Internal Assessment Resource

Economics Level 1

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| This resource supports assessment against:Achievement Standard 90988Demonstrate understanding of the interdependence of sectors of the New Zealand economy |
| Resource title: Investigating interdependence and the impacts of a ‘living wage’ on sectors of the NZ economy and impact of ‘*botulism disease’* on Milk industry |
| 3 credits |
| This resource:* Clarifies the requirements of the standard
* Supports good assessment practice
* Should be subjected to the school’s usual assessment quality assurance process
* Should be modified to make the context relevant to students in their school environment and ensure that submitted evidence is authentic
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| Date version published by Ministry of Education | December 2010To support internal assessment from 2011 |
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| Authenticity of evidence | Teachers must manage authenticity for any assessment from a public source, because students may have access to the assessment schedule or student exemplar material.Using this assessment resource without modification may mean that students work is not authentic. The teacher may need to change figures, measurements or data sources or set a different context or topic to be investigated or a different text to read or perform. |

Internal Assessment Resource

Achievement Standard Economics 90988: Demonstrate understanding of the interdependence of sectors of the New Zealand economy

Resource reference: Economics 1.6

Resource title: Investigating interdependence and the impacts of a ‘living wage’ and ‘*botulism disease’* on sectors of the NZ economy

Credits: 3

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| Achievement | Achievement with Merit | Achievement with Excellence |
| Demonstrate understanding of the interdependence of sectors of the New Zealand economy. | Demonstrate in-depth understanding of the interdependence of sectors of the New Zealand economy. | Demonstrate comprehensive understanding of the interdependence of sectors of the New Zealand economy. |

Student instructions

Introduction

This assessment activity requires you to demonstrate an understanding of the interdependence of sectors of the New Zealand economy.

The activity is divided into **three tasks**.

Task 1

You will need to gather information of your own family’s participation in the economy. You need to discuss this task with your family to ensure you have sufficient and specific information. This should include specific examples of firms, goods and services provided, money flows or transfers. Use Resource 1 to help your planning. The information you collect needs to:

* Identify at least two examples of your family’s interdependence with the producer sector. Ideally one should be as an employer/employee and another a producer of a good or service the family relies on, but this may not reflect the situation your family is currently in. For each firm describe the nature of the interdependence.
* Identify an example of your family’s interdependence with the financial sector. You need to be specific in terms of the nature of the interdependence and the firm(s) involved
* Identify examples and details of your family’s interdependence with the government sector.

Task 2

This task requires you to complete a presentation that uses a circular flow model to explain how your household has an interdependent relationship with other sectors in the economy. Your presentation can be done as a poster or as a multimedia presentation.

In your presentation:

1. Create a flow diagram which shows how your household is interdependent with other sectors of the economy. Use Resource 2 to help you. You will need to:
	* show real flows and money flows between your household and **at least two** producers, and
	* the specific money flows between your household, government, and the financial sector (you will not typically have a direct relationship with the overseas sector unless you have travelled overseas or your household deals directly with an overseas business).

NOTE: These must be interdependent relationships so you need to show how your household relies on each sector and how that sector relies on your household.

1. Provide a detailed explanation of the two ways the Household Sector and Producer Sector are interdependent, with particular reference to the **Real** and **Money** flows shown on your diagram above and using the household examples you included in your diagram.
2. Provide a detailed explanation of how households are interdependent with **one other sector** other than producers. Make reference to the flow(s) shown on your diagram and using the examples you included in your diagram.

Task 3

This task requires you to use the circular flow model to show the impacts of the introduction of living wage on New Zealand producers (see **Resource A**) and the effect of ‘*Botulism Disease’* (see **Resource B**) and their flow-on effects to other sectors of the economy.

Your presentation must include:

1. A simple diagrammatic model that shows the interdependence of the primary producer sector and tertiary producer sector, with particular reference to the Milk Producers industry. Use Resource 3 to help your planning.
2. Detailed explanations of the impacts of the *‘Botulism Disease’* would have on the Producer Sector that is linked with your model. You need to include:
	* An explanation of effect upon Milk Producers
	* An explanation of the interdependence of Primary Producer Sector and Tertiary Producer Sector, with reference to the Milk industry
	* An explanation of the flow on effect to other interdependent producers in the Tertiary Sector, referring to your diagram and the firms you used as examples.
3. A simple diagrammatic model that displays the impact of the *‘Botulism Disease’* on New Zealand producers that shows the flow-on effects to the household sector, financial sector and the government sector. Use Resource 2 to help you.
4. Detailed explanations of the flow-on effects to the household sector, financial sector and the government sector that integrate with your model. You need to explain using your economic model and the concept of interdependence why the economic impact of the *‘Botulism Disease’* will be much wider than the regions that only produce Milk..

# Resource A

Mayor pushes to give hundreds a pay increase – a ‘Living wage’

KATIE CHAPMAN

As many as 400 Wellington City Council workers would be in for a pay rise if plans for a "living wage" - supported by mayor Celia Wade-Brown - were to go ahead.

The union-led campaign is expected to set its living wage at between $18 and $20 an hour, compared with the minimum wage of $13.50.

Ms Wade-Brown attended a seminar on the subject yesterday and said afterwards that she was was keen to see the council adopt a living wage, and encourage other Wellington businesses to do so.

*Source:* [*http://www.stuff.co.nz/business/money/8289777/Mayor-pushes-to-give-hundreds-a-pay-increase*](http://www.stuff.co.nz/business/money/8289777/Mayor-pushes-to-give-hundreds-a-pay-increase) *dated 12-Feb-2013*

The botulism scare has made a significant dent in New Zealand's exports to China, but the damage will be short term and should not be overestimated, Jacques said.

That, however, is little comfort for exporters who have seen their business take a huge hit from a Fonterra crisis they had nothing to do with.

"It is one thing to say it is going to come back, but when? And in the meantime people have lost their jobs," said Chris Claridge, managing director at dairy exporter Carrickmore Nutrition.

[*http://www.stuff.co.nz/business/farming/dairy/9277104/Fonterra-scare-won-t-cause-NZ-China-crisis*](http://www.stuff.co.nz/business/farming/dairy/9277104/Fonterra-scare-won-t-cause-NZ-China-crisis) *dated 13/10/ 2013*

Fonterra Botulism scare won't cause crisis

# Resource B