

**YEAR 12 ECONOMICS**  
**INTERNAL ASSESSMENTS TASKS**

**Assessment Blueprint**

Strand	Assessment Type	Skill Level / Score				Weight
		1	2	3	4	
1. Resource Allocation through the Market System	EE	3	3	2	1	19
	IA	4	2	1	1	15
2. Resource Allocation through the Public Sector	EE	1	4	1	1	16
	IA		2	1	2	15
3. Money	EE	2	4	1		13
	IA					
4. Trade and Payments	EE	2	2	2		12
	IA	3	2	1		10
Total number of items	EE	8	13	6	2	29
	IA	7	6	3	3	19
<b>Total number of items</b>		<b>15</b>	<b>19</b>	<b>9</b>	<b>5</b>	<b>48</b>
<b>Total skill score</b>		<b>15</b>	<b>38</b>	<b>27</b>	<b>20</b>	<b>100</b>

**TASKS**

Assessment Components	Strand	Weighting (%)
Task 1 - Research	2	15
Task 2 – Test (CAT)	1	15
Task 3 – Written Assignment.	4	10
TOTAL		40%

## **MAJOR TASK 1 (from Strand 2) – RESEARCH PROJECT GUIDELINES**

### **Teacher Guidelines:**

#### Context/setting

This assessment requires the student to collect and process information from secondary sources and carry out an economic analysis. The theory to be investigated will be selected from Strand 2 of the Vanuatu Syllabus – Senior Secondary Years 12.

#### Purpose

The purpose of this inquiry is to investigate the existence of merit and demerit goods in the community and the alternative policies available to alter the consumption levels of these types of goods. (Note: for the purpose of this investigation, assume that all merit goods have positive spill-over effects while all demerit goods have negative spill-over effects on the community).

#### Hypothesis

Any of the following scenarios can be used:

- No hypothesis is used in the investigation, instead specific objectives are used.
- A hypothesis is provided by the teacher for students to base their investigation on.
- A hypothesis is developed by the student and approved by the teacher.

#### Planning the investigation

Any of the following scenarios may be used with regard to the planning of the investigation.

- Students may plan their own investigation.
- Students may plan their investigation in consultation with the teacher.
- Teachers could give feed forward guidance to students by requiring them to present material to do with the planning of their investigation at a pre- set milestone, with the use of Log Books or Journals by students.

#### Collecting Information

Collect information from a range of primary and/or secondary sources. A range means from at least three different sources, for example from three different websites, or the use of three different surveys, or the use of a variety of sources such as the internet, yearbook and textbook.

Students should be directed by the teacher to collect enough information to ensure they carry out a comprehensive economic analysis.

#### Processing information

- Information processing involves the transformation of data into tables, graphs, summaries etc.
- Any primary data that is collected is to be compared with published information or secondary data that is available from sources in the public domain, e.g. text book.

### Presentation

- All sources of information and data are to be clearly acknowledged.
- Refer to the Assessment Criteria for guidance on presentation.

### Conditions

- The information must be appropriately referenced.
- Information may be collected from primary and/ or secondary sources.
- Students should present material at pre-set milestones.

### **Resource requirements**

School based library and information technology facilities should be made available wherever possible. Teachers may have to assist in the sourcing of some information.

### **Student Instructions:**

**You are required to carry out a research or an investigation of the existence of merit and demerit goods in the community and the policies available to alter the consumption levels of these types of goods. (Note: for the purpose of this investigation, assume that all merit goods have positive spill-over effects while all demerit goods have negative spill-over effects on the community).**

- a) **Carefully** choose an appropriate local example of one **merit** and one **demerit** good to investigate.
- b) Include a brief summary of the economic theory in the syllabus relevant to your investigation and specific objectives. This will include:
  - (i) The difference between merit and demerit goods.
  - (ii) A comparison of the features of merit goods with demerit goods.
  - (iii) A discussion of how the government would encourage the consumption of merit goods.
  - (iv) A discussion of how the government would discourage the consumption of demerit goods.
- c) Gather data from secondary sources relevant to the nature of your investigation. These must be acknowledged. Secondary sources may include newspapers, websites and a set of statistics provided to you by your teacher.
- d) Process/organise data appropriately e.g. into tables, graphs, charts or written summaries.

