

Assessment Schedule – 2024

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

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Analyse economic growth</i> involves:</p> <ul style="list-style-type: none"> • identifying, defining, or describing economic growth concepts • 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. 	<p><i>Analyse economic growth in depth</i> involves:</p> <ul style="list-style-type: none"> • 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. 	<p><i>Analyse economic growth comprehensively</i> involves:</p> <ul style="list-style-type: none"> • 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.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
00–06	07–13	14–18	19–24

Evidence

Q1	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>Building of the arena will increase investment as construction requires hundreds of millions of dollars. There will be ongoing employment for sports events that will increase consumption, which is a component of AD. This will cause an increase in AD to AD₁, resulting in an increase in growth (real GDP).</p> <p>The arena will increase the number of events that are possible, particularly concerts. This leads to an increase in the productive capacity of the economy, increasing aggregate supply from AS to AS₁ and an increase in growth.</p>	<ul style="list-style-type: none"> • Either the shift in AS or AD is explained. 	<ul style="list-style-type: none"> • Explains Graph One. • Shifts are explained for both AS and AD with reference made to growth/GDP. 	
(b)	<p>Real GDP does not take into account:</p> <ul style="list-style-type: none"> • non-market activities that improve welfare • the benefit of environmental factors, such as fresh air • or changes in the population. 	<ul style="list-style-type: none"> • Identifies a limitation of real GDP. 	<ul style="list-style-type: none"> • Explains a limitation of real GDP. 	
(c)(i)	<p>Events held in the convention centre will bring more people to Christchurch, from both New Zealand and overseas. This will lead to greater growth in Christchurch as spending occurs on activities related to events such as accommodation, food, and tourist activities. Other regions that do not have a convention centre may miss out on spending, for example Auckland in the short term. Other regions may see a small increase in the number of visitors and therefore growth if visitors to Christchurch also visit surrounding areas. This effect may be stronger in the South Island regions than the North Island regions.</p>	<ul style="list-style-type: none"> • Explains why the Christchurch region may grow faster than others. 	<ul style="list-style-type: none"> • Explains in detail why events in the convention centre may lead to higher domestic and international tourism in the Christchurch region and therefore faster economic growth than other regions. 	<ul style="list-style-type: none"> • Compares and contrasts the effect of higher domestic and international tourism on regional growth. • Variation in depth can be demonstrated by referencing resource material or using context of the conference industry.
(ii)	<p>The convention centre will lead to higher employment in the Christchurch region, as workers are needed for activities related to the events. They may move from no / low income or a benefit and their incomes will increase, reducing the gap in income between high- and low-income households and making the income distribution more equal. Some businesses may be able to increase their profitability significantly due to providing related services and therefore a number of households may increase their income, leading to a more uneven distribution of income, although this is likely to benefit a relatively small number of people.</p>	<ul style="list-style-type: none"> • Explains why distribution of income may become more equal (or may change). 	<ul style="list-style-type: none"> • Explains in detail why more employment is likely to lead to a more equal income distribution OR why increased profitability may lead to less equal income distribution. 	<ul style="list-style-type: none"> • Compares and contrasts reasons why the distribution of income may become more equal due to higher employment AND less equal due to higher profits for businesses.

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)	<ul style="list-style-type: none"> • export receipts • consumption • income • income tax • investment • savings 	<ul style="list-style-type: none"> • Identifies three flows. 		
(b)	<p>The export receipts flow will increase as astrotourism leads to more overseas tourists coming to New Zealand and spending on goods and services, such as food and accommodation.</p> <p>The income flow will increase as employment in the area will increase as more people get jobs, increasing the payments from businesses to households.</p>	<ul style="list-style-type: none"> • Explains why the chosen flow increases. 	<ul style="list-style-type: none"> • Explains in detail why the chosen flow increases, in context to astrotourism. 	
(c)	<p>Export receipts are an injection into the circular flow, therefore spending on accommodation and food by an overseas tourist will increase economic activity as there is now more money in the system. Money spent by a New Zealand tourist will increase economic activity in the area but does not represent any new money in the system.</p>	<ul style="list-style-type: none"> • Explains that export receipts are an injection. 	<ul style="list-style-type: none"> • Explains in detail why overseas tourism spending is an injection into the circular flow, as opposed to domestic tourism spending. 	
(d)(i)	<p>Government revenue will increase due to increased collection of GST on spending, increased income taxes as more people are employed, and higher company taxes as profits increase.</p> <p>Government expenditure on benefit payments will decrease as employment increases. Some spending on infrastructure may be required as more public facilities, e.g. toilets, are required, and increased maintenance on roads.</p> <p>Overall, the impact on the government is likely to be positive.</p>	<ul style="list-style-type: none"> • Explains why government revenue OR expenditure will change. 	<ul style="list-style-type: none"> • Explains in detail why government revenue OR expenditure will change, in context to increased astrotourism. 	<ul style="list-style-type: none"> • Compares and contrasts the impact of astrotourism on government revenue and expenditure, concluding that the impact is likely to be positive for the government.
(ii)	<p>Lake Tekapo residents may face higher housing costs and rates payments to pay for upgrades to infrastructure. They may be negatively affected by overcrowding at peak times. Residents who work in the hospitality industry will have more income and hours of work.</p> <p>Businesses in the hospitality industry will benefit directly from increased tourists, increasing sales and profits.</p>	<ul style="list-style-type: none"> • Explains a benefit or cost to residents and to businesses. 	<ul style="list-style-type: none"> • Explains in detail the effect of astrotourism on residents and businesses. 	<ul style="list-style-type: none"> • Compares and contrasts the impact on residents and businesses. Businesses will be positively affected, but the overall impact on residents is likely to depend on whether they work in the hospitality industry.

