

MARKING KEY: Year 11 ATAR Economics Sem 1 Unit 1 Examination (2023)

Name:

Section One: Multiple Choice

(18 Marks)

1	a	7	a	13	b
2	c	8	c	14	d
3	a	9	b	15	a
4	d	10	a	16	c
5	b	11	d	17	d
6	c	12	c	18	a

Section Two: Data interpretation/Short response

(24 Marks)

Question 19

(12 marks)

(a) From the extract, state by how much sugar prices have changed in two (2) weeks?

Description	Marks
<ul style="list-style-type: none"> 6% 	1

(b) With the aid of an example, describe one possible cause for the overall fall in sugar production in India?

Description	Marks
<ul style="list-style-type: none"> Describes fall in production due to any ONE supply-side factor <ul style="list-style-type: none"> Weather / seasonal factors Cost of production Any valid supply-side factor 	1

(c) With the use of economic theory, explain why prices have changed sharply for a product like sugar.

Description	Marks
<p>Explanation - Must highlight demand and supply inelasticities: 4m</p> <ul style="list-style-type: none"> Sugar has few substitutes/ a necessity (DD) AND requires a harvest period (SS): so Demand AND Supply are price inelastic Any change in either Demand and/or Supply would result in SHARP changes to price. <p>Developed explanation: (3-4m) Undeveloped explanation: (1-2m)</p> <p>*Must include BOTH Demand and Supply reasons for Full Marks</p>	4

(c) With reference to the extract, demonstrate and explain the impact on equilibrium price and output in the market for sugar in India.

Description	Marks
<p>Diagram: 2m</p> <ul style="list-style-type: none"> Fully labelled and accurate: Increase in DD; Decrease in Supply <p>Explanation: 4m</p> <ul style="list-style-type: none"> Increase in Demand and Fall in Supply: must provide reason (2m) Impact on equilibrium Price and Quantity (1m) Highlights impact on quantity will depend on extent of shifts in DD and SS (1m) <p>Developed explanation: (4m)</p> <p>Undeveloped explanation: (1-3m)</p> <p><i>*Diagrams (framework) must be explained NOT merely described</i></p> <p><i>*A theoretically correct answer that <u>only states/describes what is in the diagram</u> can only be awarded a maximum of 4m.</i></p>	<p>6</p>
<p>Total</p>	

Question 21

(20 marks)

(a) With the use of examples, explain four (4) factors that affect demand.

Description	Marks
Factors affecting Demand (Four factors, up to two marks each)	
Factors could include: <ul style="list-style-type: none"> - Non-price factors <ul style="list-style-type: none"> o Level of disposable income o Price of related goods o Tastes and preferences o Expectations of consumers o Demographic factors - Developed explanation with example that are explained: 2m - Undeveloped explanation: 1m - Must have definition of demand for full marks. 	8 marks
	/8 marks

(b) With the use of examples, demonstrate and explain the impact of a price ceiling and price floor on efficiency.

Description	Marks
Price ceiling	
Diagram: Fully labelled, accurate and must be sufficiently referred to	1 -2 marks
Explanation <ul style="list-style-type: none"> - Impact on price and quantity creating shortage. - Impact on consumer and producer surplus- Total surplus - Misallocation of resources resulting in inefficiency - Explain DWL <ul style="list-style-type: none"> o Marks will be awarded only for developed explanation. o Must have definition for full marks o legislated maximum price that sellers are allowed to charge in the market. o Describe/outline diagram maximum of 2 marks 	1-4 marks
Price floor	
Diagram: Fully labelled, accurate and must be sufficiently referred to	1-2 marks
Explanation <ul style="list-style-type: none"> - Impact on price and quantity creating surplus. - Impact on consumer and producer surplus- Total surplus - Misallocation of resources resulting in inefficiency. - Consumer and producer surplus - Explain DWL <ul style="list-style-type: none"> o Marks will be awarded only for developed explanation o Must have definition for full marks o legislated minimum price that sellers are allowed to charge in the market o Describe/outline diagram maximum of 2 marks 	1-4 marks
	/12 marks