

**Assessment Schedule – 2023****Economics: Demonstrate understanding of consumer choices, using scarcity and / or demand (90983)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate <b>understanding</b> involves:</i></p> <ul style="list-style-type: none"> <li>• defining, identifying, describing, or providing an explanation of consumer choices related to scarcity</li> <li>• identifying, describing, or providing an explanation of choices a consumer makes in response to a change in price or non-price factors</li> <li>• identifying, describing, or providing an explanation of flow-on effects for the consumer, clearly illustrating changes using the demand model.</li> </ul>	<p><i>Demonstrate <b>in-depth understanding</b> involves:</i></p> <ul style="list-style-type: none"> <li>• providing a detailed explanation of consumer choices related to scarcity</li> <li>• providing a detailed explanation, using demand, of choices a consumer makes in response to a change in price or non-price factors</li> <li>• providing a detailed explanation of the flow-on effects for the consumer.</li> </ul>	<p><i>Demonstrate <b>comprehensive understanding</b> involves:</i></p> <ul style="list-style-type: none"> <li>• providing an integrated explanation of consumer choices related to scarcity</li> <li>• 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</li> <li>• integrating changes in demand into detailed explanations.</li> </ul>

**Evidence**

Q1	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	See Appendix.	Shows on graph: <ul style="list-style-type: none"> <li>• title (including time)</li> <li>• axis labels (P \$, Q services)</li> <li>• line (plotted)</li> <li>• line labelled (D)</li> <li>• scale (even and accurate).</li> </ul>		
(b)	See Appendix.	Identifies accurate movement up the demand curve (dotted lines, arrows, labels).		
(c)	The law of demand states that as the price decreases, the quantity demanded increases (and vice versa), assuming <i>ceteris paribus</i> (i.e. all other factors remain unchanged). Chloe's monthly quantity demanded for streaming services will increase from three services to five services per month ( $Q$ to $Q_1$ ) when the price per services decreases from \$16 to \$12 per streaming service ( $P$ to $P_1$ ). This is because streaming services have now become relatively less expensive for Chloe than previously. Therefore, Chloe can now afford to buy more streaming services per month with her given level of income.	<ul style="list-style-type: none"> <li>• States that quantity demanded will increase.</li> <li>• Identifies a reason for the law of demand – streaming services have become relatively less expensive (more affordable).</li> </ul>	<ul style="list-style-type: none"> <li>• Explains the law of demand and the idea of increased affordability, with some reference to the information in either the table or graph.</li> <li>• Explains the increase in streaming services purchased.</li> </ul>	<ul style="list-style-type: none"> <li>• Explains in detail the law of demand, using correct data linking to increased affordability.</li> <li>• Refers to the changes on the graph and uses correct data and economic terminology.</li> </ul>
(d)	<ul style="list-style-type: none"> <li>• Chloe's grades might get worse if she starts to prioritise watching TV and not studying, as there are more TV shows to choose from.</li> <li>• Chloe might become unfit as she is sitting on the couch watching TV instead of exercising.</li> <li>• As Chloe enjoys listening to music when she exercises, she might get fitter by exercising more as she can stream more music.</li> <li>• Chloe can spend more on other goods / services (or increase savings) if the price decrease results in less total spending on streaming services.</li> </ul> <p><i>Any other reasonable flow-on effects considered.</i></p>		<ul style="list-style-type: none"> <li>• Explains a flow-on effect for Chloe. Must give a valid reason for the flow-on effect.</li> </ul>	<ul style="list-style-type: none"> <li>• Explains in detail a flow-on effect for Chloe. Must give a valid reason for the flow-on effect.</li> </ul>