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N0 = No response; no relevant evidence.

Q3	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>GDP is gross domestic product – the total value of goods and services produced in a country’s economy in a year.</p> <p>The cyclone meant that businesses were less able to produce goods and services because farms / orchards couldn’t sell damaged crops / fruit, and roads and other infrastructure were damaged.</p>	<ul style="list-style-type: none"> Defines GDP. 	<ul style="list-style-type: none"> Explains why GDP will fall, in the context of a cyclone lowering production of goods and services. 	
(b)	<p>Opportunity cost is the decrease in consumer goods produced. See Appendix.</p>	<ul style="list-style-type: none"> Shows opportunity cost on Graph Two. 		
(c)	<p>If the economy is operating at point A, it is operating on the frontier of the production possibility frontier (PPF). Increased production of infrastructure (movement to point B) can happen only if resources are diverted away from consumer goods, as shown by the decrease in the production of consumer goods from Q to Q₁ on Graph Two.</p> <p>See Appendix.</p>	<ul style="list-style-type: none"> Explains that increased production of infrastructure goods requires a decrease in production of consumer goods. 	<ul style="list-style-type: none"> Explains in detail why there is an opportunity cost, including reference to the graph. 	
(d)	<p>New PPF is drawn inside of current PPF, or between the two PPFs shown. See Appendix.</p>	<ul style="list-style-type: none"> Shows new PPF on Graph Three. 		
(e)	<p>The future potential capacity of the New Zealand economy will be greater by producing at point B compared to point A. At point B, consumers will pay higher taxes and have to reduce their short-term spending on consumer goods. There will be a higher production of goods associated with infrastructure, for example bridges and roads that will be more resilient to floods. This will mean that the economy will continue to function when there are adverse weather events and will be able to grow its productive capacity, as shown by the increase in the line to X*.</p> <p>If the economy continues to produce at point A, there will be more consumer goods produced and a higher short-term standard of living; however, it will be more vulnerable to adverse weather events such as Cyclone Gabrielle. These events will reduce the productive capacity of the economy as damage to productive resources will reduce the amount of goods and services that can be produced, and this is shown as a decrease in the PPF line to Y*.</p>	<p>Explains:</p> <ul style="list-style-type: none"> increased spending on infrastructure will lead to the economy being able to produce more goods and services in the future why the future PPF line could move inward (or move outward at a slower rate). 	<p>Explains in detail:</p> <ul style="list-style-type: none"> why the PPF line could move outwards to X* if the economy produces at point B now why the PPF line could move inwards to Y* if the economy produces at point A now (or move outward at a slower rate). 	<ul style="list-style-type: none"> Compares and contrasts the outcomes relating to operating at points A and B in terms of the future shifts of the PPF, with reference to the diagram, and in the context of the resource material.

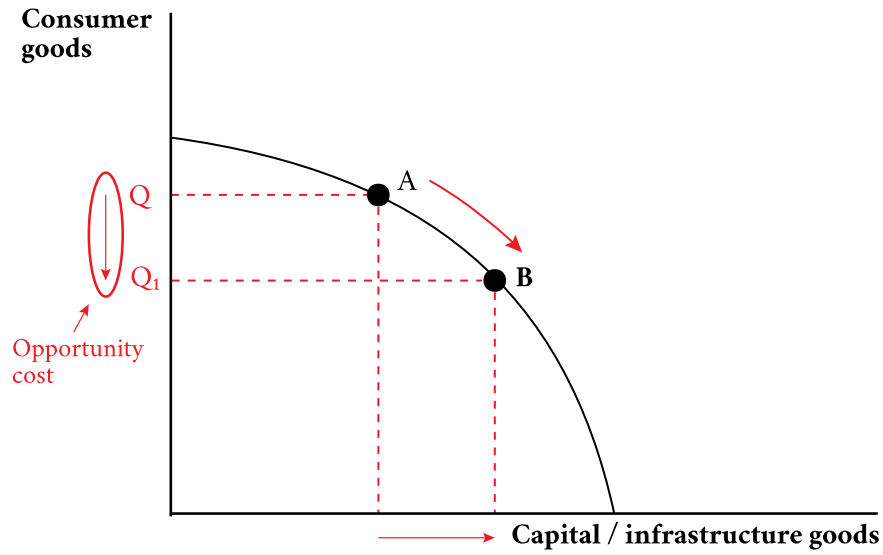
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

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Appendix

Question Three (b) and (c)

Graph Two: Production possibility frontier



Question Three (d)

Graph Three: Production possibility frontier

