



Newington College  
Economics Department

## HSC Trial Examination

2006

# Economics

### General Instructions

- Reading time – 5 minutes
- Working Time – 3 hours
- Write using black or blue pen
- Board-approved calculators may be used
- Write your computer number where indicated

### Section I – 20 marks

- Attempt Questions 1-20  
Use the answer sheet provided

### Section II – 40 marks

- Attempt Questions 21-24  
Complete on the examination paper

### Section III – 20 marks

- Attempt Question 25 **or** 26  
Begin your answer on a new sheet of paper

### Section IV – 20 marks

- Attempt Question 27 **or** 28  
Begin your answer on a new sheet of paper

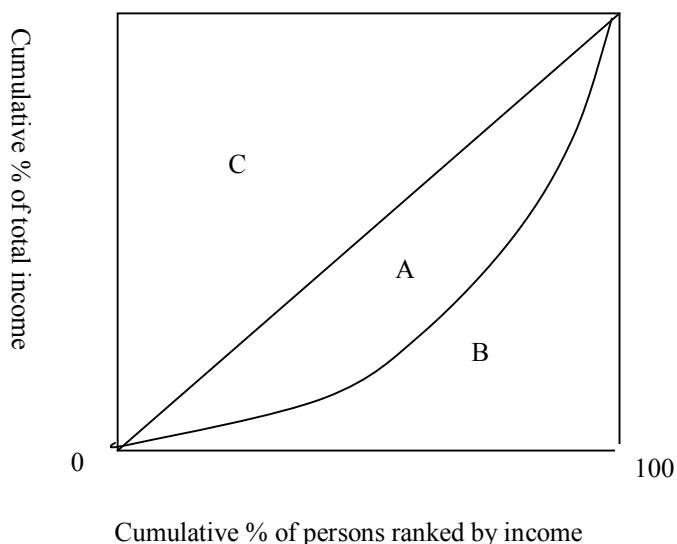
## Section I

20 marks

Attempt Questions 1-20

Use the multiple choice answer sheet provided.

Questions 1 and 2 refer to the following Lorenz curve from the country of Newtopia.



- How is the Gini coefficient calculated?
  - Gini Coefficient =  $A+B/C$
  - Gini Coefficient =  $B/C+A$
  - Gini Coefficient =  $C/A+B$
  - Gini Coefficient =  $A/A+B$
- What will be the likely effect on Newtopia if it experiences a severe recession and its unemployment rate rises dramatically?
  - The Gini coefficient will fall
  - The Gini coefficient will increase
  - The Gini curve will move to the right
  - The Lorenz curve will move to the left
- If Australia was to experience a financial crisis, which of the following consequences is unlikely to occur?
  - A sharp depreciation in \$A as demand for the currency falls
  - A sharp increase in interest rates to encourage investors to keep their funds in Australia
  - A rise in inflation due to the rise in import prices
  - A rise in employment as investment and spending increase

Question 4 refers to the following data from the Country of Watsonia.

Year	Unemployment Rate (%)	Employment (Millions)	Real Gross Domestic Product
2004	5.0	8.8	4.5
2005	6.5	8.9	1.8

4. Which reason most likely explains the increase in unemployment?
- A Watsonia has experienced a recession
  - B The labour force participation rate has decreased
  - C Watsonia has experienced an economic upturn
  - D Job vacancies have increased

Question 5 refers to the following data from the country of Andrewsia.

Year	Marginal Propensity to Consume (MPC)	Gross Domestic Product (\$m)
2006	0.8	500

5. If the government of Andrewsia increased spending in 2006 by \$50 m, what will the new level of Gross Domestic Product settle at?
- A \$750m
  - B \$562.5m
  - C \$550m
  - D \$540m
6. Which of the following ultimately determines the value of the Australian dollar?
- A The market forces of demand and supply
  - B Government intervention
  - C The value of the US dollar
  - D The cash rate
7. What is the impact on Australian farmers of the US Government increasing subsidies to its farmers?
- A Increased access to US markets
  - B Decreased sales to US markets
  - C Increasing employment levels on Australian farms
  - D Higher levels of Australian exports

8. Which of the following regions accounts for the majority of Australia's iron ore exports?
- A North America
  - B East Asia
  - C Europe
  - D Central and South America

Question 9 refers to the following data from the economy of Drivinia.