- e) Present the written report neatly with appropriate subheadings, labels, referencing, use of appendices etc. and ensure that you submit it by the agreed deadline written in your research schedule.

**PROBE ANALYSIS – MAJOR TASK 1**

<b>Strand</b>	<b>Task Item</b>	<b>Skill Level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>	<b>Weighting</b>
2	Describe examples of merit goods	2		12ECO2.2.2.5			2
	Describe examples of demerit goods	2		12ECO2.2.2.6			2
	Compare the features of merit and demerit goods.	3			12ECO2.2.3.1		3
	Discuss how the government would encourage the consumption of merit goods.	4				12ECO2.2.4.1	4
	Discuss how the government would discourage the consumption of demerit goods.	4				12ECO2.2.4.2	4
<b>TOTAL</b>				2	1	2	15%

## ASSESSMENT CRITERIA FOR MAJOR TASK 1

The following is an Assessment Criteria or scoring rubric to be used for the IA Task. Changes can be made to suit the requirements of the specific investigation. Scores have been grouped into skill levels and any score within a skill level may be granted according to the teacher's professional judgement.

Task Item	SLO Code	Skill Level	Level 1 Unistructural	Level 2 Multistructural	Level 3 Relational	Level 4 Extended Abstract
Describe examples of merit goods	12ECO2.2.2.5	2	Any one example of merit good mentioned.	Two or more appropriate ideas for the descriptions.		
Describe examples of demerit goods	12ECO2.2.2.6	2	Any one example of demerit good mentioned.	Two or more appropriate ideas for the descriptions.		
Compare the features of merit and demerit goods.	12ECO2.2.3.1	3	One appropriate idea, e.g. definitions of an example each of Merit and demerit goods defined.	Features of either merit or demerit goods provided.  OR  Ideas are provided independently	<b>Merit goods</b> are those that society or government considers being beneficial for us and encourages consumption whereas <b>Demerit goods</b> are those that the government considers detrimental to individuals and discourages their production and consumption. <i>(Ideas are related or a comparison is made between the two goods)</i>	

<p>Discuss how the government would encourage the consumption of merit goods.</p>	<p>12ECO2.2.4.1</p>	<p>4</p>	<p>One method mentioned eg. use of subsidies but no description.</p>	<p>One method or government policy described. Examples include:</p> <ul style="list-style-type: none"> <li>• subsidies and the description of subsidies provided.</li> <li>• Free provision- government provides some goods &amp; services free of charge such as primary &amp; secondary education, free access to hospitals, etc.</li> <li>• Compulsion – the use of cycle helmets, wearing of safety belts in cars, etc.</li> </ul> <p>OR (Any two ideas provided)</p>	<p>The method or government policy is explained and linked to the consumption of merit goods. Eg. Some examples of subsidies for merit goods include:</p> <ul style="list-style-type: none"> <li>- Prescription drugs from the pharmacy;</li> <li>- Doctor’s visit for adults over 55 years;</li> <li>- Subsidies for public transport;</li> <li>- Subsidies for tertiary education</li> </ul> <p><u>Free Provision</u> Primary &amp; secondary education, free access to hospitals, etc</p> <p><u>Compulsion</u> - The use of cycle helmets, wearing of safety belts in cars, etc - Primary &amp; secondary education up to school-leaving age.</p> <p><u>Social Advertising</u> Public health campaign to prompt parents to immunise their children.</p>	<p>The method or government policy discussed. The discussion should include the social benefits of the consumption of merit goods. Examples include:</p> <ul style="list-style-type: none"> <li>• Government spending on subsidies on merit goods should yield a positive social rate of return which leads to an improvement in economic welfare;</li> <li>• Government provides subsidies for public transport will lead to less traffic congestion, less air &amp; noise pollution;</li> <li>• Social marketing or advertising seeks to shift habits or attitudes which can take a generation to work. This can include campaigns for healthy lifestyles, public safety, energy conservation, etc.</li> </ul>
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					<i>(More than one idea and they are linked to each other)</i>	
Discuss how the government would discourage the consumption of demerit goods.	12ECO2.2.4.2	4	One method mentioned eg. use of taxes/ regulation/ bans but no description provided.	<p>One method or government policy described. <u>Examples</u> Taxes – eg. excise taxes on alcohol &amp; tobacco.</p> <p>Regulations – eg firearms, minimum age to purchase cigarette from a local store, etc.</p> <p>Bans – eg. smoking in public building.</p> <p>Public education programme – eg. drink-driving, family violence, inappropriate diets, etc.</p> <p>OR <i>(Any two ideas provided)</i></p>	<p>The method or government policy is explained and linked to the consumption of demerit goods.</p> <p>Taxes – government uses taxes to discourage the production &amp; consumption of demerit goods eg. excise taxes on alcohol &amp; tobacco.</p> <p>Regulations – eg firearms, minimum age to purchase cigarette from a local store, etc.</p> <p>Bans – eg. smoking in public building.</p> <p>Public education programme – eg. drink-driving, family violence, inappropriate diets, etc.</p> <p><i>(More than one idea and they are linked to each other)</i></p>	<p>The method or government policy discussed. The discussion should include the social effects of the policy on consumption. Examples include:</p> <p>Taxes – taxes increases the cost to producers, which reduces supply and increases prices for consumers so that the quantity demanded decreases. Because cigarettes are addictive, the excise taxes will be less effective in reducing consumption. However, they represent a significant source of revenue for the government.</p> <p>Regulations and bans overrides consumer sovereignty and the quantity consume should fall to zero.</p> <p>Public Education programmes seek to influence people’s thinking and discourage its consumption.</p>





