



SAMPLE ASSESSMENT TASKS

ECONOMICS
ATAR YEAR 11

Copyright

© School Curriculum and Standards Authority, 2014

This document – apart from any third party copyright material contained in it – may be freely copied, or communicated on an intranet, for non-commercial purposes in educational institutions, provided that the School Curriculum and Standards Authority is acknowledged as the copyright owner, and that the Authority's moral rights are not infringed.

Copying or communication for any other purpose can be done only within the terms of the *Copyright Act 1968* or with prior written permission of the School Curriculum and Standards Authority. Copying or communication of any third party copyright material can be done only within the terms of the *Copyright Act 1968* or with permission of the copyright owners.

Any content in this document that has been derived from the Australian Curriculum may be used under the terms of the [Creative Commons Attribution-NonCommercial 3.0 Australia licence](#)

Disclaimer

Any resources such as texts, websites and so on that may be referred to in this document are provided as examples of resources that teachers can use to support their learning programs. Their inclusion does not imply that they are mandatory or that they are the only resources relevant to the course.

Sample assessment task

Economics – ATAR Year 11

Task 1 – Unit 1

Assessment type: Data interpretation/Short answer

Conditions

Time for the task: 50 minutes

In class under test conditions

Task weighting

5% of the school mark for this pair of units

Section One: Multiple-choice

(10 marks)

1. In a competitive market
 - (a) no one buyer or seller can influence price.
 - (b) entry into the market is restricted.
 - (c) there is product differentiation.
 - (d) there are a small number of firms.

2. The law of demand states
 - (a) as prices fall, demand increases.
 - (b) as prices rise, demand increases.
 - (c) as prices fall, quantity demanded increases.
 - (d) as prices rise, quantity demanded increases.

3. If the demand for coffee decreases as income decreases, coffee is a(n)
 - (a) normal good.
 - (b) inferior good.
 - (c) substitute good.
 - (d) complementary good.

4. Suppose the demand for books decreases when the price of computer games decreases. It can be said that these two goods are
 - (a) complements.
 - (b) substitutes.
 - (c) unrelated goods.
 - (d) perfect substitutes.

5. In response to a news report that eating chocolate can reduce an individual's risk of a heart attack, there will most likely be a(n)
- (a) increase in the supply of chocolate.
 - (b) decrease in the supply of chocolate.
 - (c) increase in the demand for chocolate.
 - (d) increase in the quantity demanded for chocolate.
6. A change in income, preferences, or prices of other goods or services leads to a _____ that causes a _____
- (a) change in demand; movement along the demand curve.
 - (b) change in quantity demanded; movement along the demand curve.
 - (c) change in demand; shift of the demand curve.
 - (d) change in quantity demanded; shift of the demand curve.
7. The sum of individual supply curves for a good or service is referred to as
- (a) the market supply curve.
 - (b) supply.
 - (c) a market.
 - (d) demand.
8. For a given supply curve, a change in the price of a good leads to a change in _____, which leads to a _____
- (a) quantity supplied; movement along the supply curve.
 - (b) quantity supplied; shift of the supply curve.
 - (c) supply; movement along a supply curve.
 - (d) supply; shift of the supply curve.
9. According to the law of supply, there is a
- (a) negative relationship between price and the quantity of a good supplied.
 - (b) positive relationship between price and the quantity of a good supplied.
 - (c) negative relationship between price and the change in supply.
 - (d) positive relationship between price and the change in supply.
10. Changes in _____, _____ or _____ will cause a(n) _____ or _____ in supply
- (a) price, technology, prices of other goods; expansion or contraction.
 - (b) price, technology, prices of other goods; increase or decrease.
 - (c) costs, technology, prices of other goods; expansion or contraction.
 - (d) costs, technology, prices of other goods; increase or decrease.

Section Two: Data interpretation/Short answer

(30 marks)

Question 11

(a) Use the data below to construct a demand curve for pizza.

(2 marks)

Price	Quantity
14	100
12	200
10	300
8	400
6	500

(b) Explain **two (2)** reasons why the demand curve has a negative slope.