Year	Import Price Index	Export Price Index
1	105	102
2	110	108
3	118	115

9. Which of the following terms describes the movement in Drivinia's terms of trade from year 2 to year 3?
- A Appreciation
  - B Improvement
  - C Constant
  - D Decline
10. Why do Australian investors borrow heavily from overseas?
- A The Australian dollar fluctuates more than other currencies and is therefore a risk for investors
  - B Interest rates are always cheaper overseas
  - C The Federal Government takes most of the available funds
  - D Australians do not save enough money to satisfy investors' demand for funds
11. Which of the following would assist the government in reducing the levels of public debt?
- A An increasingly expansionary fiscal deficit
  - B A contractionary fiscal surplus
  - C A reduction in the sale of public assets
  - D An increase in the corporatisation of public enterprises
12. Which of the following is a distinguishing feature of a newly industrialised economy?
- A A well developed financial sector
  - B A focus on export-oriented growth
  - C Declining levels of education
  - D A lack of foreign funds available for investment
13. Which of the following government policies is likely to increase income inequality?
- A An increase in transfer payments
  - B A reduction in the rate of goods and services tax
  - C An increase in the tax-free threshold
  - D A decrease in the highest marginal income tax rate

14. Which of the following is an example of non-discretionary fiscal policy?
- A Changes in the rate of unemployment benefits payable
  - B Changes in taxation revenue due to an increase in corporate tax rate
  - C Changes in welfare expenditure following an increase in unemployment
  - D Changes in income tax revenue following a widening of tax brackets.
15. Which of the following would improve global trade flows for developing countries?
- A An increase in EU tariffs on agriculture
  - B An increase in EU subsidies on agriculture
  - C An increase in EU quotas on agriculture
  - D An increase in EU quarantine restrictions on agriculture
16. A decrease in which of the following would influence the RBA to decrease interest rates in Australia?
- A Consumer spending
  - B Productivity
  - C The Australian dollar
  - D Household savings rates
17. Which geographical region has the largest number of transition economies?
- A Eastern Europe
  - B South America
  - C North Asia
  - D South East Asia
18. Platonia Pty Ltd has been forced to become increasingly efficient due to changes in government policy. A producer of high-end women's footwear, it has lost the tax concessions it has had since the 1980s and has had to re-examine the way that the business operates.
- Platonia Pty Ltd has been affected by a change in which of the following policies?
- A Monetary policy
  - B Industry policy
  - C Fiscal policy
  - D Tariff reform
19. Which international organisation would assist a developing country in times of a currency crisis?
- A The World Bank
  - B The IMF
  - C The UN
  - D The Global Bureau of Financial Clearances

20. What would be the impact of the sale of second-hand Commonwealth Government Securities by the Reserve Bank of Australia?
- A An increase in liquidity in the cash market and an increase in official interest rates.
  - B An increase in liquidity in the cash market and a decrease in official interest rates
  - C A decrease in liquidity in the cash market and an increase in official interest rates
  - D A decrease in liquidity in the cash market and a decrease in official interest rates

**End of Section I**

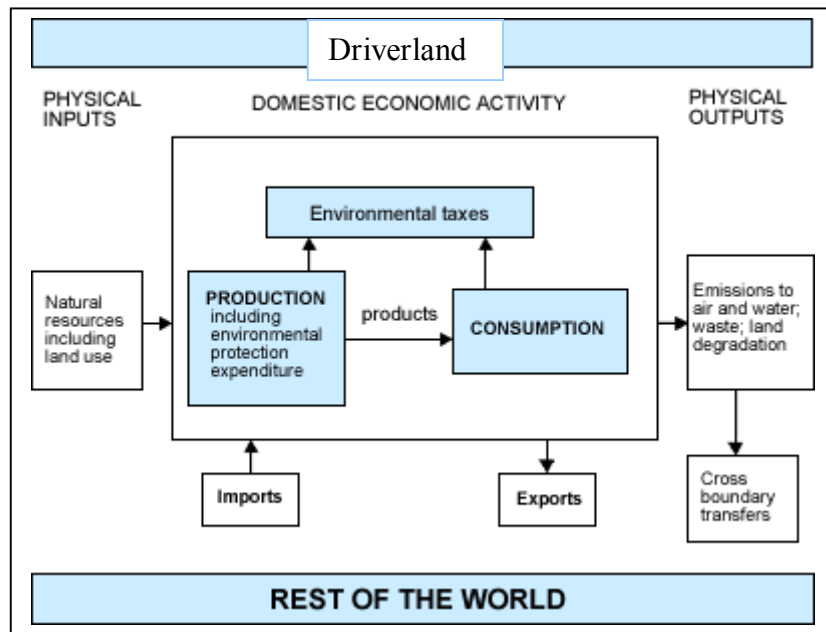
## Section II

**40 marks.**

**Attempt questions 21 - 24**

**Question 21** (10 marks)

The diagram below shows how Driverland’s government relates its economic and environmental management:



