

**Assessment Schedule – 2022****Economics: Analyse economic growth using economic concepts and models (91224)****Assessment Criteria**

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

**Evidence**

Q1	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>The increase in “shovel ready” government projects will increase government spending or investment, or provide jobs for workers, increasing consumption. This will cause an increase in AD to AD<sub>1</sub> resulting in an increase in growth (real GDP).</p> <p>The increase in “shovel ready” government projects will increase productive capacity in New Zealand or increase the productivity within the economy, as the improvements increase the efficiency of transport or skills of educated workers. This will cause an increase in AS to AS<sub>1</sub> resulting in an increase in growth (real GDP).</p>	Either the shift in AD or AS is explained.	Explains in detail the full graph, refers to the graph. Shifts are explained for both AD and AS.	
(b)	<p>The fall in temporary visa holders will decrease consumption by these workers and students. It may cause a fall in business confidence causing investment to fall. This will cause a decrease in AD to AD<sub>2</sub> resulting in a decrease in growth (real GDP).</p> <p>The fall in temporary visa holders will increase the costs of production for many producers as they increase wages to attract workers from the smaller labour force available; or reduce the productive capacity of the New Zealand. This will cause a decrease in AS<sub>1</sub> to AS<sub>2</sub> resulting in a decrease in growth (real GDP).</p>	Either the shift in AD or AS is explained.	Explains in detail the full graph, refers to the graph. Shifts are explained for both AD and AS.	
(c)	<p>The return to the number of temporary visa holders will increase growth more than the “shovel ready” government projects. The 300 000 temporary workers are a significant number as both potential members of the labour force or as consumers. They impact a large range of businesses as both workers and consumers of goods and services. They will increase the business confidence of New Zealand producers who are more likely to increase investment. The shovel ready projects may temporarily increase jobs while the benefits of migrants are more permanent and recurring. The shovel ready projects have impact on fewer regions and industries than the holders of temporary migrant visas.</p> <p>NOTE: Without temporary migrant workers, many shovel ready projects may lack the workforce, or costs may increase</p>			Explains in detail why returning to the level of temporary visa holders (including workers and students) of 2020 has a greater impact on growth than the impact from the government’s shovel ready investment projects.

	significantly as private and public sector firms compete for the limited (quantity and quality) labour force.			
--	---	--	--	--

<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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

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

Q2	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	Illustrates a new combination of output in the PPF and illustrates the opportunity cost of moving to this new combination. See Appendix, Graph Three.	Illustrates and labels correctly either new combination or opportunity cost.	Illustrates and labels correctly new combination and opportunity cost.	
(b)	Since Point A is on the curve (operating at full production capacity), any additional production of forestry will require resources to be reallocated from dairy farming. The loss of these resources will reduce <b>output</b> of dairy farming, which is the opportunity cost of shifting to Point B.	Explains how increased forestry is achieved with existing resources OR explains why the new combination causes an opportunity cost.	Explains how increased forestry is achieved with existing resources AND explains why the new combination causes an opportunity cost.	
(c)	<p>Explains positive impact on workers / firms of agricultural land being transferred into “permanent” forestry. Returns to owners of permanent forestry will be greater and will result in more wealth to this group and industries that support them. Reducing carbon emissions may improve the standard of living of workers and firms in New Zealand. May allow the sustainability of other industries.</p> <p>Explains negative impact on workers / firms of agricultural land being transferred into “permanent” forestry. Less jobs and income for both due to loss of agricultural industries and existing jobs usually involved in harvesting forestry resources. Possible movement of resources (labour and capital) to other areas. Smaller population may see less infrastructure and investment in region in the future. Less agricultural and forestry resources available to satisfy consumer and industrial demands.</p> <p>Explains positive impact this may have on export receipts. Since New Zealand may be fulfilling its zero carbon requirements, we are less likely to see trade measures against our exports. International consumer taste and preferences may shift toward our remaining exports. Export receipts may increase and growth in New Zealand as an economy may increase.</p> <p>Explains negative impact is a decrease in potential output as existing agricultural industries no longer exist and forestry output is not harvested. This may decrease our potential output and reduce the quantity of goods we can export. Export receipts may decrease and growth in New Zealand may fall.</p>	<p>Explains a positive or negative impact on households or firms of increased forestry,</p> <p>OR</p> <p>Explains a positive or negative impact on export receipts of increased forestry.</p>	<p>Explains in detail positive and negative impact(s) on households or firms of increased “permanent” forestry, and / or reduced agricultural output.</p> <p>Explains in detail positive or negative impact(s) on export receipts of increased “permanent” forestry, and / or reduced agricultural output.</p>	<p>Compares and contrasts the positive or negative impacts on households or firms as resources are allocated from agricultural production to “permanent” forestry.</p> <p>Compares and contrasts positive or negative impacts on export receipts of increased “permanent” forestry, as resources are allocated away from agricultural production.</p>

