



Newington College
Economics Department

HSC Trial Examination

2007

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)

Use the multiple-choice answer sheet attached to the back of this booklet

Circle the most correct answer to each question

Example: Which of the following is the most correct spelling of the term *Economics*

- A Economsic
- B Economicsbro
- C Ecomonics
- D Economics

A B C D

1. Which of the following would indicate an increase in the pace of globalisation?

- A Increased ratio of exports to gross world product
- B Increase average levels of protection
- C Increase in use of visas to control immigration
- D Increase in the use of foreign currency controls

2. The following table shows data from an economy.

AD	2000
I	600
G	200
C	800
M	800

What is the value of exports in this economy?

- A 1200
- B 800
- C 400
- D Nil

3. Which of the following is a disadvantage for a nation that joins a trade bloc?

- A Increasing barriers to their exports by member countries
- B Changes to the composition of their trade
- C Increases in the price of imports from non-member nations
- D Access to lower cost inputs from member nations

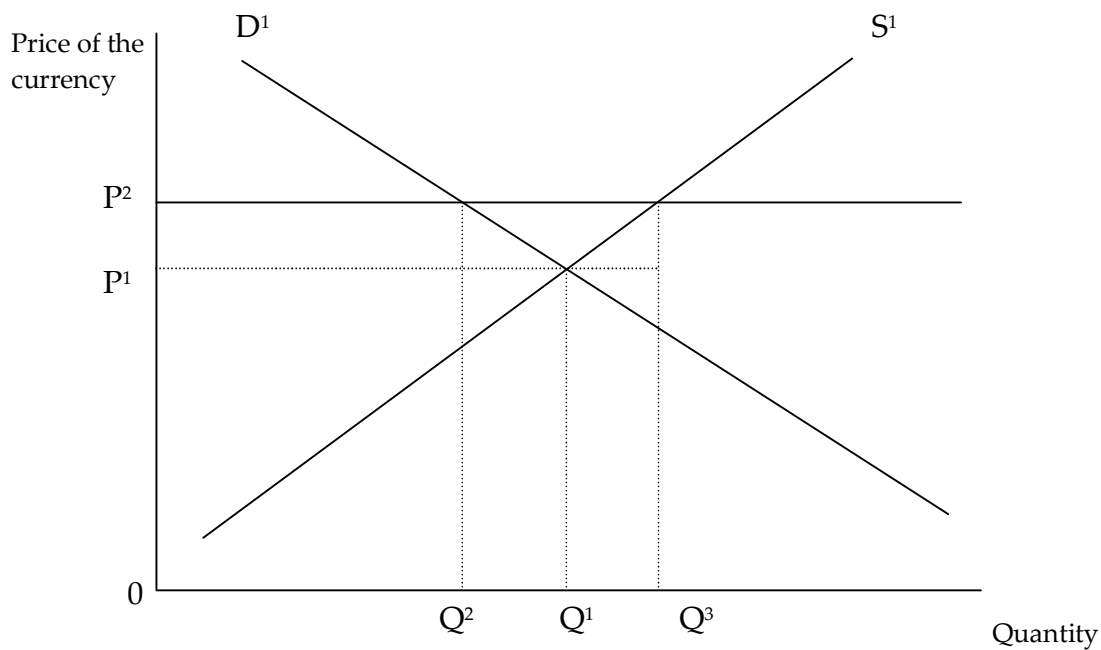
4. Which of the following would lead to an increase in interest rates?

- A Sale of government securities by the RBA to create a surplus of funds in the market.
- B Sale of government securities by the RBA to create a shortage of funds in the market.
- C Purchase of government securities by the RBA to create a surplus of funds in the market.
- D Purchase of government securities by the RBA to create a shortage of funds in the market.

5. Why do high levels of economic growth result in an increase in the level of income inequality in an economy?

- A Increases in economic growth are a consequence of falling unemployment
- B The benefits of economic growth flow more to owners of capital than labour
- C Welfare payments decrease during periods of high economic growth
- D The government earns more income tax during periods of high economic growth.

6. The following diagram shows the market for a domestic currency.



What action is required by the central bank to fix the price of the currency at P^2 ?

- A Buy $0Q^3$ units of the currency
- B Sell $0Q^3$ units of the currency
- C Sell $Q^3 - Q^1$ units of the currency
- D Buy $Q^3 - Q^2$ units of the currency

7. Over time households in an economy have changed their behaviour by increasing the proportion of any extra income that they spend. What impact would this change have on the multiplier of the economy?

