



2006

TRIAL HIGHER SCHOOL CERTIFICATE EXAMINATION

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 Student Number at the top of pages 6-13

Total marks – 100

Section I

Pages 2 - 5

20 marks

- Attempt Questions 1-20
- Allow about 35 minutes for this section

Section II

Pages 6-13

40 marks

- Attempt Question 21-24
- Allow about 1 hour and 15 minutes for this section

Section III

Page 14-15

20 marks

- Attempt either Question 25 or Question 26
- Allow about 35 minutes for this section

Section IV

Page 16

20 marks

- Attempt either Question 27 or Question 28
- Allow about 35 minutes for this section

Section I

20 marks

Attempt Questions 1–20

Allow about 35 minutes for this section

Use the multiple-choice answer sheet.

Select the alternative A, B, C or D that best answers the question. Fill in the response oval completely.

Sample: $2 + 4 =$ (A) 2 (B) 6 (C) 8 (D) 9
A B C D

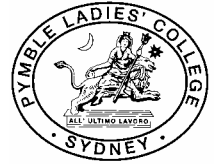
If you think you have made a mistake, put a cross through the incorrect answer and fill in the new answer.

A B C D

If you change your mind and have crossed out what you consider to be the correct answer, then indicate the correct answer by writing the word *correct* and drawing an arrow as follows.

correct
A B C D

ECONOMICS TRIAL 2006



MULTIPLE CHOICE ANSWER SHEET

Student No. _____

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

- 1 In what way has globalisation changed world financial markets?
- (A) Limited their role
 - (B) Subject them to increased speculation
 - (C) Given greater stability
 - (D) Made them concentrate on low interest loans for third world countries
- 2 If a person's average propensity to consume is 0.8, how much of their \$50,000 annual income will they save?
- (A) \$4,000
 - (B) \$10,000
 - (C) \$40,000
 - (D) \$50,000
- 3 A current account deficit has which of the following implications?
- (A) Income exceeds spending
 - (B) Spending exceeds income
 - (C) Exports exceed imports
 - (D) None of the above
- 4 What negative impact may occur if the government borrows funds from the private sector to finance a budget deficit?
- (A) A rise in interest rates
 - (B) An increase in private sector spending
 - (C) Foreign debt will rise
 - (D) Consumer spending will decrease
- 5 If there is a short term capital outflow from Australia into Japan, how will the outflow appear?
- (A) A debit on the Australian current account
 - (B) A debit on the Australian capital account
 - (C) A credit on the Australian current account
 - (D) A credit on the Australian capital account
- 6 Which of the following is a valid economic argument for protection?
- (A) All other countries are doing it
 - (B) To provide jobs for unskilled workers
 - (C) To allow resources to be used more efficiently
 - (D) To allow infant industries to become established
- 7 What changes have occurred in the last decade in the direction of trade flows?
- (A) Third world economies have started to dominate world markets
 - (B) East Asian and Pacific countries decreased their trading activities
 - (C) High income countries saw their overall share of global trade fall
 - (D) High income countries saw their overall share of global trade rise

- 8 What has been the major cost of tariff reform in Australia?
- (A) Reduced exports
 - (B) Unemployment in those industries affected by the tariff cut
 - (C) A rise in the level of imports
 - (D) Wasted resources
- 9 Which of the following factors will lead to an increase in Australia's net foreign liabilities?
- (A) An increase in the trade surplus
 - (B) A rise in the current account surplus
 - (C) Increase in the level of net foreign debt
 - (D) A rise in the Capital and Financial Account deficit
- 10 Which forms of unemployment compose the sum of the natural rate of unemployment?
- (A) Frictional unemployment and cyclical unemployment
 - (B) Cyclical unemployment and structural unemployment
 - (C) Frictional unemployment and structural unemployment
 - (D) Frictional unemployment and seasonal unemployment
- 11 When is market failure seen to occur?
- (A) The price mechanism fails to take into account social costs
 - (B) Consumers fail to get the goods and services they want
 - (C) The price paid by consumers includes the cost of environmental damage
 - (D) The government determines supply and demand
- 12 Which of the following is an example of inflationary expectations?
- (A) When the government gives everyone a tax cut
 - (B) Consumers stop buying in the expectation of price rises
 - (C) When producers raise prices to factor in expected rises in costs
 - (D) The interest rate falls to encourage people to buy property
- 13 To encourage aggregate demand to increase, the government takes which of the following actions?
- (A) Raises interest rates
 - (B) Lowers taxes
 - (C) Raises taxes
 - (D) Decreases investment spending