(a) What economic term describes the social and economic costs and benefits of private production that are not fully recognised by the price mechanism? 1

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(b) What effect does increased domestic economic activity tend to have on the environment? 1

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(c) Distinguish between the terms non-excludable and non-rival public goods. 2

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(d) Describe a possible social consequence of the depletion of a non-renewable natural resource. 2

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(e) Explain how TWO different types of government policies may assist environmental management. 4

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**Question 22** (10 marks).

Australia 2006

	<b>March 2006</b>	<b>April 2006</b>	<b>May 2006</b>
	\$m	\$m	\$m
Balance on goods & services	-1 418	(a)-1 369	-1 466
Credits (exports of goods & services)	16 458	(a)16 693	16 745
Debits (imports of goods & services)	17 876	18 062	18 211

- (a) Define the term current account deficit. **1**

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- (b) Why has Australia historically always run a current account deficit? **2**

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- (c) Briefly explain why Australia's current account deficit has remained high despite an increase in mineral export revenues. **3**

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Computer Number:.....

**Question 23** (10 marks).

**ECONOMIC DATA FOR DRIVERLAND 2003-2006**

Month/Year	Gross Domestic Product %	Unemployment Rate %	Consumer Price Index
June 2003	2.25	5.1	96.7
June 2004	3.75	4.7	99.8
June 2005	1.70	4.7	101.2
June 2006	2.60	5.5	102.7

(a) What is the rate of economic growth in 2005? **1**

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(b) Calculate the inflation rate for Driverland in 2005. **1**

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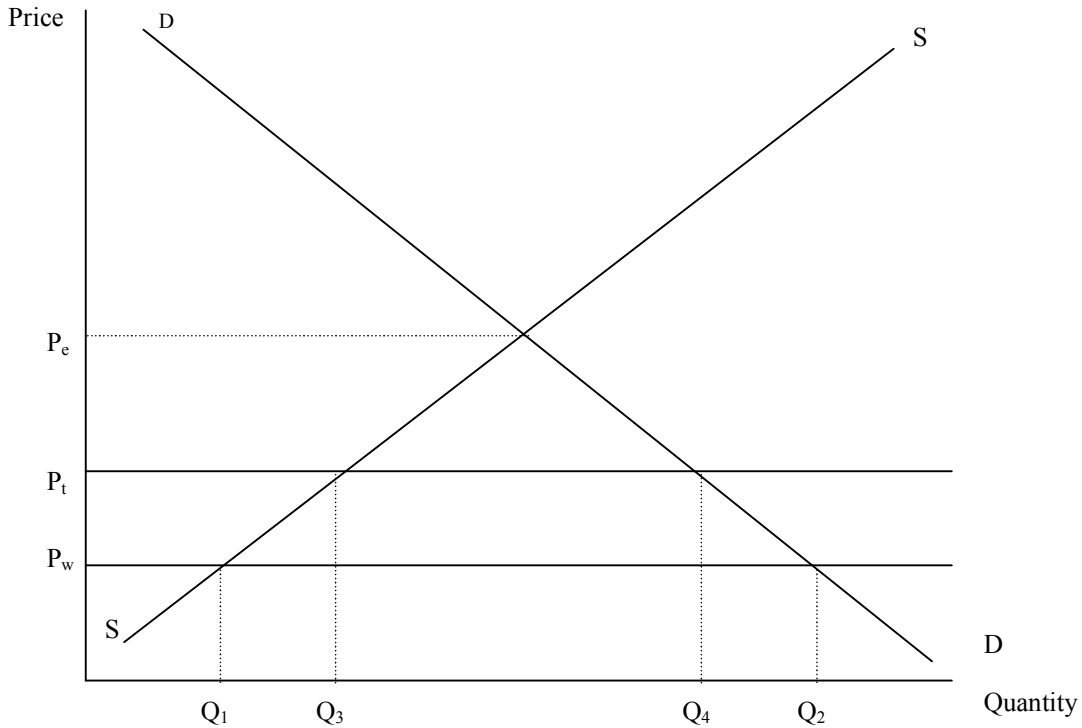
(c) Outline **THREE** methods of government policy (excluding monetary policy) to assist employment growth. **3**

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**Question 24** (10 marks).

