Year 12 Assessment 2: International competitiveness and globalisation MARKING GUIDE

1. *‘Protection can lead to nations becoming less efficient in their allocation of resources.’*

With reference to two types of protection, explain how economies can become less efficient and the impact this can have on consumers and producers. (12 marks)

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| Description | Marks |
| Define protection | 1 |
| Define tariff and subsidy | 1 |
| Explain tariffs   * Correct model plus reference to model * Impact on consumers and producers with reference to consumer and producer surplus * Explanation of reason for loss of efficiency | 1 - 5 |
| Explain subsidies   * Correct model plus reference to model * Impact on consumers and producers with reference to consumer and producer surplus * Explanation of reason for loss of efficiency | 1 - 5 |

Feedback:

* Common misconception about protectionism improving competitiveness. This is incorrect: Protectionism provides an artificial price advantage but domestic goods would not be sold cheaper than foreign goods
* Be careful to focus impact on domestic consumers and producers. Mistake made where students referenced reallocation of resources from efficient foreign producers to less efficient domestic producers

1. *Globalisation has been a driving force behind world economic growth since World War II. Recent economic events have highlighted inequity in global economies.*

Evaluate the **economic effects** of globalisation. (8 marks)

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| Description | Marks |
| Define globalisation | 1 |
| Economic effects of globalisation include: (refer to table in Kemp)   * Increased trade * Improvement of living standards * Increased employment * Increased GDP * Increased efficiency * Vulnerable supply chains   Need to evaluate at least 3 key aspects  Note: If only describing/explaining economic effects of globalisation, max mark is 6/8.  At least 2 marks are allocated for evaluation | 1 - 7 |

Feedback:

* Students were barely evaluating at all. Often only made a passing remark. There needs to be a conclusion for an evaluation question.
* Students were often listing rather than explaining the effects.
* Non-economic effects were often described, e.g. environmental degradation, labour exploitation. Need to link to the impact on the economy