Government of Western Australia
School Curriculum and Standards Authority

ECONOMICS

GENERAL COURSE

Externally set task

Sample 2016

Note: This Externally set task sample is based on the following content from Unit 3 of the General Year 12 syllabus.

- factors affecting demand
- factors affecting supply
- the effect of changes in non-price on quantity demanded i.e. increase or decrease in demand
- the effect of changes in non-price factors on quantity supplied i.e. increase or decrease in supply
- the concept of market equilibrium
- the effect of changes in demand and supply on market equilibrium
- the concept of price elasticity of demand
- the distinction between goods that are price elastic and price inelastic in demand
- determinants of price elasticity of demand
- the link between price elasticity and revenue
- the significance of price elasticity of demand for consumers, business and government
- use economics models, including demand and supply graphs, to analyse market behaviour and performance
- use evidence found in economic information and data to justify a conclusion
- select and use appropriate terminology
- apply mathematical techniques relevant to microeconomic analysis, including the calculation of total revenue to determine price elasticity of demand

In future years, this information will be provided late in Term 3 of the year prior to the conduct of the Externally set task. This will enable teachers to tailor their teaching and learning program to ensure that the content is delivered prior to the students undertaking the task in Term 2 of Year 12.

Economics

Externally set task

Working time for the task: 60 minutes

Total marks: 20 marks

Weighting: 15% of the school mark

Read the article below and answer the **four** questions that follow.

Prices soar as mango shortfall hits
A critical mango shortage in WA's north has consumers digging into their pockets.

Kununurra growers are picking up to 90% less than average. A Department of Agriculture and Food Officer said, '*Though we had average rainfall, we did not have a lot of cloud cover, which mangoes need.*' Adverse weather had caused the poor crop.

Mangoes are currently selling at $60 a tray, whereas in a normal season, they would sell for $20 a tray. Demand for mango trays has fallen from 5000 trays per day to 1000 trays per day as a result.

Source: 2/3 November 2013, *The Weekend West*

1. Identify the factor affecting the mango market and describe why this has caused mango prices to increase rapidly (soar). **(2 marks)**

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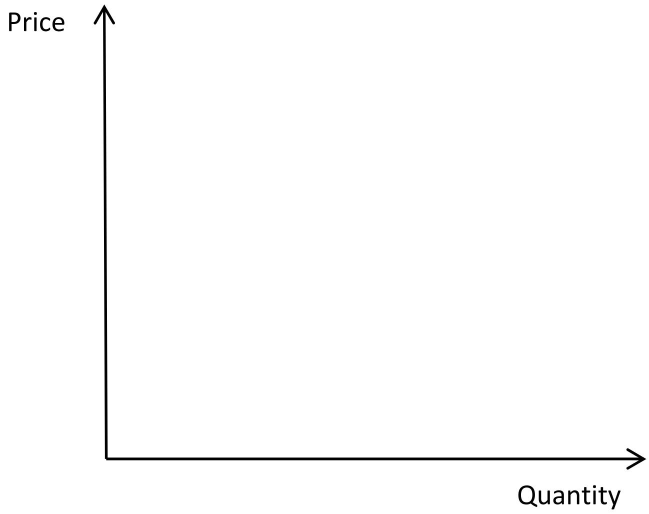
2. Demonstrate, on the diagram below, and explain the change in market equilibrium that has occurred in the mango market. **(6 marks)**



3. Identify **three (3)** non-price factors and explain how each of these would influence demand in the mango market. **(6 marks)**

Factor 1:

Factor 2:

Factor 3:

4. Using evidence from the article on page 1, comment on the price elasticity of demand for mangoes.

(6 marks)