The following diagram shows the impact of a tariff on the market for swiss cheese in Australia.



- (a) Define the term tariff. 1

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- (b) Referring to the above diagram, what impacts would there be on Australian swiss cheese producers if the tariff ( $P_t/P_w$ ) was removed? 2

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## Section III

20 marks

Attempt Question 25 or 26

Begin your answer on a new sheet of examination paper

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In your answer you will be assessed on how well you:

- Use your knowledge and the economic information provided
  - Apply economic terms, concepts, relationships and theory
  - Present a sustained, logical and well-structured answer to the question
- 

### Question 25

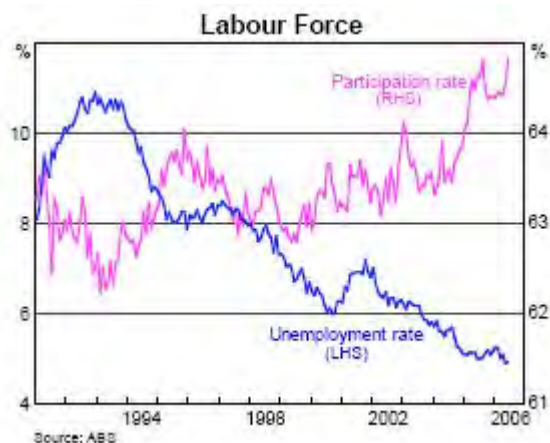
Examine the nature of labour market policies in Australia and explain how they affect the performance of the economy.

The Workchoices legislation will introduce a modern workplace relations system which will give Australia a flexible labour market, allowing economic growth and employment opportunities.

[www.workchoices.gov.au](http://www.workchoices.gov.au).

Work for the Dole is about helping job seekers improve their employment prospects by providing opportunities for work experience. Communities are involving job seekers in local projects providing facilities and services of value to the community.

[www.centrelink.gov.au](http://www.centrelink.gov.au)



OR

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In your answer you will be assessed on how well you:

- Use your knowledge and the economic information provided
  - Apply economic terms, concepts, relationships and theory
  - Present a sustained, logical and well-structured answer to the question
- 

### Question 26

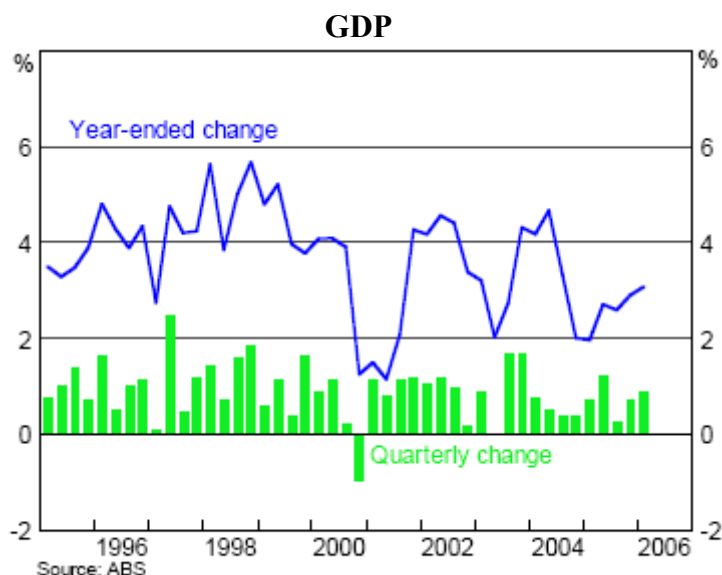
Examine the policies available to the Australian government and explain the conflicts and limitations in their use in managing the Australian economy.

Following a decision taken by the Board at its meeting yesterday, the Bank will be operating in the money market this morning to increase the cash rate by 25 basis points. The decision reflects the Board's assessment that economic activity remains strong and that inflation pressures have increased.

Mr I MacFarlane. Governor RBA. Aug 06

“It’s quite clear that we’ve now got fiscal and monetary policy pulling in opposite directions...there’s no getting away from it: Mr Costello could have used the budget to reduce the upward pressure on interest rates; instead he chose to add to the pressure.”