<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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

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

Q3	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
(a)	<p>(Can be answered from the viewpoint of building the estate or the competition of the estate or a combination of both.) The building of the housing / industrial estate will attract workers / firms to the area. This will increase output in the circular flow diagram and increase the number of households employed in the area. Once the estate is completed (or partial) it will cause an increase in output from the area, which will be sold either as exports (receipts) and / or to rest of New Zealand, causing injections into the local circular flow diagram. The increased output will cause more jobs / higher wages to households in the area, increasing growth in both incomes and expenditure in the region. Additional firms will be attracted to the region to support the industries and households with the estate, also contributing to growth. Growth in the area will also attract investment from private and public / government sectors. The increase in taxes from the region may encourage more government spending in the area.</p>	<p>Explains increased growth using either income or output in the region due to jobs / output increasing, due to construction of the estate and / or the completion of the households or industries.</p>	<p>Provides a detailed explanation of growth occurring using either income or output in the region due to jobs / output increasing due to construction of the estate, and / or the completion of the households or industries. Depth can also be shown by explaining effects of attracting other firms to support the households / industrial estate or alternative investment. Depth also shown by referencing resource material.</p>	
(b) (i)	<p>Advantages for households in new estate are that they will be affordable, allowing more income to be spent on improving living standards. The industrial estate will provide a range of close jobs (and other firms/jobs supporting the estate will also increase) for workers.</p> <p>Negatives for households is that household workers may be required to work for industries in the estate and could lose their right to homes / services if they no longer work for Sleepyhead. The goods and services (health, education, entertainment, consumer goods) required / desired by the households may be limited within the estate and this will put pressure on existing good and service providers. The infrastructure required by the estate may be inadequate.</p>	<p>Explains an advantage or disadvantage to households or workers of the Sleepyhead Estate.</p>	<p>Explains in detail the advantages and disadvantages to households and / or workers of the Sleepyhead Estate.</p>	<p>Compares and contrasts the advantages and disadvantages the new housing and industrial estate will have on households and workers.</p>
(ii)	<p>Government revenue will increase due to the income taxes collected from the extra 1100 jobs, and the GST collected from the extra spending by families on different goods and services. The government will also collect increased company tax from additional profits made, and the local government will collect additional rates.</p> <p>Government expenditure on benefits will decrease as more workers have jobs.</p>	<p>Explains why government revenue may be increased or expenditure is impacted.</p>	<p>Explains in detail several reasons why government revenue may be increased, or expenditure is impacted.</p>	<p>Compares and contrasts reasons why the new estate will lead to government revenue increasing, and how expenditure either increases or decreases.</p>

	Government expenditure will increase if the development requires state funded schools, health, and other services put under pressure by the increase in local population. Local government expenditure may also increase as services such as wastewater and rubbish collection are required.			
--	--	--	--	--

<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.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	Most Excellence evidence.

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

### 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 2(a)(i) and (i)

#### Graph Three: Production possibility frontier

