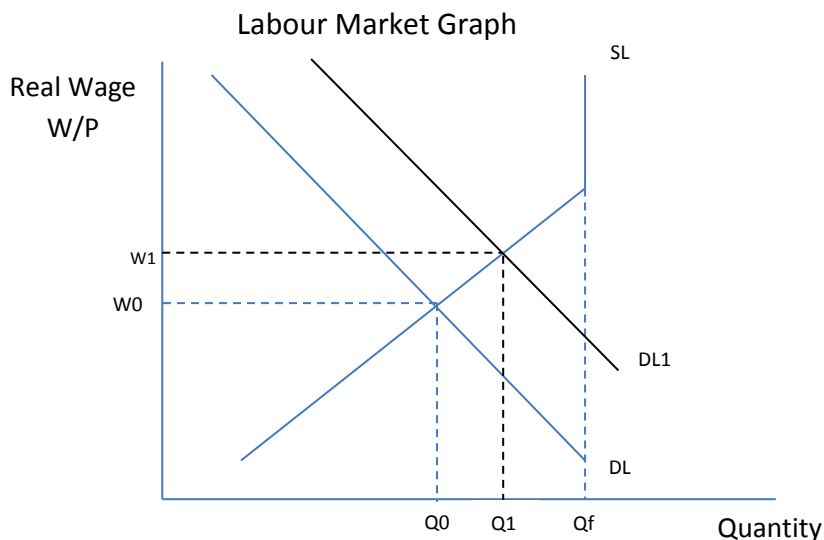


[Student has explained how the global recession caused more cyclical unemployment in New Zealand using the PPF model.]

17

A sunrise industry is an industry that is growing and needs more workers, so sunrise industries are good for both society and the economy.



Because it creates new jobs for people to work and increases the economic output of the country. Demand for workers increases from DL to $DL1$ and more workers Q_1 are employed at a higher wage W_1 .

18

A sunset industry is an industry that is either getting smaller so there will be fewer jobs and there will be more unemployment and less economic output. Alternatively, the industry is closing down and it will cease to produce economic output for the country and will no longer need any workers so unemployment will rise.

21

If an industry is in a sunrise stage then a positive economic effect could be that more youth workers are getting jobs because of more demand for workers. Because they are cheaper than older, more experienced workers. Older, more experienced workers would still be needed but not as many.

19

If the industry is in a sunset stage then a negative economic effect could be that many of the youth workers will be laid off work, as their services will no longer be needed. Youth workers will be affected a lot but many of the older, more experienced workers will be kept on so the effect on the older population of workers would only change slightly.

[Student also explained the impacts of the global recession on households and producers in New Zealand, using economic concepts and the AS/AD model.]

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