R Gittens, SMH. 13/05/06





## **Section IV**

**20 marks**

**Attempt Question 27 or 28**

**Begin your answer on a new sheet of examination paper**

**Attempt one question only**

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In your answer you will be assessed on how well you:

- Use economic data
  - Apply economic terms, concepts, relationships and theory
  - Present a sustained, logical and well-structured answer to the question
- 

### **Question 27**

Outline the nature of international trade agreements, and analyse their impact on the global economy.

**OR**

### **Question 28**

Outline the nature of globalization, and analyse its impact on trade and the standard of living in one or more global economies.

**End of paper**

**Section I – Multiple Choice Answer Sheet**

Circle the most correct answer to each question below.

- |     |   |   |   |   |
|-----|---|---|---|---|
| 1.  | A | B | C | D |
| 2.  | A | B | C | D |
| 3.  | A | B | C | D |
| 4.  | A | B | C | D |
| 5.  | A | B | C | D |
| 6.  | A | B | C | D |
| 7.  | A | B | C | D |
| 8.  | A | B | C | D |
| 9.  | A | B | C | D |
| 10. | A | B | C | D |
| 11. | A | B | C | D |
| 12. | A | B | C | D |
| 13. | A | B | C | D |
| 14. | A | B | C | D |
| 15. | A | B | C | D |
| 16. | A | B | C | D |
| 17. | A | B | C | D |
| 18. | A | B | C | D |
| 19. | A | B | C | D |
| 20. | A | B | C | D |

Section I – Multiple Choice

Circle the most correct answer to each question below.

- |     |                            |                            |                            |                            |
|-----|----------------------------|----------------------------|----------------------------|----------------------------|
| 1.  | A                          | B                          | C                          | <input type="checkbox"/> D |
| 2.  | A                          | <input type="checkbox"/> B | C                          | D                          |
| 3.  | A                          | B                          | C                          | <input type="checkbox"/> D |
| 4.  | A                          | <input type="checkbox"/> B | C                          | D                          |
| 5.  | <input type="checkbox"/> A | B                          | C                          | D                          |
| 6.  | <input type="checkbox"/> A | B                          | C                          | D                          |
| 7.  | A                          | <input type="checkbox"/> B | C                          | D                          |
| 8.  | A                          | <input type="checkbox"/> B | C                          | D                          |
| 9.  | A                          | <input type="checkbox"/> B | C                          | D                          |
| 10. | A                          | B                          | C                          | <input type="checkbox"/> D |
| 11. | A                          | <input type="checkbox"/> B | C                          | D                          |
| 12. | A                          | <input type="checkbox"/> B | C                          | D                          |
| 13. | A                          | B                          | C                          | <input type="checkbox"/> D |
| 14. | A                          | B                          | <input type="checkbox"/> C | D                          |
| 15. | A                          | B                          | <input type="checkbox"/> C | D                          |
| 16. | <input type="checkbox"/> A | B                          | C                          | D                          |
| 17. | <input type="checkbox"/> A | B                          | C                          | D                          |
| 18. | A                          | <input type="checkbox"/> B | C                          | D                          |
| 19. | A                          | <input type="checkbox"/> B | C                          | D                          |
| 20. | A                          | B                          | <input type="checkbox"/> C | D                          |

## Question 21

### Part (a)

0	
1	Correctly states that <i>externalities</i> describe the social and economic costs and benefits of private production that are not fully recognised by the price mechanism.

### Part (b)

0	
1	Correctly states that the increased domestic economic activity tends to increase the levels of emissions of waste/pollution and land degradation received by the environment.

### Part (c)

0	
1	Correctly notes the characteristic of either the term non-excludable or non-rival public goods, but does not correctly note the difference between them..
2	Correctly notes the difference between the term the term <i>non-excludable</i> as the producer being unable to exclude consumers from enjoying the benefit of that good even if they are not prepared to pay (e.g. defence), and <i>non-rival</i> is where consumption of the good by one individual consumer does not reduce the quantity of the good available for other consumers (e.g. public order).

### Part (d)

0	
1	Sketches in general terms a possible social consequence of the depletion of a non-renewable natural resource.
2	Clearly provides characteristics and features of a possible social consequence of the depletion of a non-renewable natural resource (e.g. consequences to future generations ...)

### Part (e)

0	
1	Lists examples how different government policies may assist environmental management
2	Sketches the relationship of how different government policies may assist environmental management OR Demonstrates an understanding of ONE of the government policies that may assist environmental management
3	Demonstrates an understanding of how different government policies may assist environmental management
4	Demonstrates a clear, concise and balanced understanding of how different government policies may assist environmental management (including bans on certain types of production, discouraging production with taxes, encourage firms and individuals to use more environmentally-friendly goods and services by govt funding for appropriate new technologies).

