

Assessment Schedule – 2015**Economics: Analyse economic growth using economic concepts and models (91224)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Analyse economic growth</i> involves:</p> <ul style="list-style-type: none"> identifying, defining, or describing economic growth concepts providing an explanation of causes of changes in economic growth using economic models providing an explanation of the impacts of changes in economic growth on various groups in New Zealand society and / or the environment. 	<p><i>Analyse economic growth in depth</i> involves:</p> <ul style="list-style-type: none"> providing a detailed explanation of causes of changes in economic growth using economic models providing a detailed explanation of the impacts of changes in economic growth on various groups in New Zealand society and / or the environment. 	<p><i>Analyse economic growth comprehensively</i> involves:</p> <ul style="list-style-type: none"> analysing causes of changes in economic growth by comparing and / or contrasting their impact on economic growth analysing the impacts of changes in economic growth by comparing and / or contrasting the impact on various groups in New Zealand society and / or the environment integrating changes shown on economic models into detailed explanations.

Explanation involves giving a reason for the answer.

Detailed explanation involves giving an explanation with breadth (more than one reason for the answer) and / or depth (e.g. using flow-on effects to link the main cause to the main result).

Evidence

Question ONE	Evidence						
Achievement	(a)	<ul style="list-style-type: none"> Correctly draws and labels a point X inside the PPF. (See Appendix One.) Correctly draws an arrow that points out towards the PPF. (See Appendix One.) Explanation of how an increase in Real GDP will affect economic growth. (e.g. An increase in Real GDP means that the output of the economy has risen. Higher output means that there is economic growth.) 					
	(b)	<ul style="list-style-type: none"> Correctly draws and labels the new PPF. (See Appendix Two.) Explanation of how an increase in productive capacity will affect economic growth. (e.g. An increase in productive capacity is when the PPF moves outwards. More could be produced (more output), which may result in economic growth in the future.) Connection to how much will be produced. 					
Achievement with Merit	(a)	<ul style="list-style-type: none"> Detailed explanation of how an increase in Real GDP will affect economic growth, including a reference to Graph One. (e.g. An increase in Real GDP means that the output of the economy has risen (capital and/or consumer goods). This is shown by the arrow pointing out to a higher level of output of these types of goods. Because output is growing, there is economic growth.) This indicates a better use of resources or using unemployed resources. 					
	(b)	<ul style="list-style-type: none"> Detailed explanation of how an increase in productive capacity will affect economic growth, including a reference to Graph Two. (See Appendix Two.) (e.g. An increase in productive capacity is when the PPF moves outwards. More resources and better technology are available, and so more could be produced. The PPF moves out, as is shown by the arrow. A higher PPF indicates that economic growth can occur in the future.) 					
Achievement with Excellence	(a) and (b)	<ul style="list-style-type: none"> Detailed explanations of how an increase in Real GDP AND an increase in productive capacity will affect economic growth, integrating Graph One and Graph Two into the answer. (e.g. An increase in Real GDP means that the output of capital and/or consumer goods in the economy has risen. This is shown by the arrow pointing out to a higher level of output of these types of goods without new technology and resources being available. Because output is growing along the axes, there is economic growth, whereas an increase in productive capacity is when the PPF moves outwards. More resources and better technology are available, and so more could be produced, but that does not mean that output has actually risen, as X has not shifted. The PPF moves out, as is shown by the arrow. A higher PPF indicates that economic growth can occur in the future. 					
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence. At least one explanation.	Nearly all Achievement evidence.	Some Merit evidence. Detailed explanation of ONE only but with minor errors.	Most Merit evidence. Detailed explanation of ONE only.	Some Excellence evidence.	Most Excellence evidence.

N0 = No response; no relevant evidence.

