

**Assessment Schedule – 2019****Economics: Analyse international trade using economic concepts and models (91223)****Assessment Criteria**

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

**NB:** Explanation involves giving a reason for the answer. Detailed explanation involves giving an explanation with breadth (e.g. 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).

<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.	Little Achievement evidence.	Some Achievement evidence.	Most Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence Evidence.

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

**Evidence**

Question ONE	Achievement	Achievement with Merit	Achievement with Excellence
(a)(i)	<ul style="list-style-type: none"> <li>See <i>Appendix, Graph One</i>. A decrease in Demand with a decrease in the exchange rate (Price axis).</li> </ul>	<ul style="list-style-type: none"> <li>See <i>Appendix, Graph One</i>. Fully label a decrease in Demand with a decrease in the exchange rate (Price axis).</li> </ul> <p><b>AND</b></p> <p>Two of the following in (a)(ii):</p>	
(ii)	<ul style="list-style-type: none"> <li>Explanation that a decrease in demand for New Zealand (NZ) exports will cause the NZ currency to depreciate.</li> <li>Explanation that a decrease in immigration into NZ will cause the NZ currency to depreciate.</li> <li>Explanation that a decrease in the number of tourists coming into NZ will cause the NZ currency to depreciate.</li> </ul>	<ul style="list-style-type: none"> <li>Fully explain that a decrease in demand for NZ exports will cause a decrease in demand for the NZ dollar, causing the NZ currency to depreciate, as shown in <i>Graph One</i>.</li> <li>Fully explain that a decrease in immigration to NZ will cause a decrease in demand for the NZ dollar, causing the NZ currency to depreciate, as shown in <i>Graph One</i>.</li> <li>Fully explain that a decrease in the number of tourists coming to New Zealand will cause a decrease in demand for the NZ dollar, causing the NZ currency to depreciate, as shown in <i>Graph One</i>.</li> </ul>	
(b)(i)	<ul style="list-style-type: none"> <li>See <i>Appendix, Graph Two</i>. Label in the NZ graph, the new world price and the level of exports / aluminium increasing.</li> </ul>	<ul style="list-style-type: none"> <li>See <i>Appendix, Graph Two</i>. Label in the NZ graph, the new world price and the level of exports / aluminium increasing. The graph is fully referred in the following detailed explanation.</li> </ul> <p><b>AND</b></p>	<ul style="list-style-type: none"> <li>See <i>Appendix, Graph Two</i>. Label in the NZ, the new world price and the level of exports increasing. The graph is fully referred in the following detailed explanations.</li> </ul> <p><b>AND</b></p>
(ii)	<ul style="list-style-type: none"> <li>Explain that the increase in world price will lead to an increase in exports and therefore an increase in export receipts.</li> </ul>		

(iii)	<ul style="list-style-type: none"> <li>Explain that NZ consumers will have higher prices and will reduce demand.</li> <li>Explain that NZ producers will receive higher prices and will increase their (quantity) supply. Alternatively, they will have higher revenue / profits.</li> </ul>	<ul style="list-style-type: none"> <li>Explain that NZ consumers will have higher prices as the world price has increased to (P2w) and will reduce quantity demanded.</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>Explain that NZ producers will receive higher prices as the world price in NZ dollar terms has increased to P2w and will increase their quantity supplied. They will have higher revenue OR receive higher export receipts.</li> </ul>	<ul style="list-style-type: none"> <li>Explain that NZ consumers will have higher prices as the world price has increased to (P2w) and will reduce quantity demanded.</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>Explain that NZ producers will receive higher prices as the world price in NZ dollar terms has increased to P2w and will increase their quantity supplied. They will have higher revenue OR receive higher export receipts.</li> </ul>
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Question TWO	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<ul style="list-style-type: none"> <li>Defines a country as a price taker if its supply is so small and insignificant to world supply. This means that any change in New Zealand (NZ) supply will have no impact on the world price (market).</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>Explains that the NZ accommodation industry is so small compared with the global tourist market. This means that any change in New Zealand (NZ) supply will have no impact on the world price (market).</li> </ul>	<ul style="list-style-type: none"> <li>Fully explains the NZ accommodation market for foreign tourists is a price taker because the supply is so small and insignificant to world supply. This means that any change in NZ supply will have no impact on the world price (market). The New Zealand accommodation market cannot increase price as foreign tourists will shift their demand to other tourist markets.</li> </ul>	
(b)(i)	<ul style="list-style-type: none"> <li>See <i>Appendix, Graph Three</i>. Illustrates and labels a decrease in supply in the NZ market, no change in world price and a corresponding</li> </ul>	<ul style="list-style-type: none"> <li><i>Appendix, Graph Three</i>. Illustrates and labels a decrease in supply in the NZ market, no change in world price and a corresponding decrease in foreign tourists</li> </ul>	<ul style="list-style-type: none"> <li><i>Appendix, Graph Three</i>. Illustrates and labels a decrease in supply in the NZ market, no change in world price and a corresponding decrease in foreign tourists / X2 in the accommodation market. The</li> </ul>