## Question 22

(a)

0	Does not accurately define current account deficit
1	Accurately defines current account deficit

CAD – When the combined payments for imported G & S and income and transfer payments to O/S is greater than the combined receipts for exported G & S and income and transfer payments paid to Aust

(b)

0	Does not list a correct reason why Australia runs a current account deficit
1	Lists one correct reason why Australia runs a current account deficit
2	Lists two correct reasons why Australia runs a current account deficit Or Lists one correct reason and describes how it contributes to a long-term CAD

Reasons can include:

- (i) Australia's high level of foreign liabilities
- (ii) Australia's reliance on manufactured M's
- (iii) Narrow X base
- (iv) Low level of domestic savings

(c)

0	Does not list a correct reason why Australia's CAD is still high
1	Lists one correct reason why Australia's CAD is still high
2	Lists two or more correct reasons why Australia's CAD is still high
3	Lists two or more correct reasons and demonstrates how they contribute to a high CAD in spite of increased commodity prices

Factors could include;

- High levels of net Y deficit (structural reasons)
- Increased profits to O/S owned mining companies
- High levels of external debt
- Low interest rates – M spending
- Consistent domestic growth/consumer confidence – high import levels
- Capacity constraints
- High \$A affecting M prices and hence M demand

(d)

0	Does not list a correct government policy
1	Lists one correct government policy
2	Correctly discusses one correct government policy or correctly lists 2 policies
3	Correctly discusses one correct government policy and correctly lists one other policy
4	Correctly discusses two correct government policies

- (i) Microeconomic reform leading to improved efficiency and increasing X's. Eg Lower tariffs, labour market reform
- (ii) Fiscal surplus – no crowding out effect, improve public savings, constrain AD
- (iii) Tighter Monetary Policy to decrease consumer demand (M demand)
- (iv) Dirty the float

### Question 23

#### Part (a)

0	
1	Correctly states that the rate of economic growth in 2005 is 1.70%

Accepted: 1.7 both or 0.3 (1.7 – 1.4) as % change in real GDP

#### Part (b)

0	
1	Correctly states that the inflation rate in 2005 is: $(101.2 - 98.1)/98.1 \times 100/1 = 1.4\%$

NB: 1.38 not accepted. This used incorrect formula to achieve answer and hence did not show understanding of concept.

#### Part (c)

0	
1	Correctly states ONE method of government policy (excluding monetary policy) to assist employment growth
2	Correctly states TWO methods of government policy (excluding monetary policy) to assist employment growth, OR ...
3	Correctly states THREE methods of government policy (excluding monetary policy) to assist employment growth (methods could include expansionary fiscal policy, vocational and industry training, providing wage subsidies for employers to hire people who have been unemployed for a long time, government funded job-creation schemes)

Policies could include:

- spending on training
- labour market deregulation
- expansionary fiscal policy
- imposition of tariff/subsidy (must indicate benefit is s/t only)
- removal of tariff/protection (must indicate benefit is l/t only)
- Micro reform on specific industries

**Part (d)**

0	
1-2	Sketches in general terms operations used by the central bank of Driverland Or Identifies one change in MP and the subsequent impact on the level of economic growth and inflation
3 - 4	Identifies that Mp stances require different settings at different times and describes the subsequent impact on the level of economic growth, unemployment and inflation
4-5	Demonstrates a clear understanding of the operations used by the central bank of Driverland in the domestic money market to influence the official cash rate AND Identifies that MP stances require different settings at different times and describes the subsequent impact on the level of economic growth, unemployment and inflation

Sample answer:

The Central Bank would have changed the stance of MP to meet different conditions. In 2003, faced with 3.2% inflation the central bank may well have sold CGS on the open market, tightening MP and leading to a fall in inflation and economic growth. Faced with the slowdown, the effective use of MP in 2004-2006 would have involved the buying of CGS through market operations, hence promoting increased spending, growth despite the possibility of increased inflation.

Markers comment

This question was difficult. This part of the question was done poorly overall, with little structure applied to the answers. Most answers talked about each of the key indicators in general without explicitly linking changes in MP with economic outcomes. In general, longer answers that used the entire page tended to miss the point of the question and did not get better marks than well-planned or structured answers.