- A The multiplier would increase
- B The multiplier would decrease
- C The multiplier would remain constant
- D There is insufficient information to draw a conclusion about any change in the multiplier

8. Which of the following would lead to a fall in inbound portfolio investment?

- A An increase in domestic interest rates
- B An increase in domestic economic growth rates
- C An increase in the performance of the domestic stock exchange
- D An increase in the exchange rate

9. The following information shows GDP data for an economy.

Year	Real GDP
1	2000
2	2200
3	2310
4	2580

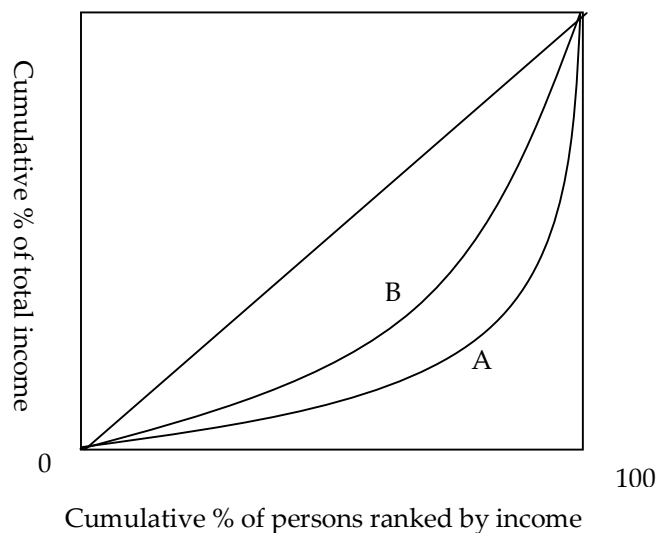
What is the rate of economic growth in Year 3?

- A 10.0 per cent
- B 5.5 per cent
- C 5.0 per cent
- D 4.8 per cent

10. Which of the following would increase as a result of downturn in the international business cycle?

- A Cyclical unemployment
- B Foreign investment
- C Global inflation
- D Export receipts

11. The diagram below shows a movement in the Lorenz curve from A to B.



Which of the following government policies would cause the Lorenz curve to move from A to B, as illustrated in the diagram above.

- A The abolition of the tax-free threshold for low income earners
- B A rise in the highest marginal rate of taxation
- C An increase in the unemployment rate
- D An increase in the goods and services tax

12. The following shows the labour force data for a nation.

Employment	No. of persons
Full-time	7 500 000
Part-time	2 000 000
Unemployed	500 000
Job vacancies	50 000

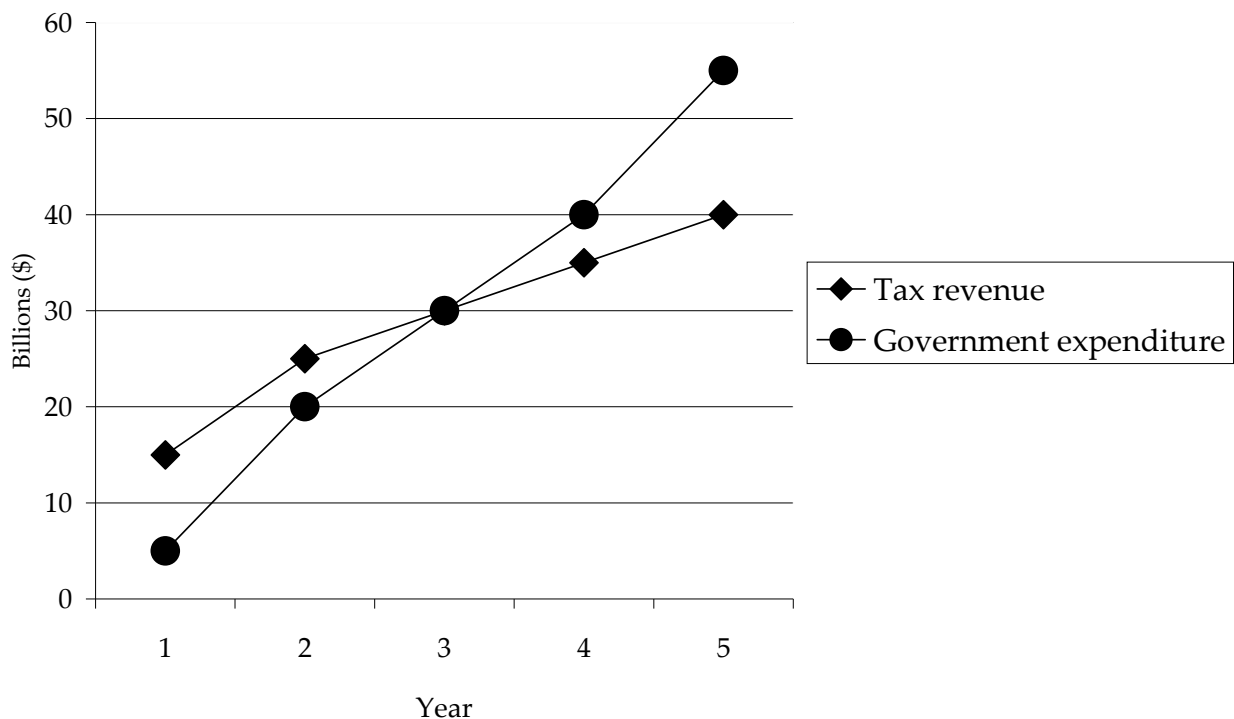
What is the unemployment rate in this nation?