(4 marks)

- (c) For each of the following situations relating to the demand for pizza:
- identify the factor affecting demand
 - demonstrate on the axes provided, and explain, the effects of the change.

(10 marks)

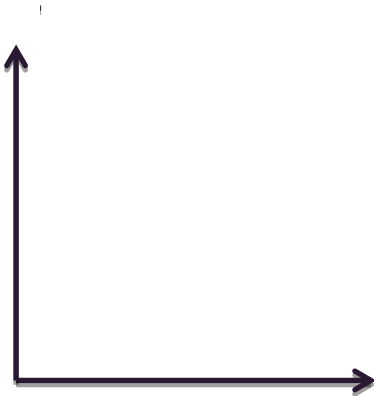
(i) an increase in the price of hamburgers



Factor: _____

Explanation: _____

(ii) a media report announces that eating pizza increases the risk of heart disease



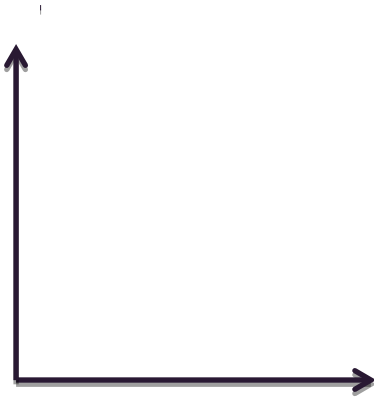
Factor: _____

Explanation: _____

- (d) For each of the following situations relating to the supply of pizza:
- identify the factor affecting supply
 - demonstrate on the axes provided, and explain, the effects of the change.

(10 marks)

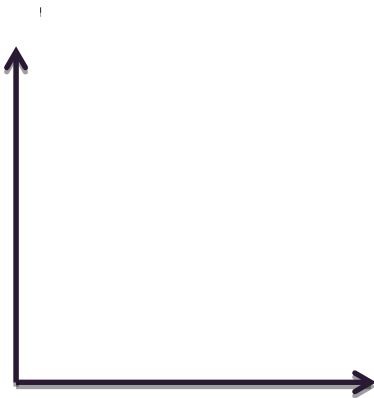
(i) an increase in the number of pizza sellers



Factor: _____

Explanation: _____

(ii) an increase in the price of flour



Factor: _____

Explanation: _____

Marking key for sample assessment task 1 – Unit 1

Section One: Multiple-choice

	Answer	Marks
1.	A	1
2.	C	1
3.	B	1
4.	B	1
5.	C	1
6.	C	1
7.	A	1
8.	A	1
9.	B	1
10.	D	1
	Total	10

Section Two: Data interpretation/Short answer

Question 11

- (a) Use the data below to construct a demand curve for pizza.

Description	Marks
Correctly constructs the demand curve using an appropriate scale	1
Correctly labels both axes	1
Total	/2
Answer:	
The vertical axis is labelled price and the horizontal axis is labelled quantity	
The demand curve is downward sloping	

- (b) Explain **two (2)** reasons why the demand curve has a negative slope.

Description	Marks
Reason 1 Explains one reason why the demand curve has a negative slope	1–2
Reason 2 Explains one reason why the demand curve has a negative slope	1–2
Total	/4
Answer:	
<ul style="list-style-type: none"> the income effect – when the price of a good rises, consumers are not willing to purchase as much because their real income or purchasing power has decreased the substitution effect – when the price of one good rises, other goods become more attractive to consumers because they are relatively cheaper, so consumers will change to the substitute good 	

- (c) For each of the following situations relating to the demand for pizza:
- identify the factor affecting demand
 - demonstrate on the axes provided, and explain the effects of the change.