**Question 24****(a)**

0	Does not correctly define the term tariff
1	Correctly defines the term tariff

Tariff – A tax on an imported good used to protect domestic industry

**(b)**

0	Does not correctly list 2 impacts on Australian producers
1	Correctly lists 1 impact on Australian producers, or two with no reference to the stimulus
2	Correctly lists 2 impacts on Australian producers

Impacts are:

- accept lower price ( $P_w$ )
- lower quantity supplied/sales/market share at  $OQ_1$
- Lower revenue ( $P_w * OQ_1$ )

(c)

0	Does not refer to a global attempt to reduce protection
1	Correctly lists a global attempt to reduce protection
2	Correctly lists a global attempt to reduce protection and explains one correct point about it
3	Correctly lists a global attempt to reduce protection and explains two correct points about it

(d)

0	Does not correctly explain any benefits or costs of reducing protection
1	Correctly explains either one cost or benefit
2	Correctly explains either two costs <b>or</b> two benefits <b>or</b> one cost and one benefit
3	Correctly explains two costs and one benefit <b>or</b> two benefits and one cost
4	Correctly explains two costs and two benefits

Costs can include:

- structural ue
- decline in industries
- lack of support for infant industries
- loss of tariff revenues
- increase in M in s/t
- increase in welfare spending on retraining/ue benefits

Benefits can include:

- lower prices for consumers
- reallocation of resources to efficient industries
- incentive to increase productivity/efficiency
- fall in govt spending on subsidies/assistance
- long-term increases in employment in efficient industries
- fall in inflationary pressures

NB: improvement in X not accepted. Question focused on benefits of falling Australian protection.

**End of short answer section.**



Student:.....

**Year 12 Economics**  
**2006 Trial Examinations – Question 25**

Mark Range	Criteria
17-20	<ul style="list-style-type: none"><li>• Develops a sustained, logical and well-structured answer that examines, in detail, the characteristics and role of labour market policies in Australia</li><li>• Provides a comprehensive explanation of the impacts of labour market policies on a wide range of areas of the economy</li><li>• Integrates appropriate economic terms, concepts, and theory</li><li>• Synthesises economic data to develop an effective response</li></ul>
13-16	<ul style="list-style-type: none"><li>• Develops a logical and well-structured answer that explains the characteristics and role of labour market policies in Australia</li><li>• Describes of the impacts of labour market policies on a range of areas of the economy</li><li>• Incorporates some appropriate economic terms, concepts, and theory</li><li>• Incorporates economic data to develop an effective response</li></ul>
9-12	<ul style="list-style-type: none"><li>• Develops a structured answer that describes characteristics of labour market policies in Australia</li><li>• Outlines, in general terms, the impact of labour market policies on areas of the economy</li><li>• Uses some appropriate economic terms, concepts, and theory</li><li>• Includes some economic data to develop an effective response</li></ul>
5-8	<ul style="list-style-type: none"><li>• Develops an answer that outlines the nature of labour market policies in brief or incomplete terms</li><li>• Refers to some possible impacts on more than one area of the economy in brief or incomplete terms</li><li>• Uses limited appropriate economic terms, concepts, and theory</li><li>• May include some economic data in the response</li></ul>
1-4	<ul style="list-style-type: none"><li>• Develops an answer that refers to the nature of the labour market</li><li>• Shows little understanding about impacts of labour market policies</li><li>• Makes little use of appropriate economic terms, concepts, and theory</li><li>• Makes little use of economic data in the response</li></ul>

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Mark:.....

Signed.....

Student:.....