- A 3.3%
- B 5.0%
- C 5.3%
- D 5.5%

13. Which of the following is true about enterprise agreements?

- A They outline minimum pay and conditions for Australian workers and are set by the Australian Fair Pay Commission
- B They constitute only 3% of Australian employment contracts and are organised by unions on behalf of all employees in a workplace.
- C They are individually negotiated between an employee and an employer and must be lodged with the Office of the Employment Advocate.
- D They involve collective negotiation between the employees in a workplace and their employer

14. The diagram below shows changes in taxation revenue and government expenditure for a hypothetical economy.



Which of the following statements describes the stance of fiscal policy and its impact on the economy?

- A In Year 3, the balanced budget has no impact on the level of economic activity
- B There is a budget surplus in Year 2 and this has a contractionary impact on the economy
- C In Year 4, the budget is in deficit and this will decrease the level of economic growth
- D The government has achieved a balanced budget in Year 3 and this will stimulate the level of economic activity

15. What trade policy would have been the cause of increasing levels of structural unemployment in a domestic economy?

- A A decrease in tariffs on the manufacturing sector
- B An increase in subsidies to the motor vehicle industry
- C Setting up a fixed exchange rate
- D The imposition of an embargo on imports from a specified country

16. The following table shows balance of payments statistics for a hypothetical economy

	(\$)
Goods credit	223
Goods debits	228
Services credit	79
Services debit	77
Net income	?
Net transfers	-8
Current account deficit	156

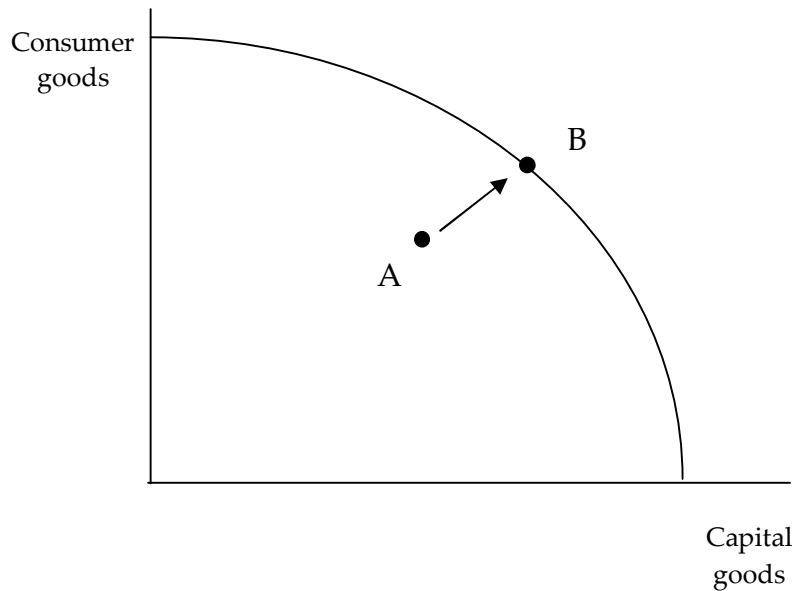
What is the value of net income?

- A - \$ 39
- B - \$ 145
- C - \$ 151
- D - \$ 167

17. Which of the following indicators is the best method of comparing economic prosperity between nations?

- A Percentage change in real GDP over time
- B Percentage change in real GDP per capita over time
- C Percentage change in average weekly earnings over time
- D Percentage change in inflation over time

18. The following diagram illustrates a movement in the production possibility frontier for a hypothetical economy.



Which of the following would cause the economy to move from point A to point B ?