**TASK 3****WRITTEN ASSIGNMENT****10%****Strand 4. Trade and Payments**

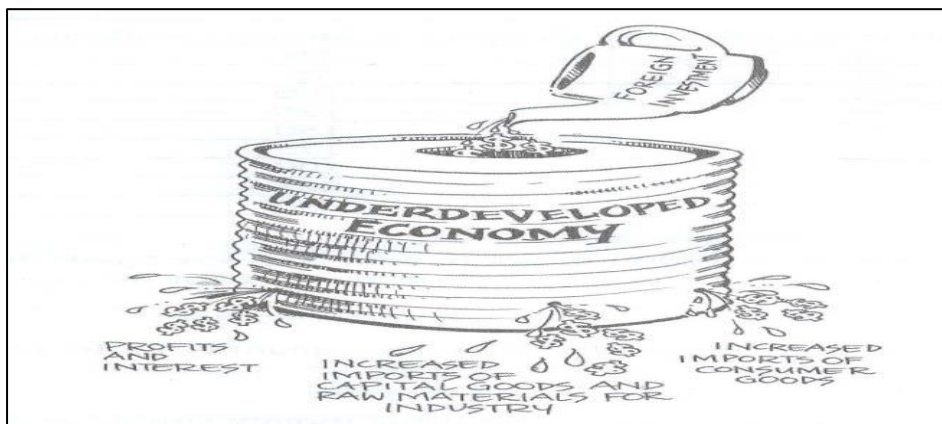
Use the schedule below to answer questions 1a to 1c.

**Balance of Payments Accounts for a hypothetical economy.**

	Debits \$ million	Credits \$ million
Trade of Goods	184	164
Trade of services	48	60
Investment income	95	105
Transfers	22	15
Direct investment abroad	40	-
Inward direct investment	-	29

- 1a. **Identify** the component of balance of visibles (trade)
- 1b. **Calculate** the balance of the current account
- 1c. **Describe** gains from trade.
2. **Describe** the roles of the World Trade Organisation (WTO) on trade.
3. **Discuss** the effects of devaluation on exports of the economy using specific examples.

Questions 4a and 4b refer to the diagram below on foreign investment



Source: *Economic Fundamental 1984*

- 4a. **Define** foreign investment
- 4b. **Explain** the importance of foreign investment.
5. **Define** the concept of Gross Domestic Product (GDP) per capita.