Question TWO	Evidence						
Achievement	(a)	<ul style="list-style-type: none"> Correctly draws and labels a new AD curve. (See Appendix Three.) Explanation of the impact of climate change on economic growth. (e.g. The increased spending by households, businesses, and Government will increase AD. AD will shift outwards. The higher AD will result in an increase in Real GDP, and this represents economic growth.) 					
	(b)	<ul style="list-style-type: none"> Correctly draws and labels a new AS curve. (See Appendix Four.) Explanation of the impact of higher costs of production on economic growth. (e.g. The increased costs of production mean that businesses will need to reduce output. This will result in lower AS and a decrease in Real GDP. This represents falling economic growth.) 					
Achievement with Merit	(a)	<ul style="list-style-type: none"> Detailed explanation of the impact of climate change on economic growth, with reference to Graph Three. (e.g. The increased spending by households, businesses, and the Government will increase consumption, investment, and government spending. All of these are components of AD, and, therefore, AD will rise (AD to AD₁). The higher AD will result in an increase in Real GDP (Y to Y₁), and this represents economic growth.) 					
	(b)	<ul style="list-style-type: none"> Detailed explanation of the impact of higher costs of production on economic growth, with reference to Graph Four. (e.g. The increased costs of production mean that businesses will need to raise prices to maintain profit margins. This will result in AS shifting to the left (AS to AS₂). The lower AS will result in a decrease in Real GDP (Y to Y₂), and this is a decrease in economic growth and, perhaps, a recession.) 					
Achievement with Excellence	(b)	<ul style="list-style-type: none"> A detailed explanation of the impact of higher costs of production on economic growth, with reference to Graph Four (see above) AND a detailed explanation of whether increased spending or increased costs of production will have the greater effect over the next 50 years, integrating Graph Three and Graph Four into the answer. (e.g. Initially, the increase in output achieved from the increased spending may lead to the economy growing. But as the impacts of climate change intensify over the later part of the next 50 years, higher costs of production will result from increasing supply and resource disruption, and it is likely that the higher costs will outweigh the greater spending. The shift to the right of AD will be overtaken by the shift to the left of AS. As a result, it is likely that in 50 years' time, Real GDP will have fallen and we will be worse off.) <p>Note: It is possible for the candidate to gain Achievement with Excellence by having a larger rise in AD than the fall in AS (Real GDP rises) with explanations that are consistent with the graph. In addition, it is intended that candidates are able to gain Achievement with Excellence by comparing and contrasting single curve shifts. However, a candidate who uses accurate combination shifts should not be disadvantaged.</p>					
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence. At least one explanation.	Nearly all Achievement evidence.	Some Merit evidence. Detailed explanation of ONE only but with minor errors.	Most Merit evidence. Detailed explanation of ONE only.	Some Excellence evidence.	Most Excellence evidence.

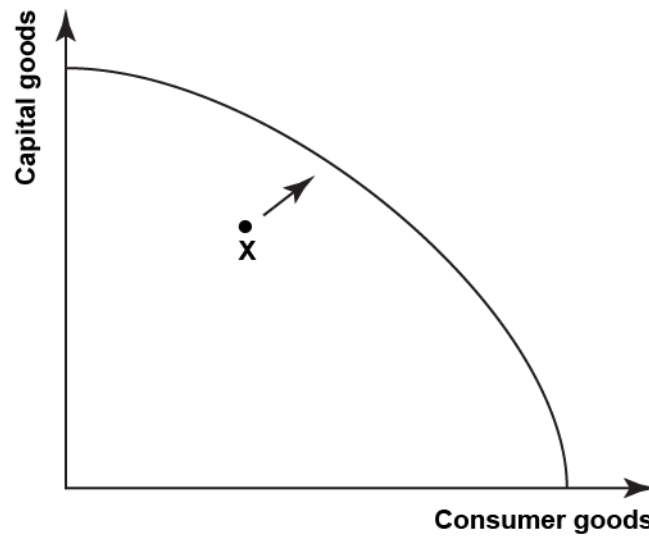
Question THREE	Evidence						
Achievement	<ul style="list-style-type: none"> Explanation of how some businesses are better off. (e.g. Businesses, like orchardists, that will be able to access resources (e.g. water) and will be able to increase their output.) Explanation of how some households are worse off. (e.g. Households that use the river for recreation may find that parts of the river are lost under the reservoir, resulting in a loss of recreation opportunities.) Explanation of how some households are better off. (e.g. Households that will be able to access the electricity may find that they have a more reliable energy source.) Explanation of how some businesses are worse off. (e.g. Some businesses may lose their premises or capital goods if there is an earthquake and the dam collapses.) <p>Example AND why.</p>						
Achievement with Merit	<ul style="list-style-type: none"> Some businesses are better off (e.g. Businesses, like orchardists, that will be able to access resources (e.g. water) more easily will be able to increase their output and, as a result, increase their income. They are likely to be better off.) <p>OR</p> <p>Detailed explanation of how some businesses are worse off. (e.g. Businesses face the threat of loss of production if an earthquake causes the dam to collapse. This could discourage them from investing, as they may feel that they could be significantly worse off if that event occurs.)</p> <ul style="list-style-type: none"> Some households are better off (e.g. Households that will be able to access the electricity may find that they have a more reliable energy source and this could prevent losses caused by interrupted electricity supply. They are likely to be better off.) <p>OR</p> <p>Detailed explanation of how some households are worse off. (e.g. Households that use the river for recreation may find that parts of the river are lost under the reservoir. They may have to travel to other areas to gain the same recreational opportunities, and, as a result, they will be worse off.)</p>						
Achievement with Excellence	<ul style="list-style-type: none"> A detailed economic explanation of how some businesses are better off whereas some businesses are worse off (e.g. Businesses, like orchardists, that will be able to access resources (e.g. water) will be able to increase their output and, as a result, increase their income. They are likely to be better off. Businesses face the threat of loss of production if an earthquake causes the dam to collapse. This would prevent them from investing, as they may feel that they could be significantly worse off if that event occurs.) A detailed economic explanation of how some households are better off whereas some households are worse off. (e.g. Households that will be able to access the electricity may find that they have a more reliable energy source, and this could prevent losses caused by interrupted electricity supply. They are likely to be better off. Households that use the river for recreation may find that parts of the river are lost under the reservoir. They may have to travel to other areas to gain the same recreational opportunities, and, as a result, they will be worse off.) 						
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

