

Assessment Schedule – 2025

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
0–6	7–13	14–18	19–24

Evidence

Q1	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)(i) (ii) (iii) (iv)	Savings. May decrease in value due to a decrease in income paid by producers. Export receipts / investment / government spending. (For example) Investment may increase if interest rates decrease, making it more affordable for businesses to purchase capital goods.	Identifies savings. Explains a reason why savings decreases. Identifies an injection. Explains why the injection increases.	Explains why savings may decrease, with reference to another flow from Model One. Provides a detailed explanation of why the injection increases.	
(b)	If the peanut trial is successful, there will be fewer withdrawals / leakages from the circular flow as imports of peanuts will decrease. Instead, the payments for peanuts will be made to New Zealand producers, who will provide New Zealand households with income for working. Households will then spend this income on goods and services, increasing economic growth.	Explains that growth will occur because of New Zealand production as opposed to spending on imports.	Provides a detailed explanation of why growth occurs, including lower imports and subsequent income and spending by households.	Integrates Model One into a detailed explanation of which flows will increase and which will decrease, linked to economic growth.
(c)	Government revenue will increase as more workers in Northland will be earning an income, resulting in higher income tax paid. They will increase spending which means that higher indirect tax (GST) will be paid. As this income and spending flows on to other producers and households, more income tax and GST will be paid. Government expenditure will decrease as workers in Northland are employed at the peanut farm, lowering the requirement to pay transfer payments (government welfare payments). Overall, higher revenue and lower expenditure will have a positive effect on the government's operating balance.	Explains that taxes (direct or indirect) paid by workers will increase. Explains that government expenditure will decrease.	Provides a detailed explanation of why government revenue will increase, in the context of increased production of peanuts. Provides a detailed explanation of why government expenditure will decrease, in the context of increased employment in the peanut industry.	Compares and contrasts the impact of peanut farming on government revenue and expenditure, concluding that it will be positive for the government's operating balance.

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)(i)	Short-term: GDP will increase as consumers buy seeds, which is consumer spending.	Short-term positive effect on GDP identified.		
(ii)	Long-term: GDP decreases as consumers buy less fruit and vegetables from supermarkets and other growers, as they now have their own produce to eat.	Long-term negative effect on GDP identified.		
(b)	GDP will increase when there is an increase the production of goods and services. If there was an increase in the production of a good that involved pollution, and if the impact of the pollution was worse than the benefit of the production, then overall society would be worse off. Therefore, net social welfare would decrease.	Explains a situation where net social welfare decreases.	A detailed explanation of why the costs of production can outweigh the benefits and lead to net social welfare decreasing.	
(c)	<p>The decrease in growth shown on Graph Two comes about because of an under-utilisation of resources. At point A, all resources were being used to maximum capacity, but at point B, some resources, for example labour, are unemployed. The decrease in growth shown on Graph Three is due to a decrease in productive capacity. At both points C and D, the economy is producing at maximum capacity, but this maximum capacity has decreased. This could be caused by capital equipment wearing out and not being replaced, or a natural disaster that destroys infrastructure such as roads and bridges.</p> <p>It is likely that the decrease in growth from a reduction in productive capacity will be worse for the economy. The destruction of infrastructure that occurs due to a natural disaster will be very expensive to fix and will draw resources away from other areas of the economy. It may take years for the economy to recover the capacity that existed before the change. A decrease in growth due to unemployment of resources may be temporary and may be due to the business cycle. Over time, government policies could restore the economy back to producing at or close to maximum capacity.</p>	<p>Explains a reason for the decrease in growth in Graph Two.</p> <p>Explains a reason for the decrease in growth in Graph Three.</p>	<p>A detailed explanation of the reasons for the decrease in growth, with reference to Graphs Two and Three.</p> <p>A detailed explanation of which type of decrease in growth would be more negative for the economy.</p>	A comprehensive explanation that compares and contrasts the causes and effects of a decrease in economic growth, making a judgement as to which would be worse for the economy.

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.

Appendix

Question Two (b)

Graph One: AS/AD model of the New Zealand economy