(ii)	<p>decrease in foreign tourists (may be labelled X2) in the accommodation market.</p> <ul style="list-style-type: none"> <li>Explains that imposing a daily 'bed tax' will increase the costs of production for accommodation providers, resulting in a decrease in supply. As the NZ accommodation market is unable to increase price, providers will have to reduce profits, decrease revenue, AND/OR leave the market.</li> <li>Explains that workers in the accommodation market will have fewer job opportunities AND / OR accommodation providers leave the market. AND / OR workers will have lower income / hours as providers reduce costs to maintain profit margins.</li> </ul>	<p>(may be labelled X2) in the accommodation market.</p> <p><b>AND</b></p> <p>Either of the following detailed explanations for (b)(ii) referring to the graph.</p> <ul style="list-style-type: none"> <li>Fully explains that imposing a daily 'bed tax' will increase the costs of production for accommodation providers, resulting in a decrease in supply because accommodation for foreign tourism is a price-taker market. This means that the NZ accommodation market is unable to increase price. Since costs of production have increased and price is unable to increase, accommodation providers will have to reduce profits AND / OR leave the market.</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>Explains that workers in the accommodation market will have fewer job opportunities as the number of tourists / export receipts / revenue in the accommodation market fall. If accommodation providers have lower profits, they may try to reduce costs by reducing pay AND / OR conditions for their workers. OR reduce income / hours / number of jobs. OR, if the lower profits cause firms to leave the market, there will be less job opportunities in the market for the workers.</li> </ul>	<p>graph is fully referenced in the following explanations.</p> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>Fully explains that imposing a daily 'bed tax' will increase the costs of production for accommodation providers, resulting in a decrease in supply because accommodation for foreign tourism is a price taker market, the NZ accommodation market is unable to increase price. Since costs of production have increased and price is unable to increase, accommodation providers will either have reduced profits AND / OR will leave the market.</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>Explains that workers in the accommodation market will have fewer job opportunities as the number of tourists / export receipts / revenue in the accommodation market fall. If accommodation providers have lower profits, they may try to reduce costs by reducing pay AND / OR conditions for their workers. OR reduce income / hours / number of jobs. OR, if the lower profits cause firms to leave the market, there will be less job opportunities in the market for the workers.</li> </ul>
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Question THREE	Achievement	Achievement with Merit	Achievement with Excellence
	<ul style="list-style-type: none"> <li>Explains that New Zealand (NZ) future export receipts will increase.</li> </ul>	<ul style="list-style-type: none"> <li>Fully explains that NZ future export receipts will increase, as the country exports more craft beer, due to better quality.</li> </ul>	<ul style="list-style-type: none"> <li>Fully explains that NZ future export receipts will increase, as the country exports more craft beer. The improved beer hops will</li> </ul>