- A Greater efficiencies due to microeconomic reform
- B A decrease in labour productivity
- C Higher levels of aggregate demand
- D An increase in the minimum wage

19. Which of the following is true about recent trends in Australia's trade and financial flows?

- A The proportion of agricultural exports has increased and FDI has grown faster than portfolio investment
- B The proportion of imports from Japan has increased and capital transfers are the largest component of the capital and financial account
- C The proportion of exports to Europe has decreased and portfolio investment has grown faster than FDI
- D The proportion of imports from the US has increased and the relative importance of portfolio investment has declined

20. What global organisation is responsible for resolving international disputes over protection?

- A The World Bank
- B The International Monetary Fund
- C The World Trade Organisation
- D The General Agreement on Tariffs and Trade

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Section II (40 marks)

Attempt questions 21 – 24

Question 21 (10 marks)

The data below refers to the Australian economy

	Index of export prices	Index of import prices	Terms of trade
2004	90.0	99.3	90.6
2005	100.0	100.0	100.0
2006	115.0	103.7	

(a) Calculate the terms of trade in 2006. (Show all working) (2)

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(b) Explain why Australia’s terms of trade has improved since 2004 (3)

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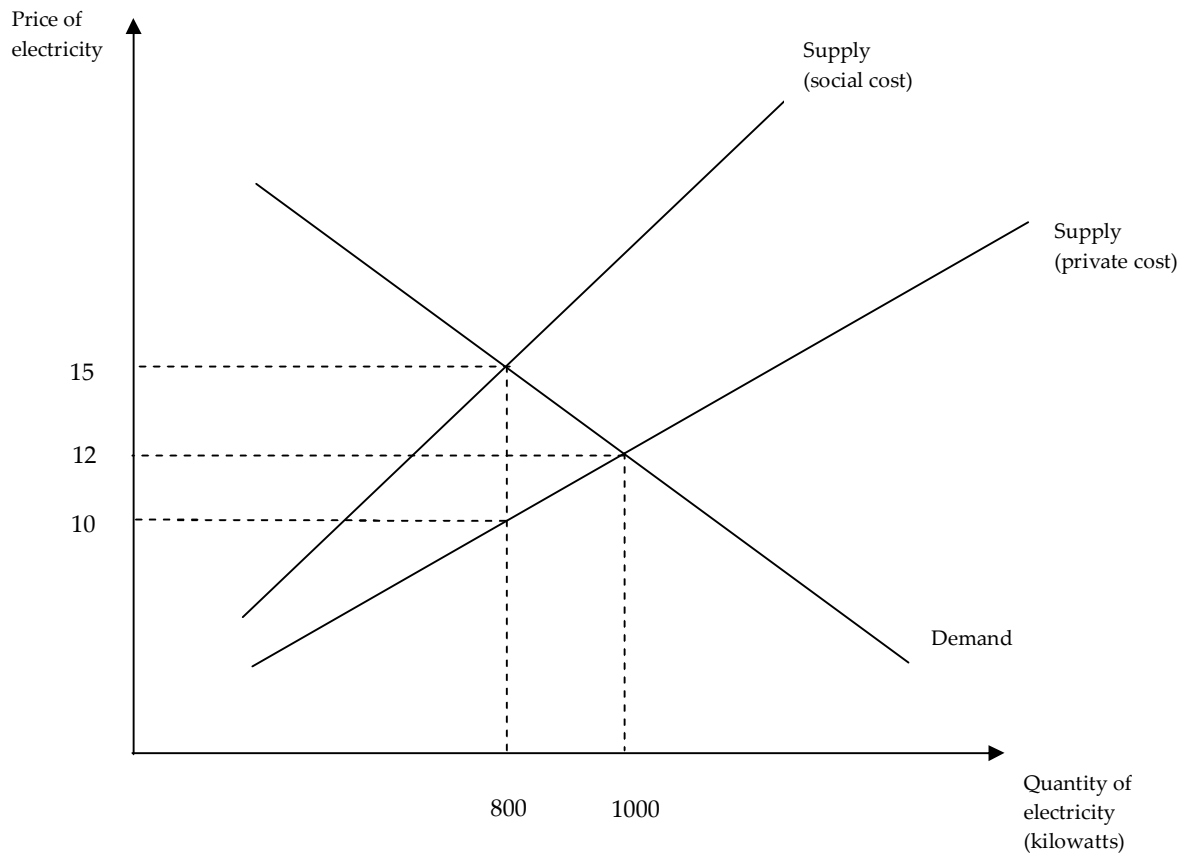
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Question 22 (10 marks)

The diagram below shows the market for electricity created by coal-fired power stations. Coal is a non-renewable resource and the generation of electricity produces carbon dioxide, a contributor to global warming.



(a) Define the term 'externality' and outline an example (2)

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(b) Explain why the social cost curve is above the private cost curve on the diagram (2)

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(c) A carbon tax has been proposed to ensure that the socially-optimal quantity of electricity is traded.

