they acquire from other agricultural export industries, who can't compete in resource markets (output falls).

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)	For example: Australia, China, South Korea, Malaysia.	One identified.		
(b)	A tariff will increase the cost of New Zealand dairy products entering India, in this case by 200 per cent. This will make them uncompetitive compared to local producers	Identifies: <ul style="list-style-type: none"> the cost of New Zealand dairy products to Indian consumers will increase. 	Explains: <ul style="list-style-type: none"> the cost of New Zealand dairy products to Indian consumers will increase, which makes consuming Indian dairy products more affordable. 	
(c)	An increase in demand for NZ\$ and the appreciation of the exchange rate. See Appendix.	Shows an increase in demand for NZ\$ and the appreciation of the exchange rate.		
(d)	The increase in exports will mean that the Indian importers will require NZ\$ to pay for the products (or New Zealand exporters will swap the Indian rupees received for NZ\$). This will increase the demand for the NZ\$ from DN_Z to DN_{Z1} as more Indian rupees are swapped for NZ\$. The exchange rate will appreciate from E_r to E_{r1} .	Explains: <ul style="list-style-type: none"> the demand for the NZ\$ increases. 	Explains in detail: <ul style="list-style-type: none"> the NZ\$ will appreciate, in context and using the labels. 	
(e)	Business A will be positively affected by the appreciation of the NZ\$. The products it imports from India will now be cheaper to import. They will be able to lower prices and / or increase their profit margins. Business B will be positively affected by the appreciation of the NZ\$. The tourist activities, accommodation, and food in India will now be cheaper as the NZ\$ has more purchasing power compared to the Indian rupee. They will be able to lower the price of their tours and / or increase their profit margins.	Identifies that: <ul style="list-style-type: none"> Business A will be positively affected, and Business B will be positively affected. 	Explains in detail: <ul style="list-style-type: none"> Business A will be positively affected, as less expensive to import. Business B will be positively affected, as now have more purchasing power. 	Explains comprehensively: <ul style="list-style-type: none"> Business A will be positively affected, as it is now less expensive to import. Business B will be positively affected, as it now has more purchasing power.

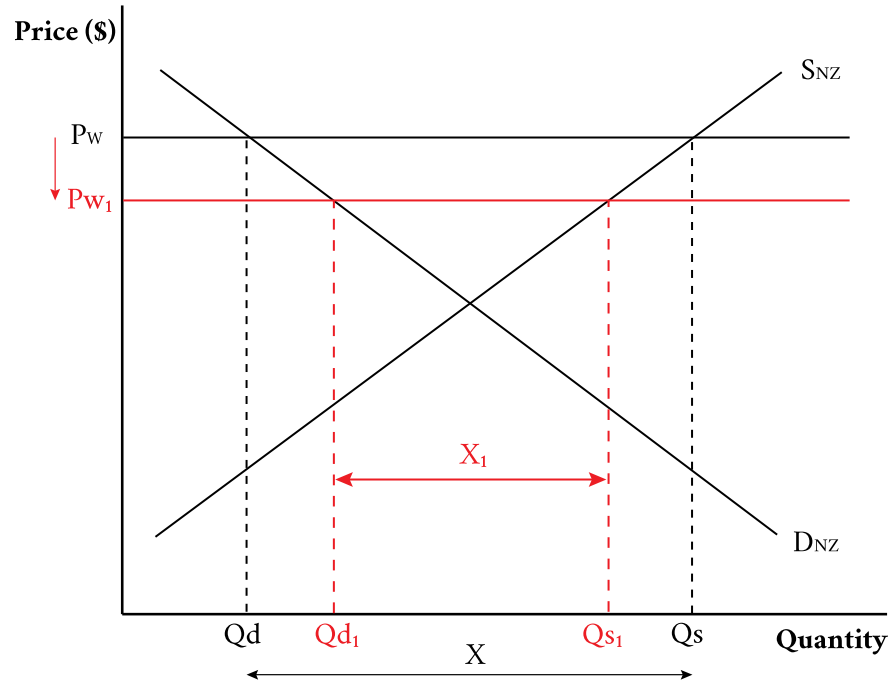
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Most Merit evidence.	All Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Appendix

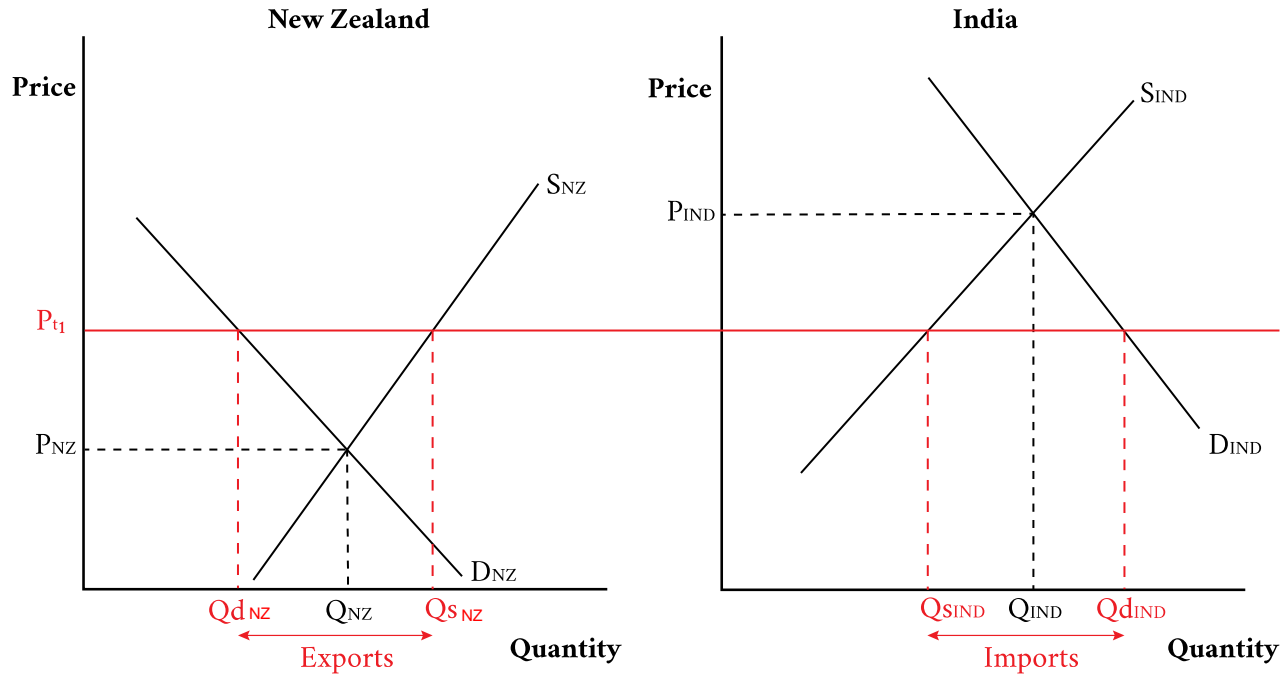
Question One (a)

Graph One: The market for lamb



Question Two (a)

Graph Two: The market for wood products



Question Three (b)

Graph Three: The New Zealand exchange rate