(i) an increase in the price of hamburgers

Description	Marks
Identifies the factor affecting demand	1
Explains the effect on demand, price and quantity	1–3
Correctly demonstrates the effect on the demand curve on the axes provided	1
Total	/5
Answer:	
The price of other goods (substitutes) is the factor affecting demand	
The demand curve will shift to the right	
Demand for pizza will increase, the price will remain the same, the quantity demanded will increase	

(ii) a media report announces that eating pizza increases the risk of heart disease

Description	Marks
Identifies the factor affecting demand	1
Explains the effect on demand, price and quantity	1–3
Correctly demonstrates the effect on the demand curve on the axes provided	1
Total	/5
Answer:	
Tastes or preferences is the factor affecting demand	
The demand curve will shift to the left, the price will remain the same, the quantity demand will decrease	
Demand for pizza will decrease	

- (d) For each of the following situations relating to the supply of pizza:
- identify the factor affecting supply
 - demonstrate on the axes provided, and explain the effects of the change.

(i) an increase in the number of pizza sellers

Description	Marks
Identifies the factor affecting supply	1
Explains the effect on supply, price and quantity	1–3
Correctly demonstrates the effect on the supply curve on the axes provided	1
Total	/5
Answer:	
The number of sellers is the factor affecting supply	
The supply curve will shift to the right, the price will remain the same, the quantity supplied will increase	
Supply of pizza will increase	

- (ii) an increase in the price of flour

Description	Marks
Identifies the factor affecting supply	1
Explains the effect on supply, price and quantity	1–3
Correctly demonstrates the effect on the supply curve on the axes provided	1
Total	/5
Answer:	
Cost is the factor affecting supply	
The supply curve will shift to the left, the price will remain the same, the quantity supplied will decrease	
Supply of pizza will decrease	

- (e) What role does price play in the market and how does the type of market impact on the determination of price?

Description	Marks
Identifies two roles price plays in the market Distinguishes how prices are determined in a competitive compared to a non-competitive market	3–4
Lists the roles prices play in the market OR Lists the difference between prices in a competitive or non-competitive market OR Provides some combination of each	1–2
Total	/4
Answer:	
Price mechanism (the role of price)	
<ul style="list-style-type: none"> interaction between buyers and sellers in the market three key economic questions of what, how many, and for whom, are answered by the price mechanism in a competitive market, the interaction of demand and supply determines price in a non-competitive market, sellers can influence the price (price setters) 	

Sample assessment task

Economics – ATAR Year 11

Task 3 – Unit 1

Assessment type: Extended answer (Case study)

Conditions

Time for the task: 40 minutes

In class under test conditions

Task weighting

10% of the school mark for this pair of units

Read the following extract and then answer the accompanying questions. (22 marks)

The price for a cup of coffee is likely to rise in the future. Coffee consumption worldwide is increasing, not only in the rich developed countries but also in the emerging market economies. It's a simple fact. More people are drinking coffee. Why? Rising incomes and changing consumer tastes. It used to be that the developing world made coffee and the developed world drank it. But now, countries like Brazil, which traditionally only produced coffee, are starting to consume it too. But there's more bad news for coffee consumers. Last month, the worst drought in decades hit Brazil's coffee belt region (where most of the world's coffee comes from), destroying crop yields and causing the price of coffee to shoot up by more than 50 per cent so far this year.

- (a) Explain **two (2)** factors that could affect the demand for coffee and **two (2)** factors that could affect the supply of coffee. (4 marks)

Factors affecting demand:

1. _____

2. _____

Factors affecting supply:

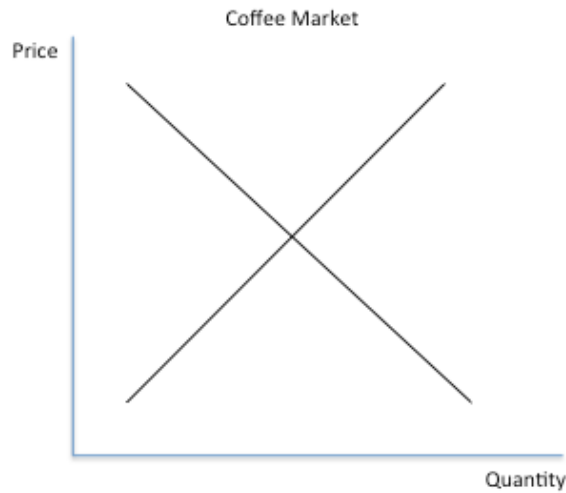
1. _____

2. _____

(b) Explain whether coffee is a normal good in the global market. (2 marks)