Calculate the value of the government's revenue from the carbon tax. (Show all working)
(2)

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(d) Discuss the impacts of a carbon tax on the Australian economy (4)

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Question 23 (10 marks)

The following data is for a hypothetical economy

Year	Economic growth (%)	CPI	Nominal wages (\$) (AWE*)	Unemployment rate (%)
1	2.6	100	750	6.7
2	3.7	105	819	5.1
3	4.4	112	924	3.9

AWE = average weekly earnings of full-time employees

(a) Calculate the inflation rate in Year 3 (1)

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(b) Using the information in the table, identify two possible causes for the increase in the CPI between Year 1 and Year 3. (2)

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(c) Explain how fiscal policy may reduce inflationary pressures in an economy (3)

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(d) Describe TWO economic benefits and TWO social benefits of low unemployment (4)

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Question 24 (10 marks)

Total GDP 2006

	<i>Economy</i>	<i>USD (millions)</i>
1	United States	13,201,819
2	Japan	4,340,133
3	Germany	2,906,681
4	China	2,668,071
5	United Kingdom	2,345,015
15	Australia	768,178
57	Vietnam	60,884
	World	48,244,879

(a) Define the term 'gross world product' (1)

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(b) Explain the impact of investment flows on the global economy (3)

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(c) Analyse TWO strategies used by an economy other than Australia to promote economic growth and development. (6)

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Section III (20 marks)

Attempt either Question 25 or Question 26

Begin your answer on a new sheet of examination paper

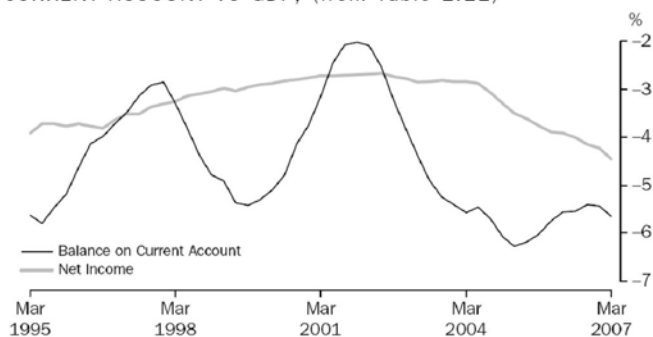
In your answer you will be assessed on how well you:

- 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 (20 marks)

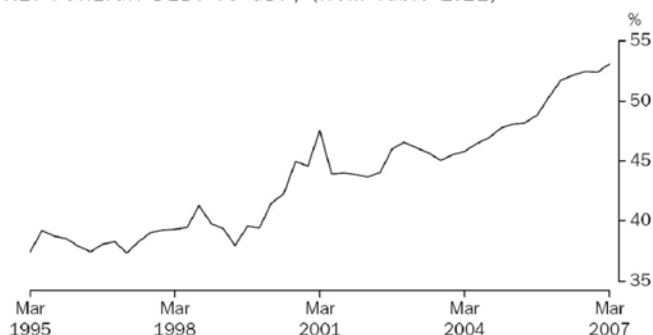
Analyse the causes and consequences of Australia's current account deficit.

CURRENT ACCOUNT TO GDP, (from Table 2.11)



Source: Balance of Payments and International Investment Position, Australia, cat. no. 5302.0

NET FOREIGN DEBT TO GDP, (from Table 2.11)



Source: Balance of Payments and International Investment Position, Australia, cat. no. 5302.0

In response to Australia's sizeable current account deficits over the past two decades, Federal governments of both political persuasions have responded both with a compulsory private-saving scheme and with sustained fiscal restraint... these efforts have significantly raised Australian national saving rate above the levels that would otherwise have prevailed.

*David Gruen
Australian Treasury*

OR

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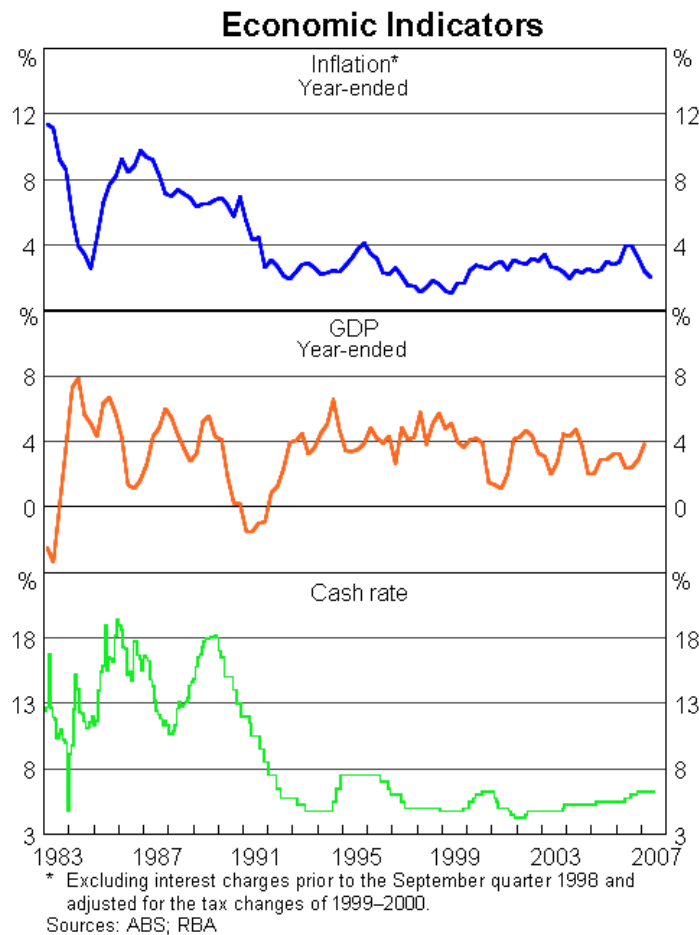
Newington College

