

**Field      Social Sciences**

**Review of *Economics* Level 3 achievement and unit standards**

**Unit standards**

<b>Subfield</b>	<b>Domain</b>	<b>ID</b>
Economic Theory and Practice	Economics	5863-5867, 10928, 10931

**Achievement standards**

<b>Domain</b>	<b>ID</b>	<b>Subject reference</b>
Economics	90629	Economics 3.1
	90630	Economics 3.2
	90631	Economics 3.3
	90632	Economics 3.4
	90778	Economics 3.5

The Ministry of Education and NZQA National Qualifications Services have completed a review of the achievement and unit standards listed above.

**New Registration date                      December 2012**

**Date new versions published              December 2012**

**Planned review date                         December 2016**

**Summary of review and consultation process**

In 2008 the Ministry of Education (MoE) and NZQA began to review achievement and unit standards in light of the revised New Zealand Curriculum (NZC). This Alignment of Standards (AoS) review also addressed duplication of outcomes, credit parity, fairness, consistency, and coherence. The AoS review was guided by the revised NZC itself and the Standards Review Guidelines. A copy of the NZC is available at: <http://nzcurriculum.tki.org.nz/Curriculum-documents/The-New-Zealand-Curriculum>.

Teacher subject associations were involved in the review, and draft achievement standards were the focus of wide consultation, especially with secondary schools and teachers. Extensive resources, including student exemplars, were also developed to support these standards, and are available on the MoE and/or the NZQA websites.

The review of unit standards included consultation with tertiary providers to assess continued relevance and likely future use of the standards. Unit standards that duplicate achievement standard outcomes and those without the likelihood of future tertiary use were recommended for expiry.

National consultation was undertaken in 2011, with the results analysed by Research New Zealand. The responses were generally positive.

The review of these Level 3 unit and achievement standards was completed in time for implementation in schools in 2013.

## Main changes resulting from the review

- All NZC Level 8 (NZQF Level 3) outcomes derived from the NZC are now assessed using achievement standards, and there are no longer any unit standards linked to the NZC.
- Existing achievement standards were reviewed and new achievement standards were developed to align with the NZC. See [table](#) below.
- Grading criteria for achievement standards were reviewed in accordance with the Standards Review Guidelines.
- Unit standards that recognised similar outcomes as achievement standards were recommended for expiry. See [table](#) below.

For a detailed description of the review of, and the changes to, the Economics standards see the appendix at the end of this report.

## Impact on Consent and Moderation Requirements (CMR)

All new achievement standards have been registered on CMR 0233.

## Impact of changes on [Exclusions List](#)

For transition purposes, the following exclusions will apply for new achievement standards.

Achievement standard	Excluded against each of these standards
91399	5864, 90630
91400	5863, 90629
91401	5863, 5864, 90629, 90630
91402	5865, 90631
91403	5867, 90632

## Review Categories and changes to classification, title, level, and credits

The following summary shows the changes made to the standards as a result of the review. All changes are in **bold**. Where a new or a new version of an externally assessed achievement standard is registered, the following designation appears after the title **[Externally Assessed]**.

Key to review category	
<b>A</b>	Dates changed, but no other changes are made - the new version of the standard carries the same ID and a new version number
<b>B</b>	Changes made, but the overall outcome remains the same - the new version of the standard carries the same ID and a new version number
<b>C</b>	Major changes that necessitate the registration of a replacement achievement standard with a new ID
<b>D</b>	Achievement standard will expire and not be replaced

<b>Externally assessed achievement standards categorised as category C expire at the end of</b>	<b>December 2012</b>
<b>Internally assessed achievement standards and unit standards categorised as category C or D expire at the end of</b>	<b>December 2013</b>

