

90199 Assessment Schedule 2010

Code	Question	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
A	ONE (a)	(ii) Direct Tax (iv) Subsidies/Govt Spending (v) Indirect Tax (vi) Income/wages	3/4		
M	(b)	Households rely on the firms for goods and services, while firms rely on households for resources used in production	One flow correctly identified	Both flows correctly identified	
M or E	(c)	If the flow of goods and services to households decreases, firms will receive a reduced money flow of consumer spending , and government will receive less indirect tax . If firms require fewer resources from households, the flow of income to households will be reduced . Government will receive less direct tax and may have to increase transfer payments to households		4/5 effects	5/5 effects
A or M	TWO (a)	Import Payments flow from Firms to Trade Export Receipts flow from Trade to Firms	Flows named	Flows named and direction identified	
M	(b)	If demand for NZ made goods increases, flow of consumer spending to firms increases . This cause firms to require more resources from households, producing a greater income flow from firms to households.	.	3 points	

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A or M or E	(c)	Firms ; increased flow of Export Receipts due to increased exports Households ; firms require more resources so increased flow of Income to households Government ; Increased income tax and company tax due to above. Reduced need for transfer payments	One sector	Two	Three
A	THREE (a)	Investment	Correct term		
A	(b)	Savings	Correct term		
M or E	(c)	This is a leakage from the circular flow. It will cause a reduction in consumer spending flowing to firms, because consumers are saving rather than spending . Firms' revenue will decrease . However there will be more funds available in the Finance Sector which may lead to increased investment The Government Sector will experience a decrease in indirect tax and future decreases in company tax (reduced revenue of firms) and direct tax (reduced income for households due to reduced consumption leading to reduced employment)		Correct explanation for one sector	Correct explanation for both Firms and Government

Judgement Statement

Achievement	Achievement with Merit	Achievement with Excellence
Any 5 A, M, or E	4 x M or E Any other 3 A, M, or E	2x E 3 x M or E Any other 3 A, M, or E