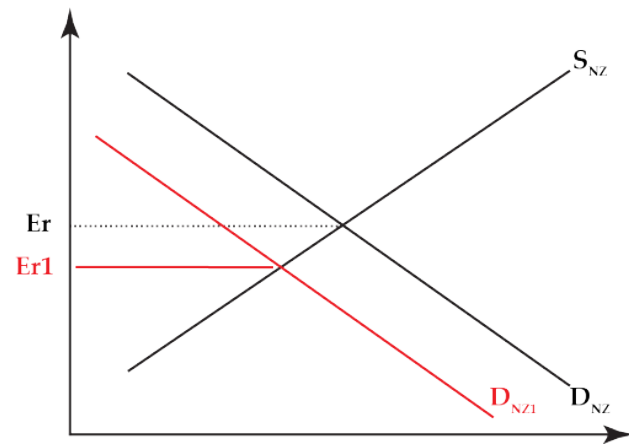
	<ul style="list-style-type: none"> <li>Explains the current account will improve, as the country exports more craft beer.</li> <li>Explains that NZ producers in the craft beer market will have higher revenue / profits / production / export receipts in the future if exports increase.</li> <li>Explains that as the craft beer industry increases, workers will have more job opportunities OR higher wages.</li> <li>Explains that as the craft beer industry increases, the government will have higher tax revenue from EITHER income taxes OR higher tax revenue from company tax.</li> </ul>	<ul style="list-style-type: none"> <li>Fully explains the current account will improve, as the country exports more craft beer, due to better quality.</li> <li>Fully explains that NZ producers in the craft beer market will have higher revenue / profits / production / export receipts in the future if exports increase. Because of this they will be able to increase production and possibly increase prices of their craft beer.</li> <li>Fully explains that as the craft beer industry increases, workers will have EITHER more job opportunities OR higher wages as NZ craft beer producers need to increase production to meet increased future export demand.</li> <li>Fully explains as the craft beer industry increases the government will have higher tax revenue from EITHER income taxes as more New Zealanders are working (or have higher wages) OR higher tax revenue from company tax from the craft beer producers (NOTE: exports are zero-rated so there is no increase in government tax revenue directly from the increased exports of craft beer such as GST from export sales).</li> </ul>	<p>encourage foreign consumers to purchase NZ craft beer.</p> <ul style="list-style-type: none"> <li>Fully explains the current account will improve, as the country exports more craft beer. The improved beer hops will encourage foreign consumers to purchase NZ craft beer.</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>Fully explains that NZ producers in the craft beer market will have higher revenue / profits / production / export receipts in the future if exports increase. Because they will be able to increase production and possibly increase prices of their craft beer.</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>Fully explains that as the craft beer industry increases, workers will have EITHER more job opportunities OR higher wages as NZ craft-beer producers need to increase production to meet increased future export demand.</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>Fully explains that as the craft beer industry increases, the government will have higher tax revenue from income taxes as more New Zealanders are working (or have higher wages) AND higher tax revenue from company tax from the craft beer producers (NOTE: exports are zero rated so there is no increase in government tax revenue directly from the increased exports of craft beer such as GST from export sales).</li> </ul>
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### Cut Scores

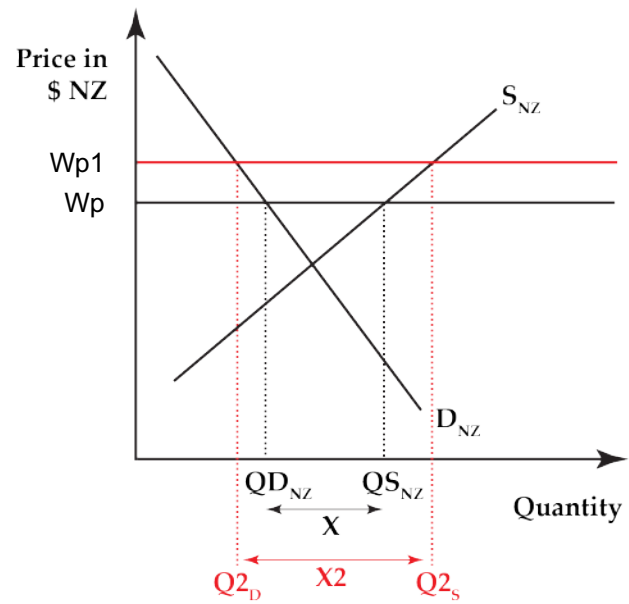
Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 06	07 - 12	13 - 19	20 – 24

## Appendix

Graph One: New Zealand exchange rate



Graph Two: Price-taker model aluminium



Graph Three: New Zealand accommodation market for tourists