## PROBE ANALYSIS

Strand No.	Item No.	Skill Level	Specific Learning Outcome codes				Weighting
			Level 1	Level 2	Level 3	Level 4	
4	1a	1	12ECO4.2.1.1				16
	1b	2		12ECO4.2.2.2			
	1c	2		12ECO4.1.2.3			
	2	2		12ECO4.1.2.6			
	3	4				12ECO4.3.4.1	
	4a	1	12ECO4.2.1.4				
	4b	3			12ECO4.2.3.4		
	5	1	12ECO4.4.1.3				
TOTAL			3	3	1	1	

**SCORING RUBRIC FOR TASK 3 – WRITTEN ASSIGNMENT**

Item	Skill level	Evidence	Level 1 (Unistructural)	Level 2 (Multistructural)	Level 3 (Relational)	Level 4 (Extended Abstract)
1a	1	Trade of goods.	Trade of goods.			
1b	2	Balance of Current Account = Bal of Trade + Bal of Services + Bal of Income + Bal of Transfers $= (164m - 184m) + (60m - 48m) + (105m - 95m) + (15m - 22m)$ $= -20m + 12m + 10m + -7m$ $= \underline{-\$5m}$	Correct formula with some calculation but incorrect answer. OR Only the correct formula provided.	Correct formula, working & answer provided. <b>OR</b> Only correct answer provided with no working.		
1c	2	Trade provides an opportunity for specialization in production. Trade allows a country to specialize in the production of the commodity in which it has a comparative advantage over its trading partner. With trade and specialization, world production of all commodities can be increased.	One correct advantage of trade provided.	Any one correct description of the benefits of trade,  <i>(The idea is correct)</i>		
2	2	WTO encourages free trade or trade without restrictions such as no tariff, embargo or other trade regulations.	Just a brief mention on the role of WTO but no description of the role provided.	WTO encourages free trade or trade without restrictions such as no tariff, embargo or other trade regulations. OR The idea is correct		

3	4	<p>Devaluation will make the <i>price</i> of the exporting country's currency <i>lower</i> than before (cheaper) in terms of other currencies. As a result, the <i>demand for its goods will increase</i> because they <i>are cheaper</i> so <i>exports will increase</i>.</p> <p>For example, the devaluation of the Vanuatu currency will result in a lower price of the <i>vatu</i> in terms of the Fiji dollar. Fiji normally buys kava from Vanuatu and now that the kava is cheaper Fiji kava will demand more.</p>	<p>Only the effect on exports provided with no discussion and example.</p>	<p>Either a correct explanation of the effect of devaluation on the country's currency and its effect on exports but no example provided.</p> <p>OR</p> <p>Description on the demand for the country's goods and the resulting effect on its exports but no example provided.</p>	<p>Correct discussion of the :</p> <ul style="list-style-type: none"> <li>• Price of currency after the devaluation</li> <li>• Effect of the devaluation on exports</li> </ul> <p>BUT</p> <p>No example provided. <i>(Ideas must be related to each other)</i></p>	<p>Must have the following points in the discussion:</p> <ul style="list-style-type: none"> <li>• Price of currency is lower</li> <li>• Domestic goods are cheaper</li> <li>• Increase in demand for domestic goods – result in increase in exports</li> <li>• Valid example provided. <i>(Ideas must relate to each other with example)</i></li> </ul>
4a	1	<p>Foreign investment refers to overseas personnel establishing business or buying shares in the local economy.</p>	<p>Foreign investment refers to overseas personnel establishing business or buying shares in the local economy. <i>(The idea is correct)</i></p>			

4b	3	<p>Foreign investment</p> <ul style="list-style-type: none"> <li>• Provides employment opportunities because when new industries are built workers will be needed and so the locals can be employed.</li> <li>• Improves balance of payment - there is an inflow of capital.</li> <li>• Brings in new technology – capital goods such as machinery &amp; equipment.</li> <li>• Provides more consumer goods so there is a wider range of goods &amp; services to choose from.</li> </ul>	<p>Only one idea provided. Eg. Provides employment opportunities.</p>	<p>More than one idea provided but no discussion of the link between them.</p>	<p>More than one idea provided and they are related.</p>	
5	1	<p>GDP per capita refers to the total value of goods and services available for each person in the economy.</p>	<p>Definition is correct.</p>			