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
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Question 26 (20 marks)

Analyse the role of monetary policy in achieving internal balance in Australia



The Australian economy has performed strongly in the recent period, with favourable outcomes being recorded on several fronts. Output growth has picked up and this has been accompanied by continued strength in incomes and falling unemployment. At the same time, high levels of capacity utilisation and tight labour market conditions have placed upward pressure on underlying inflation.

*Statement on Monetary Policy
May 2007*

Section IV (20 marks)

Attempt either Question 27 or Question 28

Begin your answer on a new sheet of examination paper

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
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Question 27 (20 marks)

Outline the current industrial framework in Australia and discuss the role of labour market policies in achieving full employment and economic growth.

OR

Question 28 (20 marks)

Outline the differences in levels of development around the world and discuss the impact of international organisations and trade agreements on the global economy.

END OF PAPER

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Marking criteria

Question 21

(a)

1	Shows the correct formula, but does not correctly calculate the ToT OR Correctly calculates the ToT, but does not show working,
2	Shows the correct formula and correctly calculates the ToT, showing all working

$$\text{ToT} = P_x/P_m * 100/1 = 115.0/103.7 * 100/1 = 110.9$$

(b)

1	Identifies one reason for an improvement in the ToT
2	Identifies two reasons for an improvement in the ToT
3	Explains in clear and concise terms two reasons that have led to an improvement in Australia's ToT

Reasons can include:

- Increase in the price of exports due to increased demand for Australian commodity exports (eg: iron ore, gas)
- Decrease in the price of goods and services imported to Australia due to the falling price of manufactured and electronic imports (eg: cars, stereos, computers etc) from SEAsia

(c)

1	Identifies ONE impact of an improvement in the ToT
2	Identifies TWO impacts of an improvement in the ToT
3	Identifies ONE impact of an improvement in the ToT AND Explains ONE impacts of an improvement in the ToT
4	Explains TWO impacts of an improvement in the ToT
5	Clearly and concisely illustrates the relationship between how an improvement in Australia's ToT leads to changes in TWO distinct areas of the Australian economy

Impacts can include:

- GNI increases due to higher export revenues (FYI - assuming export quantity was unchanged, export revenue is now 8% higher than if ToT had remained constant). This has led to:
 - Increased corporate profits to businesses operating in export industries, hence higher dividend payments and incomes for Australian shareholders
 - Increased wages to those working in export industries (eg: truck drivers in mining industries), hence higher consumption and SoL
- Decreased pressure on inflation due to lower imported inflation
- Increased investment in profitable export sectors, such as mining (re-allocation of resources)
- Increased AD across the whole economy, hence economy moves closer to full capacity – low un and pressure on inflation (leading to secondary impacts on property and share markets).

Question 22

(a)

1	Defines the term externality OR outlines an example of an externality
2	Defines the term externality AND outlines an example of an externality

Externality: a cost or benefit resulting from the production or consumption of goods and services that is borne or received by parties not directly involved in the transaction. These costs or benefits are not recognised by the market, and hence are not reflected by the price mechanism.

Examples: The production of coal by a power station generates carbon dioxide which pollutes the atmosphere. The community bears the cost of the air pollution (eg: poor health), but this cost is not borne by the creator of the pollution – the producer (coal-power stations). In other words, producers are not forced to ‘pay’ for the pollution they have created and the additional costs they impose on the community.

(b)

1	Identifies why the social cost curve is above the private cost curve
2	Explains why the social cost curve is above the private cost curve

The private cost curve is a supply curve that only refers to the costs of production incurred by the producer of goods and services. The social cost curve, however, represents these private costs PLUS the additional costs of externalities that are borne by the community. Hence it must be above the private cost curve.

