

Assessment Schedule – 2023**Economics: Demonstrate understanding of producer choices using supply (90985)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding involves:</i></p> <ul style="list-style-type: none"> defining, identifying, describing, and /or providing an explanation of choices a producer makes in response to a change in either internal or external factors affecting supply identifying, describing, and /or providing an explanation of the flow-on effects for the producer, clearly illustrating changes using the supply model. 	<p><i>Demonstrate in-depth understanding involves:</i></p> <ul style="list-style-type: none"> using the supply model to provide a detailed explanation of choices a producer makes in response to a change in either internal or external factors affecting supply providing a detailed explanation of the flow-on effects for the producer. 	<p><i>Demonstrate comprehensive understanding involves:</i></p> <ul style="list-style-type: none"> linking detailed explanations of the flow-on effects for the producer, with detailed explanations of choices a producer makes in response to a change in either internal or external factors affecting supply integrating changes in supply into detailed explanations.

Evidence

Q1	Evidence		Achievement	Achievement with Merit	Achievement with Excellence
(a)	Price per seafood pizza	Quantity supplied per day	<ul style="list-style-type: none"> Completes the supply schedule with no more than one incorrect figure. OR <ul style="list-style-type: none"> Increase in price and quantity shown with use of arrows and dotted lines. 	<ul style="list-style-type: none"> Completes the supply schedule with no more than one incorrect figure. AND <ul style="list-style-type: none"> Increase in price and quantity shown with use of arrows and dotted lines. 	
	3.00	50			
	3.50	60			
	4.00	75			
	4.50	80			
	5.00	85			
	5.50	95			
	6.00	100			
(b)	See Appendix.				
(c)	<p>The law of supply states that as the price increases, the quantity supplied increases, assuming <i>ceteris paribus</i>. In this case, as the price of seafood pizzas increases from \$4.00 to \$5.50, the quantity supplied increases from 75 to 95 pizzas.</p> <p><i>Ceteris paribus</i> means all other factors that may affect the supply of seafood pizza do not change, for example cost of ingredients, technology.</p>		<ul style="list-style-type: none"> Identifies an increase in the quantity supplied of seafood pizza. 	<ul style="list-style-type: none"> Explains the law of supply, with the idea of increased profitability, using data in context. Explains <i>ceteris paribus</i>. 	<ul style="list-style-type: none"> Explains in detail the law of supply, with the idea of increased profitability, using data in context. Explains <i>ceteris paribus</i>, using an example.
(d)	As the price of seafood pizza increases, the revenue earned per pizza increases. This change makes seafood pizza more profitable to supply as the difference between revenue and cost has increased. Hence, the quantity supplied will increase.				<ul style="list-style-type: none"> Explains increased gap between revenue and costs, using data in context.

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence with at least one explanation.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.
				Uses detailed explanation in context, and mostly correct data.		Used integrated explanations in context, and correct data and economic terminology.	

N0 = No response; no relevant evidence.

Q2	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Seafood and vegetarian pizzas are related goods because some of the resources used to produce them are the same or similar, for example labour, flour, cheese, ovens.	<ul style="list-style-type: none"> Describes the idea of a related good. 	<ul style="list-style-type: none"> Explains, with relevant examples, why seafood and vegetarian pizzas are related goods. 	<ul style="list-style-type: none"> Explains in detail, with relevant examples, why seafood and vegetarian pizzas are related goods.
(b)	See Appendix.	<p>Graph Two:</p> <ul style="list-style-type: none"> Supply curve shifted to the left with arrow or labelling. <p>Graph Three:</p> <ul style="list-style-type: none"> Supply curve shifted to the right with arrow or labelling. 	<p>Graph Two:</p> <ul style="list-style-type: none"> Supply curve shifted to the left with arrow and labelling. <p>Graph Three:</p> <ul style="list-style-type: none"> Supply curve shifted to the right with arrow and labelling. 	
(c)	<p>The higher price of vegetables would increase the relative profitability of seafood pizzas. This is because the cost of producing vegetable pizzas would increase, making them less profitable to produce compared to seafood pizzas.</p> <p>Hence, more seafood pizzas would be supplied at each price as some resources would be transferred to seafood pizzas to produce more. This causes an increase in supply of seafood pizzas, shown by the rightward shift of the supply curve (S to S_1).</p>	<ul style="list-style-type: none"> Describes a valid reason why the supply of seafood pizzas will increase. 	<ul style="list-style-type: none"> Explains the link between the increase in the price of vegetables, relative profitability, and increased supply of seafood pizza. 	<ul style="list-style-type: none"> Explains in detail the link between the increase in the price of vegetables, relative profitability, and increased supply of seafood pizza. <p>Must have switching resources idea.</p>
(d)	<p>Examples of possible flow-on effects for <i>Pania's Pizzas</i>:</p> <ul style="list-style-type: none"> Purchases fewer ingredients specific to vegetarian pizzas ingredients (e.g. spinach and olives) as fewer vegetarian pizzas are being produced. Some workers, who specialise in making vegetarian pizzas, may need to be upskilled / retrained for making seafood pizzas. Purchases more ingredients specific to seafood pizzas (e.g. fish) as more seafood pizzas are being produced. Shift advertising focus to promote seafood pizzas because Pania's Pizzas prefers to supply more seafood pizzas due to higher relative profitability. 		<ul style="list-style-type: none"> Explains one flow-on effect. <p>Must give a valid reason for the flow-on effect.</p>	<ul style="list-style-type: none"> Explains two flow-on effects. <p>Must give a valid reason for both flow-on effects.</p>