Year 12 Economics  
2006 Trial Examinations – Question 26

Mark Range	Criteria
17-20	<ul style="list-style-type: none"><li>• Develops a sustained, logical and well-structured answer that examines, in detail, the characteristics of both supply and demand-side policies</li><li>• Provides a comprehensive explanation of the conflicts and limitations of individual macro and micro policies</li><li>• Integrates appropriate economic terms, concepts, and theory</li><li>• Synthesises economic data to develop an effective response</li></ul>
13-16	<ul style="list-style-type: none"><li>• Develops a logical and well-structured answer that explains the characteristics of both supply and demand-side policies</li><li>• Describes the conflicts and limitations of macro and micro policies</li><li>• Incorporates some appropriate economic terms, concepts, and theory</li><li>• Incorporates economic data to develop an effective response</li></ul>
9-12	<ul style="list-style-type: none"><li>• Develops a structured answer that describes characteristics of a range of policies used in Australia</li><li>• Outlines, in general terms, some conflicts and limitations of macro and/or micro policies</li><li>• Uses some appropriate economic terms, concepts, and theory</li><li>• Includes some economic data to develop an effective response</li></ul>
5-8	<ul style="list-style-type: none"><li>• Develops an answer that outlines the nature of macro or micro policy</li><li>• Refers to some possible conflicts or limitations of macro or micro policies in brief or incomplete terms</li><li>• Uses limited appropriate economic terms, concepts, and theory</li><li>• May include some economic data in the response</li></ul>
1-4	<ul style="list-style-type: none"><li>• Develops an answer that refers to economic policies</li><li>• Shows little understanding about the limitations of policies</li><li>• Makes little use of appropriate economic terms, concepts, and theory</li><li>• Makes little use of economic data in the response</li></ul>

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Mark:.....

Signed.....

Student:.....

Year 12 Economics  
2006 Trial Examinations – Question 27

Mark Range	Criteria
17-20	<ul style="list-style-type: none"><li>• Develops a sustained, logical and well-structured answer that examines, in detail, the characteristics of bilateral and multilateral trade agreements</li><li>• Provides a comprehensive explanation of the impacts of trade agreements on different aspects of the global economy</li><li>• Integrates appropriate economic terms, concepts, and theory</li><li>• Synthesises economic data to develop an effective response</li></ul>
13-16	<ul style="list-style-type: none"><li>• Develops a logical and well-structured answer that explains the characteristics of different types of trade agreements</li><li>• Describes the impacts of trade agreements on different aspects of the global economy</li><li>• Incorporates some appropriate economic terms, concepts, and theory</li><li>• Incorporates economic data to develop an effective response</li></ul>
9-12	<ul style="list-style-type: none"><li>• Develops a structured answer that describes characteristics of trade agreements</li><li>• Outlines, in general terms, some impacts of trade agreements on the global economy</li><li>• Uses some appropriate economic terms, concepts, and theory</li><li>• Includes some economic data to develop an effective response</li></ul>
5-8	<ul style="list-style-type: none"><li>• Develops an answer that outlines the nature trade agreements</li><li>• Refers to some possible impacts of trade agreements in brief or incomplete terms</li><li>• Uses limited appropriate economic terms, concepts, and theory</li><li>• May include some economic data in the response</li></ul>
1-4	<ul style="list-style-type: none"><li>• Develops an answer that refers to trade agreements</li><li>• Shows little understanding of trade agreements</li><li>• Makes little use of appropriate economic terms, concepts, and theory</li><li>• Makes little use of economic data in the response</li></ul>

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Year 12 Economics  
2006 Trial Examinations – Question 28

Mark Range	Criteria
17-20	<ul style="list-style-type: none"><li>• Develops a sustained, logical and well-structured answer that examines, in detail, the nature of globalisation</li><li>• Provides a comprehensive explanation of the impacts of globalisation on trade and living standards</li><li>• Integrates appropriate economic terms, concepts, and theory</li><li>• Synthesises economic data and detailed discussion of a case study to develop an effective response</li></ul>
13-16	<ul style="list-style-type: none"><li>• Develops a logical and well-structured answer that explains the characteristics of globalisation</li><li>• Describes the impacts of globalisation on trade and living standards</li><li>• Incorporates some appropriate economic terms, concepts, and theory</li><li>• Incorporates economic data and detailed case study material to develop an effective response</li></ul>
9-12	<ul style="list-style-type: none"><li>• Develops a structured answer that describes characteristics of globalisation</li><li>• Outlines, in general terms, some impacts of globalisation on trade and living standards</li><li>• Uses some appropriate economic terms, concepts, and theory</li><li>• Includes some economic data and examples from case study/s to develop an effective response</li></ul>
5-8	<ul style="list-style-type: none"><li>• Develops an answer that outlines the nature of globalisation</li><li>• Refers to some possible impacts of globalisation on trade and living standards in brief or incomplete terms</li><li>• Uses limited appropriate economic terms, concepts, and theory</li><li>• May include some economic data in the response or does not refer to a case study</li></ul>
1-4	<ul style="list-style-type: none"><li>• Develops an answer that refers to globalisation</li><li>• Shows little understanding of the impacts of globalisation</li><li>• Makes little use of appropriate economic terms, concepts, and theory</li><li>• Makes little use of economic data in the response or does not refer to a case study</li></ul>

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