(c)

1	Correctly identifies the tax per unit as \$5 OR the quantity of electricity traded as 800 units
2	Correctly calculates the value of the government’s revenue from the carbon tax as \$4000

Tax per unit is \$5 (\$15 - \$10). Quantity of electricity traded is 800 units. Therefore total government revenue is \$4000

(d)

1	Identifies ONE advantage OR ONE disadvantage of the imposition of a carbon tax
2	Identifies ONE advantage and ONE disadvantage of the imposition of a carbon tax OR Describes ONE advantage OR ONE disadvantage of the imposition of a carbon tax
3	Identifies ONE advantage or ONE disadvantage of the imposition of a carbon tax AND Describes ONE advantage OR ONE disadvantage of the imposition of a carbon tax
4	Describes ONE advantage and ONE disadvantage of a carbon tax

Advantages may include:

- Higher prices, lower Q of electricity for consumers.
- Higher CoP for firms – lower profits, higher charges to customers and more difficult to compete internationally

Disadvantages may include:

- Investment in renewable electricity – creation of new industries – re-allocation of resources.
- Source of comparative advantage – can export renewable electricity technology to ROW.
- ESD in longer term

The purpose of a carbon tax is to reduce consumption, not to raise revenue. Furthermore, the amount of revenue raised by a carbon tax is relatively insignificant.

If students indicated that an advantage of the carbon tax was to raise revenue in order to fund R&D into renewable energy sources (or other environmental goals) then marks were awarded. However, if students indicated that an advantage was to raise revenue to finance any of the government’s other objectives (eg: equitable distribution of income) then marks were not awarded.

Question 23

(a)

1	Correctly calculates the inflation rate as 6.7%
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$$(\text{CPI } 3 - \text{CPI } 2) / \text{CPI } 2 * 100/1 = (112-105)/105 * 100 = 6.7\% \text{ (1dp)}$$

(b)

1	Identifies ONE possible cause for the increase in the CPI
2	Identifies TWO possible causes for the increase in the CPI

Causes may include:

- Cost-push inflation (as reflected in higher wages and increased costs of production for firms)
- Demand-pull inflation (as reflected in increased rates of economic growth and hence aggregate demand)

NB: the causes needed to be distinct, as opposed to being the same. Many students suggested, for example, the two reasons were \uparrow EG, causing \uparrow spending and hence \uparrow inflation, + \uparrow wages causing \uparrow spending resulting in \uparrow inflation. Both of these answers draw on the same cause of inflation - \uparrow consumer spending.

(c)

1	Identifies ONE fiscal policy measure to reduce inflationary pressures
2	Identifies TWO fiscal policy measures to reduce inflationary pressures Or Explains one fiscal policy measure
3	Explains how TWO distinct fiscal policy measures may reduce inflationary pressures

- Structural
 - Increase in marginal tax rates, hence an increase in tax revenue
 - Decrease in government expenditure on capital infrastructure
- Cyclical – auto stabilisers
 - Higher tax revenue due to increasing number of employed persons and higher company profits
 - Fall in welfare spending due to decrease in the number of unemployed persons

Answers were required to demonstrate the link between the change in the stance of fiscal policy and the change in inflation, rather than just asserting it.

Additionally, the answers needed to be realistic, not hypothetical. Subsidisation of industry was not accepted as it is not used as an anti-inflationary tool, nor would it actually have a deflationary impact.

(d)

1	Describes ONE benefits of low unemployment OR Identifies TWO benefits of low unemployment
2	Describes TWO benefits of low unemployment OR Identifies FOUR benefits of low unemployment
3	Describes ONE social and TWO economic benefits of low unemployment OR Describes TWO social and ONE economic benefits of low unemployment
4	Describe TWO social benefits and TWO economic benefits of low unemployment

- Social benefits may include:
 - Reduced poverty and crime
 - Greater Y equality
- Economic benefits may include:
 - Economy moves closer to PPF, hence maximises economic output and minimises opportunity cost
 - Maximise growth, income, SOL

Question 24

(a)

0 marks	Does not define the term Gross World Product
1 mark	Correctly defines the term Gross World Product

GWP is the sum of the total value of G & S produced by all of the economies in the world over a period of time

(b)

0 marks	Does not make any correct statements about connecting investment flows and the global economy
1 mark	Correctly states what an investment flow is or gives an example of one.
2 marks	Correctly states what an investment flow is or gives an example of one and correctly explains one impact on the global economy
3 marks	Correctly states what an investment flow is or gives an example of one and correctly explains two impacts on the global economy

Increase in foreign direct investment (the movement of funds that are directly invested in economic activity or in the purchase of companies). \$US623 billion invested worldwide in 2004. This has led to an increase in the number of mergers and takeovers, improved access to technology and therefore innovation and better education and training.

Most investment has occurred in developed nations but investment has still occurred in developing nations.

