Assessment Schedule – 2021

Economics: Demonstrate understanding of consumer choices, using scarcity and / or demand (90983)

Assessment Criteria

Achievement	Achievement with Merit	Achievement with Excellence
*Demonstrate **understanding** involves:* • defining, identifying, describing, or providing an explanation of consumer choices related to scarcity • identifying, describing, or providing an explanation of choices a consumer makes in response to a change in price or non-price factors • identifying, describing, or providing an explanation of flow-on effects for the consumer, clearly illustrating changes using the demand model.	*Demonstrate **in-depth understanding** involves:* • providing a detailed explanation of consumer choices related to scarcity • providing a detailed explanation, using demand, of choices a consumer makes in response to a change in price or non-price factors • providing a detailed explanation of the flow-on effects for the consumer.	*Demonstrate **comprehensive understanding** involves:* • providing an integrated explanation of consumer choices related to scarcity • linking detailed explanations of flow-on effects for the consumer with detailed explanations of choices the consumer makes in response to a change in a price or non-price factors affecting demand • integrating changes in demand into detailed explanations.

Evidence

Q1	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a) and (b)	**Tate's weekly demand curve for equipment hire** Price ($/hr) axis: 14, 12, P_2 10, 8, P_1 6, 4, 2, 0 Quantity (hours) axis: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 $Q_2 \leftarrow Q_1$ Label D	Shows on graph: • title (incl. time) • axis (P $, Q hours) • line (plotted) • label (D) • scale (even / accurate). • Identifies accurate movement up the demand curve (dotted lines, arrows, labels).		
(c)	The law of demand states that as the price increases, the quantity demanded decreases (and vice versa), assuming ceteris paribus (i.e., all other factors remain unchanged). Tate's weekly demand for equipment hire will decrease from 8 hours a week to 4 hours a week ($Q_1 \rightarrow Q_2$) when the price per hour increases from $6 per hour to $10 per hour ($P_1 \rightarrow P_2$). This is because equipment hire has now become relatively more expensive for Tate than previously. Therefore, Tate can now afford to hire the equipment for fewer hours with his given level of income. Instead of hiring equipment from the school, Tate might hire equipment from a local music shop that has cheaper rates (substitute effect).	• States that quantity demanded will decrease. • Identifies a reason for the law of demand – hireage has become relatively more expensive.	• Gives detailed explanation of the law of demand and the idea of decreased affordability, with some reference to the information in either the table or graph. • Explains the decrease in the number of hours of hire demanded.	• Fully explains the law of demand, using correct data linking to decreased affordability and switching to a substitute product. • Refers to the changes on the graph and uses correct data and economic terminology.
(d)	Possible flow-on effects: • If Tate has to re-record any lost songs, he will use time that could be used on his studying.	Identifies a flow-on effect.	Explains ONE flow-on effect for Tate.	Fully explains TWO flow-on effects for Tate.

- Tate might get a good deal from the local music shop if he uses their name in his song. - Tate might spend more time at home with his family if he is spending less time at school on the equipment. - Tate might see his friends less as he is not spending time at school using the equipment. - Tate might have more professional songs if the music shop has more modern equipment. - Tate might spend less time studying for his exams if he is experimenting with more modern equipment.	

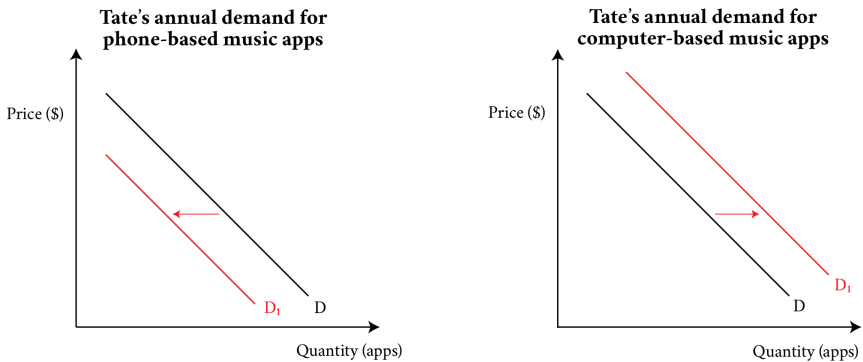| N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence, at least one explanation.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

N0 = No response; no relevant evidence.