## Social Sciences &gt; Economic Theory and Practice &gt; Economics

ID	Ref	Title	Level	Credit	Review Category
5863		Investigate and compare the behaviour of firms under different market structures	3	6	C
90629	3.1	Understand marginal analysis and the behaviour of firms	3	5	C
<b>91400</b>	<b>3.2</b>	<b>Demonstrate understanding of the efficiency of different market structures using marginal analysis [Externally Assessed]</b>	<b>3</b>	<b>4</b>	
<b>91401</b>	<b>3.3*</b>	<b>Demonstrate understanding of micro-economic concepts</b>	<b>3</b>	<b>5</b>	
5864		Explain and apply the concepts of marginal utility and elasticity	3	5	C
90630	3.2	Describe an economic problem, allocative efficiency, and market responses to change	3	4	C
<b>91399</b>	<b>3.1</b>	<b>Demonstrate understanding of the efficiency of market equilibrium [Externally Assessed]</b>	<b>3</b>	<b>4</b>	
<b>91401</b>	<b>3.3*</b>	<b>Demonstrate understanding of micro-economic concepts</b>	<b>3</b>	<b>5</b>	
5865		Examine the allocation of resources via the market and the state	3	5	C
90631	3.3	Describe market failure and government interventions to correct for market failure	3	4	C
<b>91402</b>	<b>3.4</b>	<b>Demonstrate understanding of government interventions to correct market failures</b>	<b>3</b>	<b>5</b>	
5866		Demonstrate and explain the operation of the money market and the foreign exchange market	3	6	D
5867		Demonstrate and explain national income determination	3	5	C
90632	3.4	Describe aggregate economic activity	3	6	C
<b>91403</b>	<b>3.5</b>	<b>Demonstrate understanding of macro-economic influences on the New Zealand economy [Externally Assessed]</b>	<b>3</b>	<b>6</b>	
10928		Present an economic argument in an essay and another mode	3	4	D
10931		Carry out an economic investigation with consultation	3	6	D
90778	3.5	Collect and process information, and carry out an economic analysis	3	5	D

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\* This standard appears in the table more than once.

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## Appendix

### Development of Level 3 Economics Standards

The way Achievement Objective 1 (AO1) at Level 8 (L8) of the NZC is written suggests that content could be divided into two achievement standards (AS) – the first covering the theory of efficient (perfect) markets; and the second covering the theory of real world market failure. However, such a division was not possible as the micro-economic content, skills and knowledge associated with efficient markets is too broad to allow for reliable assessment in a single AS. As a result the current split of micro-economic concepts into two external AS is retained.

However, because much of this content is interrelated, an additional internally assessed AS has been developed that includes concepts from both the expiring AS3.1 (90629) and AS3.2 (90630) with the aim of allowing concepts that bridged both AS to be better aligned to the way they are taught and assessed.

The existing AS3.3 (90631) was converted into an internally assessed AS because of the limit of three externally assessed standards at each level.

### EXTERNALLY ASSESSED STANDARDS

#### AS3.1 (91399) (4 credits)

- Basically the same as the existing AS3.2 (90630), which is externally assessed.
- Elasticity of supply and demand has been moved to the new internal AS3.3 (91401).
- Labour market has been removed as it would duplicate the concepts required in the L2 AS2.4 (91225) on unemployment.
- As this AS is focused on the efficiency of market equilibrium, it is likely to be taught at the beginning of a micro-economic course – so was called 'AS3.1'.

#### AS3.2 (91400) (4 credits)

- Basically the same as the existing AS3.1 (90629) which is externally assessed.
- The focus on efficiency of markets in AO1 has led to the inclusion of content that covers the reason for perfect markets being allocatively efficient and why monopoly markets are allocatively inefficient, in addition to using marginal analysis to determine the pricing and output decisions of firms.
- Natural monopoly has been added to the standard because it exemplifies monopoly inefficiency.
- To address credit parity, this AS has 1 less credit than the current AS3.1 as content not covered by the title has been moved to the new internally assessed AS3.3 (91401) – deriving demand, deriving supply and other market structures.

**AS3.5 (91403) (6 credits)**

- The content is similar to the existing AS3.4 (90632), which is currently externally assessed but the focus has changed to the analysis of the effects of internal and external influences on macro-economic goals.
- Title changed to link it more directly to AO2.
- The overlap of the current AS3.4 with the government policy AS2.6 (91227) at L2 was considered. To overcome this, the standard was written to build on the content and skills learned at L2 by expecting students studying this AS to be able to describe the impact of government policies on the NZ economy, as well as other internal and external influences on the NZ economy.

**INTERNALLY ASSESSED STANDARDS****AS3.3 (91401) (5 credits)**

- This AS allows for assessment of micro-economic concepts that were removed from the new AS3.1 (91399)/AS3.2 (91400) to allow them to be of a size suitable for reliable external assessment.

**AS3.4 (91402) (5 credits)**

- To bring the number of externally assessed standards down to three, the existing AS3.3 (90631), which is externally assessed, was changed to an internally assessed AS.
- The standard writers felt this AS lent itself to internal assessment as the important concepts of this topic could be assessed using on-going assessment activities.
- An additional 1 credit has been added to this AS (compared to the existing AS3.3) to reflect the extra time needed for activities used to gather assessment evidence for this AS.
- To avoid duplication, natural monopolies have been moved to the new AS3.2 (91400), which now considers efficiency of monopoly equilibrium. Merit/demerit goods were deleted due to the overlap between them and externalities.
- Imperfect information has been added to the range of market failures to give students a wider range of contexts to engage with.