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				Uses detailed explanation in context, and mostly correct data.		Used integrated explanations in context, and correct data and economic terminology.	

N0 = No response; no relevant evidence.

Q3	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	An increase in the minimum wage is an external legal factor because it is a factor affecting supply that the business has no control over. The law says that <i>Pania's Pizzas</i> must pay all its workers at least the minimum wage hourly rate, which means that they will be breaking the law if they do not do this.	Describes that: <ul style="list-style-type: none"> an increase in the minimum wage is outside the control of the <i>Pania's Pizzas</i> OR <ul style="list-style-type: none"> the law says that workers must be paid at least the minimum wage hourly rate, otherwise the business would break the law. 	Explains that: <ul style="list-style-type: none"> an increase in the minimum wage is outside the control of the <i>Pania's Pizzas</i> AND <ul style="list-style-type: none"> the law says that workers must be paid at least the minimum wage hourly rate, otherwise the business would break the law. 	
(b)	See Appendix.	<ul style="list-style-type: none"> Supply curve shifted to the left with arrow or labelling. 	<ul style="list-style-type: none"> Supply curve shifted to the left with arrow and labelling. 	
(c)	The higher minimum wage would increase the costs of production as <i>Pania's Pizzas</i> would have to raise the wage rate of the workers who are currently earning less than the new minimum wage. This would raise the overall labour costs for the business.	<ul style="list-style-type: none"> States that costs of production increase. 	<ul style="list-style-type: none"> Explains the link between the increase in the minimum wage and increased costs of production. 	
(d)	The increased costs of production will reduce the profitability of seafood pizzas, as the difference between revenue and costs will be less now that the costs are higher. Hence fewer seafood pizzas will be supplied at each price reducing the supply. This means the supply curve shifts to the left, S to S ₁ .	<ul style="list-style-type: none"> States that there is a decrease in the supply of seafood pizzas. 	<ul style="list-style-type: none"> Explains the link between increased costs of production, reduced profitability, and less supply of seafood pizzas. 	<ul style="list-style-type: none"> Explains in detail the link between reduced profitability and less supply of seafood pizzas. <p>Must refer to difference between revenue and costs decreasing.</p>
(e)	Productivity is the (average) output per unit of input. In the context of <i>Pania's Pizzas</i> , this could be the (average) number of pizzas made per worker per day.	<ul style="list-style-type: none"> Defines productivity. 	<ul style="list-style-type: none"> Explains the concept of productivity in the context of <i>Pania's Pizzas</i>. 	<ul style="list-style-type: none"> Explains in detail the concept of productivity in the context of <i>Pania's Pizzas</i>.
(f)	<i>Pania's Pizzas'</i> productivity will increase as the increased efficiency of the workers will reduce the time it takes to make a pizza, meaning more pizzas can be made each day as the (average) output per worker has increased.	<ul style="list-style-type: none"> Identifies that productivity increases. 	<ul style="list-style-type: none"> Explains a valid reason for productivity increasing. 	<ul style="list-style-type: none"> Explains in detail a valid reason for productivity increasing.

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				Uses detailed explanation in context, and mostly correct data.		Used integrated explanations in context, and correct data and economic terminology.	