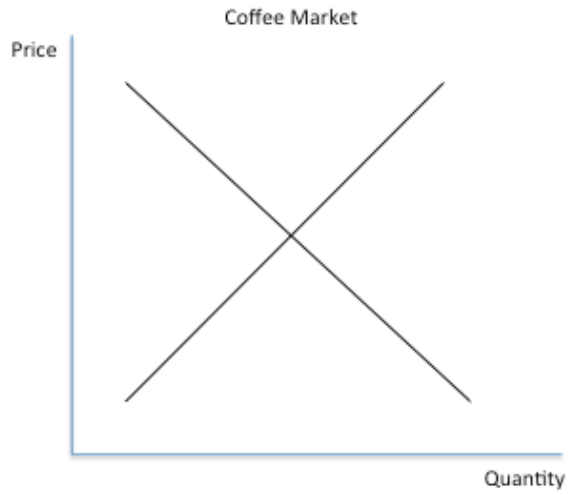
(c) Use the demand and supply diagram provided to show the effect of an increase in income on the coffee market. Explain what happens to the market price and quantity of coffee. (3 marks)

Increase in income:



- (d) Use the demand and supply diagram provided to show the effect of a drought on the coffee market. Explain what happens to the market price and quantity of coffee. (3 marks)

A drought:



Marking key for sample assessment task 3 – Unit 1

- (a) Explain **two (2)** factors that could affect the demand for coffee and **two (2)** factors that could affect the supply of coffee.

Description	Marks
Identifies two factors that could affect the demand for coffee	1–2 (1 mark each)
Identifies two factor that could affect the supply of coffee	1–2 (1 mark each)
Total	/4
Answer could include but is not limited to:	
Factors affecting demand for coffee <ul style="list-style-type: none"> • a change in consumer income • a change in the price of other goods (substitutes or complements) • a change in consumer preferences • a change in population • a change in the expectations of consumers. Factors affecting the supply of coffee <ul style="list-style-type: none"> • a change in the costs of production • a change in natural factors such as the weather • a change in technology • a change in the number of producers. 	

- (b) Explain whether coffee is a normal good in the global market.

Description	Marks
Identifies whether coffee is a normal good and provides a reason	1–2
Answer:	
In the global market coffee is a normal good since an increase in world income would increase the demand for coffee.	

- (c) Use the demand and supply diagram provided to show the effect of an increase in income on the coffee market. Explain what happens to the market price and quantity of coffee.

Description	Marks
Correctly demonstrates the effect of an increase in income on the demand and supply diagram provided	1
Correctly explains the effect on supply	1
Correctly explains the change in equilibrium	1
Total	/3
Answer:	
An increase in income would increase demand and shift the demand curve to the right.	
An expansion in supply (movement along the supply curve).	
New equilibrium at a higher price and quantity.	

- (d) Use the demand and supply diagram provided to show the effect of a drought on the coffee market. Explain what happens to the market price and quantity of coffee.

Description	Marks
Correctly demonstrates the effect of a drought on the demand and supply diagram provided	1
Correctly explains the effect on demand	1
Correctly explains the change in equilibrium	1
Total	/3
Specified content	
A drought would decrease supply and shift the supply curve to the left.	
A contraction in demand (movement along the demand curve).	
New equilibrium at a higher price and lower quantity.	

- (e) Distinguish between price elasticity of demand and price elasticity of supply and discuss the price elasticity of both demand **and** supply for coffee. Illustrate the relative elasticity for both demand and supply for coffee on a diagram and use this diagram to explain why coffee prices are likely to be volatile.