<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
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	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Values are beliefs used when deciding how to behave and what to think.	<ul style="list-style-type: none"> <li>Correct definition.</li> </ul>		
(b)	Financial stability, earning money, listening to music, keeping fit from walking home, looking after children. <i>Any logical answer accepted.</i>	<ul style="list-style-type: none"> <li>Two correct answers.</li> </ul>		
(c)	<p>Time is limited for Chloe as she has to divide her time between babysitting, homework, and practising sports. As a result of scarcity (limited means versus unlimited wants and needs), Chloe will need to choose which activity or activities are the most important for her to spend her limited time.</p> <p>When she chooses one activity over another, for example she chooses to babysit instead of doing her homework, she is giving up the next best alternative, which is defined as an opportunity cost. Chloe's opportunity cost is her homework as it is the next best alternative forgone.</p> <p><i>Any reasonable substitution or order from list acceptable.</i></p>	<ul style="list-style-type: none"> <li>Describes scarcity.</li> <li>Identifies a choice.</li> <li>Explains an opportunity cost.</li> </ul>	<p>Explains:</p> <ul style="list-style-type: none"> <li>a choice</li> <li>opportunity cost.</li> </ul>	<ul style="list-style-type: none"> <li>Explains the concepts of scarcity, choice, and opportunity cost in the context of Chloe's decision.</li> </ul>
(d)	<p>Conflict: Not enough time to do homework <i>Other reasonable conflicts accepted.</i></p> <p>Compromises:</p> <ul style="list-style-type: none"> <li>Chloe could divide her time evenly between shifts of babysitting so that she could make more time to do homework.</li> <li>Chloe could do some homework while she is babysitting instead of doing arts and crafts so that she is still completing her homework without having to sacrifice earning money.</li> </ul>	<ul style="list-style-type: none"> <li>Describes a conflict.</li> </ul>	<ul style="list-style-type: none"> <li>Explains a suitable compromise for Chloe.</li> </ul>	<ul style="list-style-type: none"> <li>Explains in detail a suitable compromise and links to limited time.</li> </ul>

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**N0** = No response; no relevant evidence.

Q3	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Cinema tickets and popcorn are complementary goods – goods that are consumed together.	<ul style="list-style-type: none"> <li>Identifies as complementary goods.</li> </ul>	<ul style="list-style-type: none"> <li>Complementary goods are goods that go / are consumed together.</li> </ul>	
(b)	See Appendix.	<ul style="list-style-type: none"> <li>Shows increase in demand for popcorn OR</li> <li>shows decrease in price / increase in QD for cinema tickets.</li> </ul>	<ul style="list-style-type: none"> <li>Shows increase in demand for popcorn AND</li> <li>shows decrease in price / increase in QD for cinema tickets.</li> </ul>	
(c)	<p>When choosing to watch a movie, cinema tickets and popcorn are complementary goods.</p> <p>If the price of cinema tickets decreases (<math>P</math> to <math>P_1</math>), Chloe's quantity demanded for cinema tickets will increase (<math>Q</math> to <math>Q_1</math>).</p> <p>This means that she will increase her demand for popcorn at each and every price, and the demand curve will shift to the right from <math>D</math> to <math>D_1</math>.</p>	<ul style="list-style-type: none"> <li>States an increase in QD of cinema tickets. OR</li> <li>Explains more popcorn is demanded. (Explains more demand for complementary items.)</li> </ul>	<ul style="list-style-type: none"> <li>Explains a downwards shift <b>ALONG</b> the curve of cinema tickets.</li> <li>Explains a shift to the right of the demand curve for popcorn, with reference to the graph.</li> </ul>	<ul style="list-style-type: none"> <li>Explains in detail a shift to the right of the demand curve for popcorn with reference to the graph.</li> <li>Links increase in QD of cinema tickets to increase in demand of popcorn.</li> </ul>
(d)	<p>Any TWO reasonable flow-on effects accepted.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>Chloe ends up spending <b>MORE</b> of her disposable income as she buys popcorn and drinks at the movies.</li> <li>Chloe becomes more social / makes more friends as she is getting out more rather than staying at home by herself.</li> <li>Chloe ends up having less time to do babysitting, homework, sport, art, or other hobbies as she often goes to the cinema.</li> <li>Chloe ends up saving less money (or has less money to spend on other items) as she has spent her money on cinema tickets and popcorn.</li> </ul>		<p>Explains one flow-on effect for Chloe.</p> <p>Must give a valid reason for the flow-on effect.</p>	<p>Explains two flow-on effects for Chloe.</p> <p>Must give a valid reason for the flow-on effects.</p>