Cut Scores

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

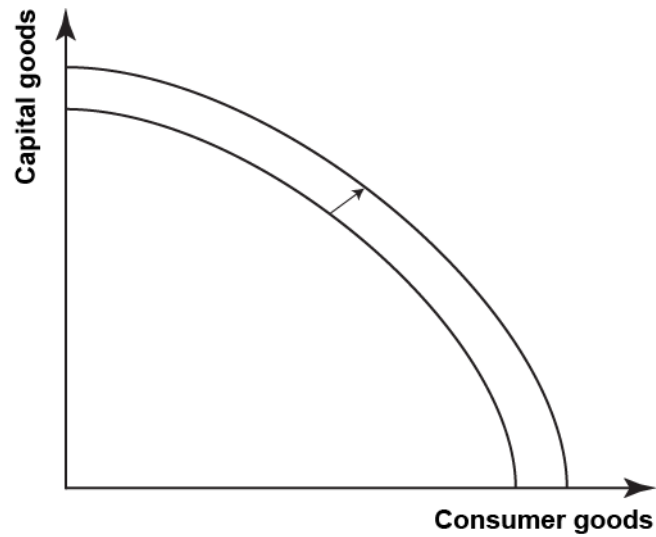
Appendix One – Question One (a)

Graph One: Production Possibility Frontier



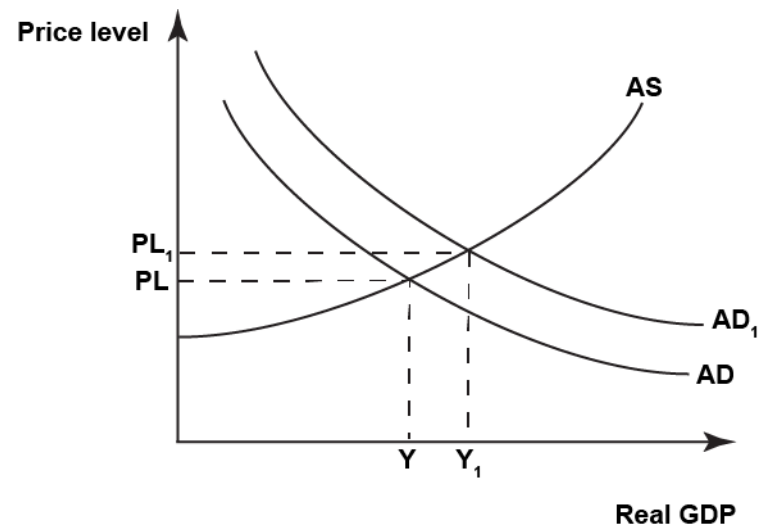
Appendix Two – Question One (b)

Graph Two: Production Possibility Frontier



Appendix Three – Question Two (a)

Graph Three: AD/AS model of the NZ economy



Appendix Four – Question Two (b)

Graph Four: AD/AS model of the NZ economy