(c)

0 marks	Does not correctly refer to any strategies used by an economy other than Australia to promote growth and development.
1 mark	Correctly refers to one strategy used by an economy other than Australia to promote growth and development or describes the difference between growth and development.
2 marks	Correctly refers to two strategies used by an economy other than Australia to promote growth and development or refers to one strategy used by an economy other than Australia to promote growth and development and describes the difference between growth and development.
3 marks	Correctly analyses one strategy used by an economy other than Australia to promote growth and development.
4 marks	Correctly refers to one strategy and correctly analyses another strategy used by an economy other than Australia to promote growth and development.
5 marks	Correctly analyses two strategies used by an economy other than Australia to promote growth and development.
6 marks	Correctly analyses two strategies used by an economy other than Australia to promote growth and development. The answer includes figures, examples, up to date statistics.

Vietnam (see Driver case study booklet)

- Accelerating structural reform of the economy
- Improving the productivity of state owned enterprises through corporatisation
- Changing foreign investment laws
- Implementing competition policy
- Promoting new developments in education and training

The text book contains case studies on Brazil and Poland. Some students may have referred to these.

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Question 25 - Analyse the causes and consequences of Australia's current account deficit.

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

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Mark:.....

Signed.....

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Question 26 - Analyse the role of monetary policy in achieving internal balance in Australia

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

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Mark:.....

Signed.....

2007 HSC Economics Trial Examination

Question 27 - Outline the current industrial framework in Australia and discuss the role of labour market policies in achieving full employment and economic growth.

Mark Range	Criteria
17-20	<ul style="list-style-type: none"> • Develops a sustained, logical and well-structured answer that precisely and succinctly outlines the current industrial framework in Australia • Provides a comprehensive explanation of the strengths and weaknesses of labour market policies in achieving full employment and economic growth • Integrates appropriate economic terms, concepts, and theory • Synthesises economic data to develop an effective response
13-16	<ul style="list-style-type: none"> • Develops a logical and well-structured answer that accurately outlines the current industrial framework in Australia • Describes the strengths and weaknesses of labour market policies in achieving full employment and economic growth • Incorporates some appropriate economic terms, concepts, and theory • Incorporates economic data to develop an effective response
9-12	<ul style="list-style-type: none"> • Develops a structured answer that outlines characteristics of the current industrial framework in Australia • Outlines, in general terms, the strengths and weaknesses of labour market policies in achieving full employment and economic growth • Uses some appropriate economic terms, concepts, and theory • Includes some economic data to develop an effective response
5-8	<ul style="list-style-type: none"> • Develops an answer that outlines the industrial frameworks in brief or incomplete terms • Refers to the role of labour market policies in achieving full employment and/or economic growth, in brief or incomplete terms • Uses limited appropriate economic terms, concepts, and theory • May include some economic data in the response
1-4	<ul style="list-style-type: none"> • Develops an answer that refers to industrial relations • Shows little understanding of the role of labour market policies • Makes little use of appropriate economic terms, concepts, and theory • Makes little use of economic data in the response

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2007 HSC Economics Trial Examination

Question 28 - Outline the differences in levels of development around the world and discuss the impact of international organisations and trade agreements on the global economy.

Mark Range	Criteria
17-20	<ul style="list-style-type: none"> • Develops a sustained, logical and well-structured answer that precisely and succinctly outlines the differences in levels of development around the world • Provides a comprehensive explanation of the positive and negative impacts of international organisations and trade agreements on a wide range of areas of the global economy • Integrates appropriate economic terms, concepts, and theory • Synthesises economic data to develop an effective response
13-16	<ul style="list-style-type: none"> • Develops a logical and well-structured answer that accurately outlines the differences in levels of development around the world • Describes the positive and negative impacts of international organisations and trade agreements on a range of areas of the global economy • Incorporates some appropriate economic terms, concepts, and theory • Incorporates economic data to develop an effective response
9-12	<ul style="list-style-type: none"> • Develops a structured answer that outlines the differences in levels of development around the world • Outlines, in general terms, some positive and negative impacts of international organisations and trade agreements on the global economy • Uses some appropriate economic terms, concepts, and theory • Includes some economic data to develop an effective response
5-8	<ul style="list-style-type: none"> • Develops an answer that outlines the differences in levels of development around the world in brief or incomplete terms • Refers to some possible impacts on more than one area of the global economy in brief or incomplete terms • Uses limited appropriate economic terms, concepts, and theory • May include some economic data in the response
1-4	<ul style="list-style-type: none"> • Develops an answer that refers to differences in levels of development • Shows little understanding about impacts of labour market policies • Makes little use of appropriate economic terms, concepts, and theory • Makes little use of economic data in the response

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Mark:.....

Signed.....