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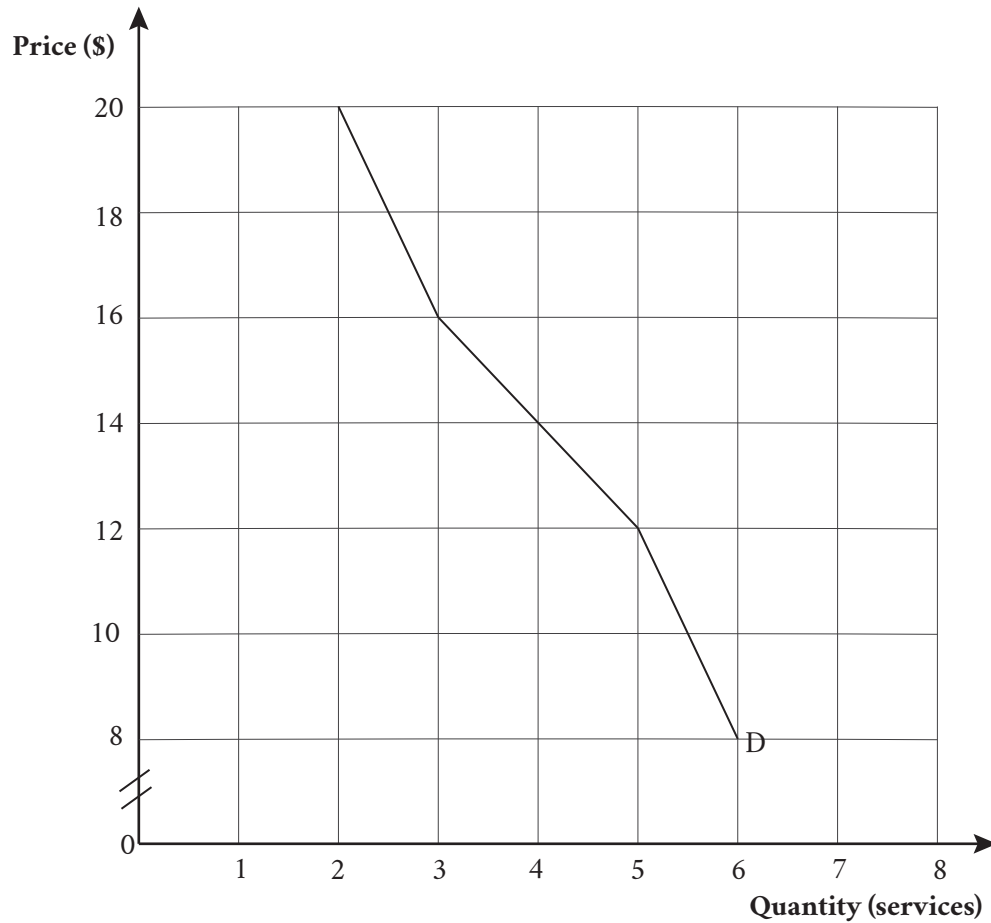
**Cut Scores**

<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
0 – 6	7 – 12	13 – 18	19 – 24