Q2	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)(i) (ii) (iii)	Time is a limited resource for Tate as there are only 24 hours in each day. He needs to attend school, complete his studies so that his marks are good enough to be eligible for the free tuition, and he wants to create his songs. Money is a limited resource for Tate as he is still a school student, and his income is limited to the pocket money that he receives from his parents. Skills are also a limited resource for Tate as he is still a school student, so his song-production skills are limited to what he has taught himself or learned in his music lessons.		• Explains why time, money, and skills are scarce resources. • Uses detailed explanations, mostly in context.	• Fully explains why time, money, and skills are scarce resources. • Uses integrated explanations in context and uses correct economic terminology.
(b)	As a result of scarcity (limited means versus unlimited wants and needs), Tate will need to make some choices. He must choose which activity or activities are the most important for him to complete with his limited time. (Or what is most important for him to spend his limited income on; or what he can do with his limited skills). When he chooses one activity over another (e.g., chooses to create a song instead of completing his schoolwork), he is giving up the next best alternative, which is defined as his opportunity cost. For example, choosing to create a song means that he is sacrificing completing his schoolwork. His opportunity cost is completing his schoolwork as it is the next best alternative which he gave up in order to create his songs.	• Describes scarcity. • Identifies a choice. • Explains opportunity cost.	Explains: • a choice • opportunity cost.	Fully explains, in the context of Tate's means explained in (a): • the concept of scarcity • choice • opportunity cost.
(c)	When Tate works on his YouTube songs, he demonstrates that he values his reputation and popularity as a YouTuber.	Describes / identifies the values expressed by Tate.		
(d)	When Tate completes his school work and studies for his exams, he demonstrates that he values his education and his ability to earn a free place in a music school.	Describes / identifies the values expressed by Tate.		
(e)(i)	Tate would like to earn free tuition in a music school, which means that he needs to spend time focusing on his school work so that his marks are high enough. However, he would also like to increase his popularity as a YouTuber, which means he needs to work on his songs so that he can upload them onto YouTube. A conflict has arisen since he does not have enough time to do both and Tate will need to choose how he spends his limited time. Tate must compromise on how he uses his time in order to satisfy his values.	Identifies: • a conflict	Explains: • the conflict between Tate's values	Fully explains: • the conflict between Tate's values, AND

(ii)	Possible compromises are:	• a compromise.	• the compromise(s) Tate could make to resolve the conflict.	• two compromises to resolve the conflict.
	• Tate could hire the music equipment before school so that he still has time after school to focus on completing his schoolwork. • Tate could use the songs that he creates as part of his music work and submit them towards assessments if possible. • Tate could spend time at lunch time working on his schoolwork so that he has time after school to use the music equipment. • Since the school is closed at the weekend, Tate could focus on creating songs with the school equipment during the week and focus on his schoolwork at the weekends.			

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence, at least one explanation.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

N0 = No response; no relevant evidence.

Q3	Sample evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Substitute goods.	Identifies that a substitute is a good used instead of another good.		
(b)	Because Tate's popularity has increased, and YouTube will pay him when he uploads a song, his income will increase.	Identifies that the increase in his popularity will increase Tate's income.		
(c)	Inferior goods are often bought when a person has a lower income. These goods are often of a lower quality than essential or luxury goods. In Tate's case, he needs a phone to upload his songs onto YouTube. A phone would be considered an inferior good as Tate uses this while his income is lower. Luxury goods are not essential but add to the quality of the product. Luxury goods are often a higher quality and more likely to be purchased when you have a higher income. In Tate's case, he has savings, and his income has increased as a result of his increase in popularity. He is therefore able to afford a computer, which is a luxury item for Tate to use to create songs compared to the phone that he used to use when his income was lower.	• Defines inferior goods. • Identifies phones as an inferior good for Tate. • Defines luxury goods. • Identifies computers as a luxury good for Tate.	Explains why phones are an inferior good and computers are a luxury good for Tate. Note: it is acceptable if the candidate argues that a phone (e.g. iPhone 12) is better than a computer, and adequately explains this.	• Fully explains why phones are an inferior good while computers are a luxury good for Tate in response to his increase in popularity. • Uses correct economic terminology.
(d)		Indicates with a line, an arrow and label that annual demand for phone-based apps will decrease and computer-based apps will increase.		
(e)	Since Tate's income has increased, his annual demand for computer-based apps will increase as he can now afford to buy a higher quality, superior product in order to upload more songs. This is shown on the graph by a rightward shift from D to D_1.	• Indicates that demand for phones will decrease.	Explains the effect of the increase in Tate's income on his demand for both phones and computers,	Fully explains why demand for phones and computers would change, with reference to the graphs.

	Since he is using a computer to upload his songs, he will no longer need to use the lower quality phone-based apps, so his demand for phone-based apps will decrease, as will be shown by a leftward shift of the demand curve from D to D_1.	• Indicates that demand for computers will increase.	making some reference to the graphs.	
(f)	Possible positive flow-on effects: • Tate's songs will be of a better quality and get more hits on YouTube, which will increase his popularity further. • Tate will possibly have more time for his school work if he is spending less time uploading songs to YouTube with his higher quality device. • Tate will improve his computer skills, which may benefit him in other school work. Possible negative flow-on effects: • Tate will now have an additional device to look after as he will still have his phone for calls, texting etc. and now also his computer. • Tate's computer is not as readily accessible as his phone is as it will require some form of setting up. Even if it is a laptop, he will still need to sign in each time he uses it after a break and he might miss out on quick uploads that he previously did with his phone. • Tate might fall behind on schoolwork if he spends too much time on his computer now that he sees the increase in popularity from using it. • If Tate spends too much time on his computer, he might be using it into the night and he might start to get tired and his schoolwork will suffer. • If his marks drop too much, he will not receive the free tuition to the music school that he is hoping to get.	Identifies a flow-on effect(s) for Tate.	Flow-on effect(s) for Tate are explained.	Fully explains one positive and one negative flow-on effect for Tate.

N1	N2	A3	A4	M5	M6	E7	E8
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N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 7	8 - 13	14 - 18	19 – 24