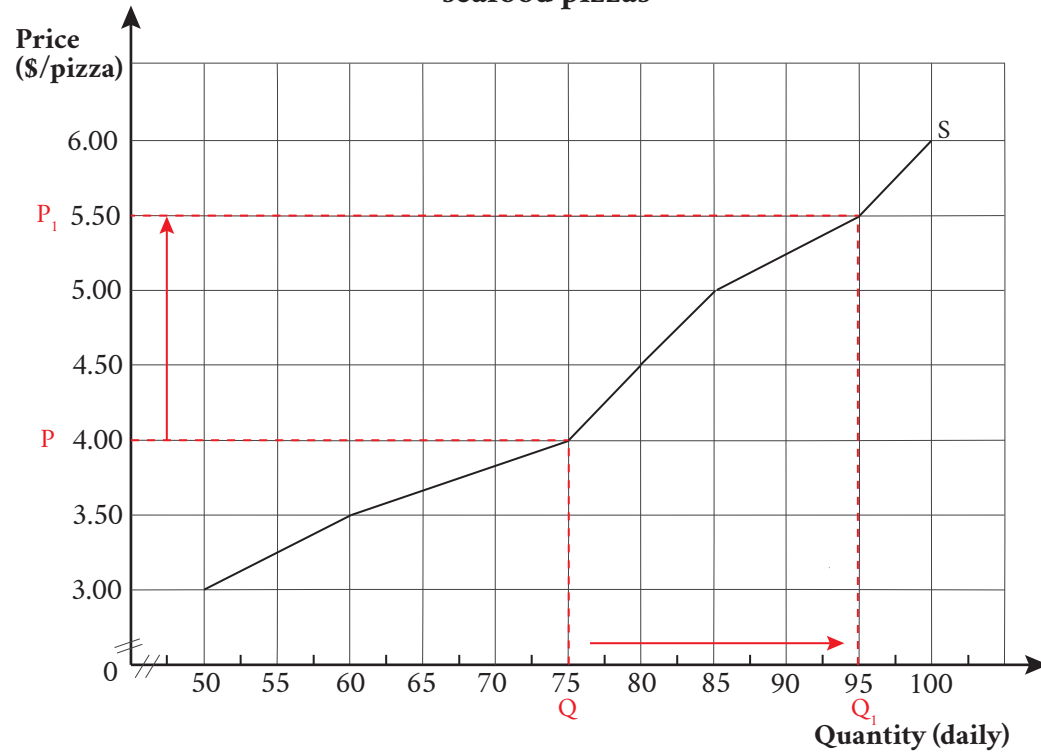
N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 6	7 – 12	13 – 18	19 – 24

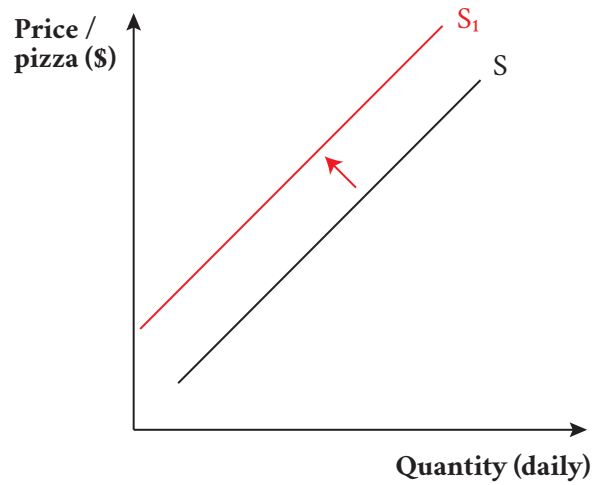
Appendix**Question 1(b)**

Graph One: *Pania's Pizzas*' daily supply curve for seafood pizzas

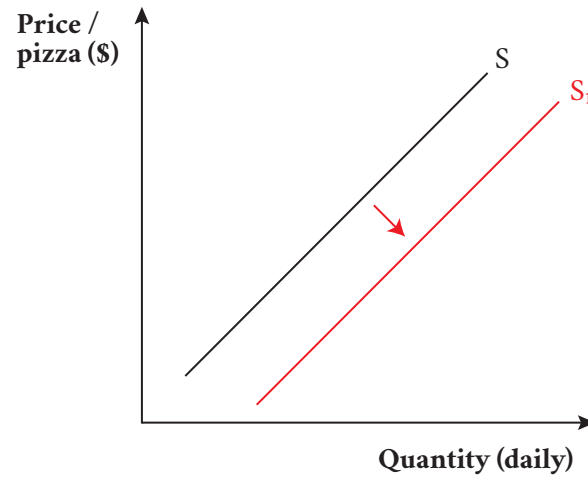


Question 2(b)

Graph Two: *Pania's Pizzas'* supply curve for vegetarian pizzas (daily)



Graph Three: *Pania's Pizzas'* supply curve for seafood pizzas (daily)



Question 3(b)

Graph Four: *Pania's Pizzas'* supply curve for seafood pizzas (daily)