## Appendix

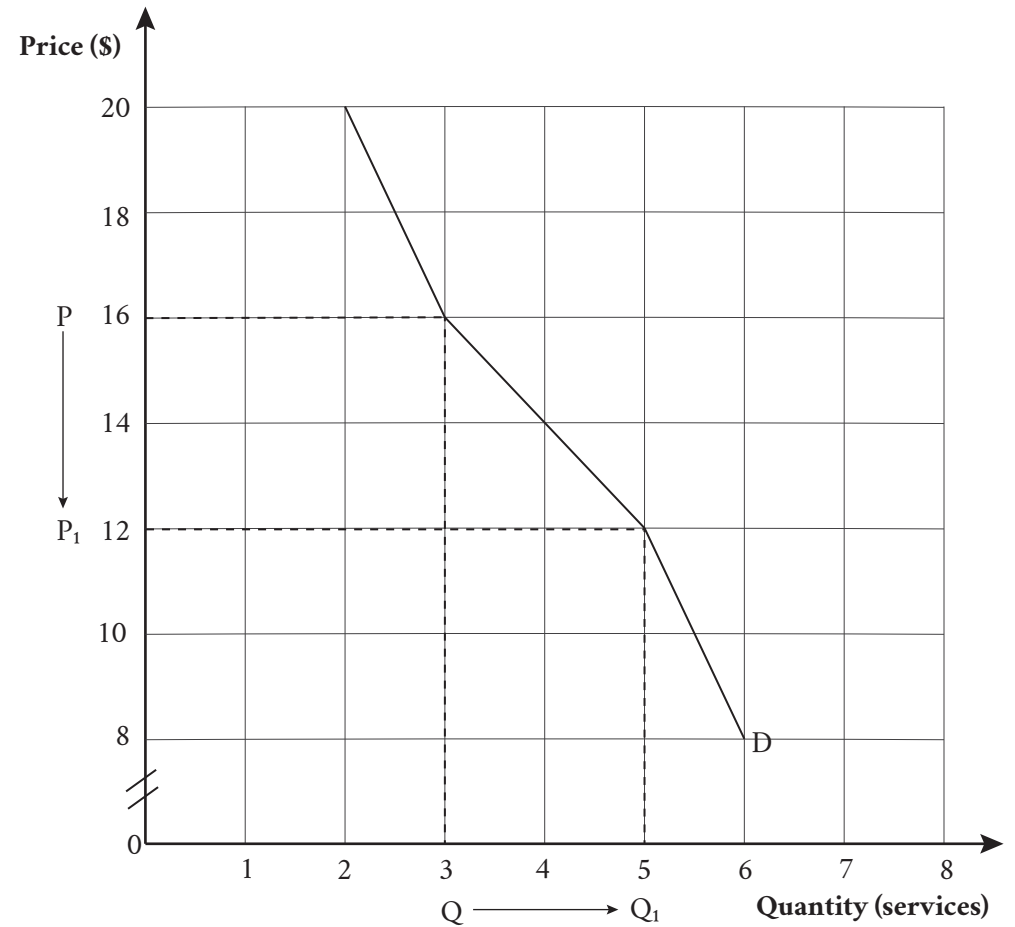
### Question 1(a)

Chloe's demand curve for streaming services (monthly)



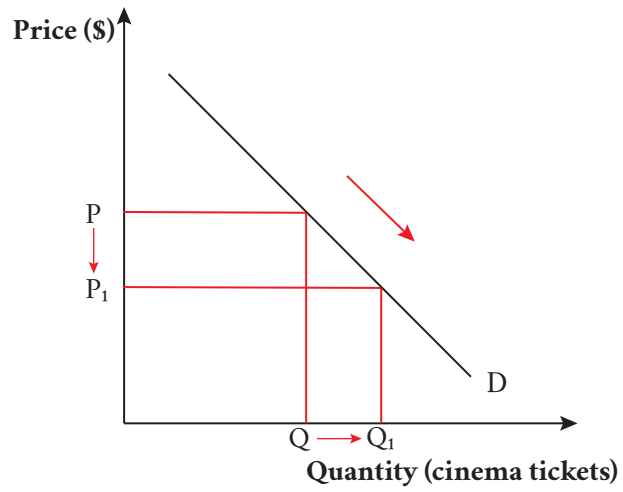
### Question 1(b)

Chloe's demand curve for streaming services (monthly)



**Question 3(b)**

**Graph Two: Chloe's monthly demand for cinema tickets**



**Graph Three: Chloe's monthly demand for popcorn**

