Year 11 Economics Internal Assessment For

Achievement Standard 1.2 90984

Demonstrate understanding of decisions a producer makes about production.

Credits 5

Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
• Demonstrate understanding of decisions a producer makes about production.	• Demonstrate in-depth understanding of decisions a producer makes about production.	• Demonstrate comprehensive understanding of decisions a producer makes about production.

Conditions

This assessment activity will take 4 weeks of in- and out of class time.

You will need computer access to view websites.

You may also need access to a printer and a digital camera

Student instructions sheet

Introduction

This assessment activity requires you to demonstrate a comprehensive understanding of the decisions producers make about production and the consequences of these decisions for society. To demonstrate your understanding, you will complete a study of

McDonald's restaurants and a small local fast food provider.

This activity is divided into three tasks. Task 1 may be done as a group. Tasks 2 and 3 are to be done individually.

Task 1: Research

You are **to gather information about and compare** the production decisions both McDonalds and a small local fast food provider makes.

You will need to gather information on

The goals of the producers – you will need to name at least two goals for each producer. Research both the commercial and non-commercial goals for each producer.

The methods of production used. You will need to gather information about the type of production. Is there specialisation? Does one use more division of labour than the other? Is the size of the firm a factor in production decisions?

The type of marketing conducted by each of the producers.

You will need to think about what kind of advertising each producer uses and how or if the marketing differs between McDonalds and the local fast food provider.

You should look specifically at:

- ➡ Price and Non Price advertising.
- ➡ Product differentiation, variation and modification.

You will need to collect examples of the advertising used by these producers.

You may uses either photo's of advertising or samples from newspapers, magazines, websites etc.

Think about which type of producer uses price advertising more and which producers uses non price advertising more.

Useful information is available at www.mcdonalds.co.nz

Task one is due by the 27th of June.

Task 2: Explain Decisions

Using the information you have gathered from task one, **compare and explain** the decisions each producer has made about production.

You must:

➡️ present and explain the commercial and non-commercial goals of McDonald's Restaurants (NZ) Ltd; and the local fast food producer.

➡️ Explain the production methods used by both McDonald's and the small local fast food producer and why they have been used.
Are they different?
What is the impact of this?
Does size impact on the decisions they make?

➡️ present and explain the price and non-price strategies used by McDonald's Restaurants (NZ) Ltd and the local fast food producer to increase sales and market share.

You will need to think about and fully explain:

➡️ Why each of the firms may have the goals they do.
➡️ The impact of size on the goals a firm may have.
➡️ Are the production methods different. If they are why are they?
➡️ The impact of the production methods on productivity and profits.
➡️ The impact of the size of the firm on the production methods used.
➡️ Why have the firms used the type of marketing that they have.
➡️ The impact of size on the marketing decisions a firm may have.
➡️ The variety of products a firm may offer and why.

Compare and Explain McDonald's and the small local fast food producer's production decisions, integrating your explanation with the information you have collected.

You will need to **integrate (fully link)** your data with these explanations.
Remember to:

➡️ **Describe** the key terms – define them.
➡️ **Explain** the key terms in relation to the material you have collected.
➡️ **Relate** use the material you have collected to help in your explanations.

Task 3: Explain the social consequences.

Explain the consequences for society of the production decisions made by McDonald's and the local fast food producer, integrating your information with your explanations.

> You will need to

➡ explain the consequences to society of these goals, production methods and strategies, and **integrate (fully link)** your information into your explanations.

You should think about:

- ➡ Employment in the community.
- ➡ Health in society.
- ➡ Impact on other businesses.
- ➡ How have menu's changed and why.
- ➡ Community involvement / support.

Task 2 and 3 are due by the 8th of July.