Description	Marks
Definition of price elasticity of demand and the price elasticity of supply	1–2 (1 mark each)
Identifies whether the price elasticity of demand for coffee is elastic or inelastic and provides a reason	1–2
Identifies whether the price elasticity of supply for coffee is elastic or inelastic and provides a reason	1–2
Demonstrates and explains the effect of an increase in demand on an inelastic supply curve	1–2
Demonstrates and explains the effect of a decrease in supply on an inelastic demand curve	1–2
Total	/10
Answer could include but not limited to:	
Price elasticity of demand is the responsiveness of quantity demanded to a change in price.	
Price elasticity of supply is the responsiveness of quantity supplied to a change in price.	
Price elasticity of demand for coffee would be inelastic (necessity, addictive).	
Price elasticity of supply of coffee would be inelastic (time to grow, harvest).	
Diagram would demonstrate an inelastic demand and supply curve for coffee.	
An increase in demand on an inelastic supply curve shows price increases more than quantity increases.	
A decrease in supply on an inelastic demand curve shows price increases more than quantity decreases.	

Sample assessment task

Economics –ATAR Year 11

Task 9 – Unit 2

Assessment type: Extended answer (Scenario)

Conditions

Time for the task: 50 minutes

In class under test conditions

Task weighting

10% of the school mark for this pair of units

(20 marks)

Refer to the following hypothetical data for an economy. Assume the economy is similar to the Australian economy.

Year	Real GDP growth % rate	Unemployment % rate	Inflation % rate
1	2.5	6.2	2.2
2	3.0	5.8	2.6
3	3.5	5.4	3.0
4	4.0	4.9	3.6
5	2.8	5.5	3.1
6	1.9	6.0	2.5
7	0.8	6.4	1.9

- (a) Identify the phase of the business cycle that this economy was experiencing between Year 1 and Year 4, referring to the three macroeconomic indicators. (4 marks)
- (b) Outline **two (2)** possible reasons to explain the change in real GDP growth between Year 1 and Year 4. (4 marks)
- (c) Use a diagram to illustrate and explain what phase of the business cycle this economy is experiencing between Year 4 and Year 7. Explain possible reasons for the change in real GDP growth from Year 4 onwards. Support your conclusion by referring to the macroeconomic data provided and predicting changes in other key indicators. (12 marks)

Marking key for sample assessment task 9 – Unit 2

- (a) Identify the phase of the business cycle that this economy was experiencing between Year 1 and Year 4, referring to the three macroeconomic indicators.

Description	Marks
Identifies the phase of the business cycle the economy is in between Year 1 and Year 4	1
Makes reference to the three economic indicators to support the conclusion	1–3
Total	/4
Answer:	
Expansion phase of the business cycle, reaching a boom in Year 4.	
Macroeconomic indicators – GDP growth is rising, inflation is rising (demand pull inflation), and unemployment is falling (by Year 4 below the natural rate of unemployment).	

- (b) Outline **two (2)** possible reasons to explain the change in real GDP growth between Year 1 and Year 4.

Description	Marks
Reason 1 Outlines one reason to explain the change in real GDP growth	1–2
Reason 2 Outlines one reason to explain the change in real GDP growth	1–2
Total	/4
Answer could include but is not limited to:	
<ul style="list-style-type: none"> • an increase in overseas demand for exports • an increase in investment due to positive expectations 	

- (c) Use a diagram to illustrate and explain what phase of the business cycle this economy is experiencing between Year 4 and Year 7. Explain possible reasons for the change in real GDP growth from Year 4 onwards. Support your conclusion by referring to the macroeconomic data provided and predicting changes in other key indicators.

Description	Marks
Uses a diagram to illustrate the location of the economy between Year 4 and Year 7	1–2
Identifies and explains possible reasons for the change in real GDP growth from Year 4 onwards	1–4
Makes reference to the macroeconomic indicators provided	1–3
Predicts changes in other key indicators	1–3
Total	/12
Answer:	
Contraction phase of the business cycle, reaching a trough in Year 7 (from a boom in Year 4)	
The economy has suffered a negative shock due to a significant fall in investment or a drought or an increase in oil prices or international conflict.	
Cyclical unemployment will have increased due to the slowing down in real GDP growth, the inflation rate is falling due to lack of confidence in the economy, less demand pressure.	
Changes in other key indicators could include falling interest rates, falling retail sales, decline in consumer and business confidence.	