- 14 In a system where wage rises are tied to productivity which of the following must occur?
- (A) Wages must rise at the same rate as the cost of living
 - (B) Real wage will rise inline with increases in output per worker
 - (C) Wage rises which exceed productivity rises will lead to a decrease in the supply of labour
 - (D) Money wages will rise in line with increases in output per worker
- 15 If the rate of population grows but at a slower rate than real GDP which of the following will occur?
- (A) Income per head will increase
 - (B) Income per head will decrease
 - (C) Income per head will not change
 - (D) It is not possible to determine
- 16 Which of the following is a reason for the government's intervention in the provision of health and education?
- (A) Resources which can be used to produce, health and education services are more scarce than resources which can be utilised to produce consumer goods
 - (B) The choices that have to be made about education and health are far more important than the choices made about other goods and services
 - (C) Left to its own devices, the market may under allocate resources to health and education, or set a price for them that is regarded by the community as too high
 - (D) The government is responsible for determining the optimal allocation of resources in health and education
- 17 Which of the following is an advantage of free trade?
- (A) An increase in government revenue
 - (B) A decrease in import licensing
 - (C) An improvement in the allocation of resources
 - (D) The protection of import competing industries
- 18 Which of the following factors causes an increase in the volume of imports?
- (A) A decrease in exports
 - (B) A depreciation in the \$A
 - (C) A deterioration in the terms of trade
 - (D) An increase in economic growth

- 19 Which of the following is indicated by the distribution of income in Australia?
- (A) Single income households, on average, earn more than two income families
 - (B) Males earn more than females on average
 - (C) Cultural background is irrelevant to income level
 - (D) There are no inequalities in income levels
- 20 If the Australian government wholly funded a community development project in an ASEAN country, it would be classified as which one of the following?
- (A) Bilateral aid
 - (B) Multilateral trade
 - (C) Emergency relief
 - (D) Trade assistance

End of Section 1

TRIAL HIGHER SCHOOL CERTIFICATE EXAMINATION 2006

Economics

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Student Number

Section II
40 marks

Attempt Questions 21–24

Allow about 1 hour and 15 minutes for this section

Answer the questions in the spaces provided.

Question 21 (10 Marks)

“Environmental management is necessary because of market failure”

- (a) Define market failure. (1 mark)

- (b) Explain two causes of market failure in relation to the preservation of natural environments. Mention 2 examples (2 marks)

(c) Distinguish between the private costs and social costs of preserving the natural environment. (2 marks)

(d) Explain the significance of ecological sustainable development (2 marks)

(e) Describe the problems associated with attempts to achieve ecological sustainable development (3 marks)

End Question 21

TRIAL HIGHER SCHOOL CERTIFICATE EXAMINATION 2006

Economics

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Student Number

Section II (continued)

40 marks

Question 22 (10 Marks)

In your answers show all formulae and working out.

The following table is the data of a hypothetical economy

<i>Year</i>	<i>Real GDP (\$m)</i>	<i>Consumer Price Index</i>	<i>Employed Persons (millions)</i>	<i>Unemployed Persons (millions)</i>	<i>Population Age 15 +years (Millions)</i>
1	4,000,000	105	52.0	5.2	75.4
2	4,200,000	110	52.5	5.5	76.2
3	4,520,000	112	52.0	5.6	77.4
4	4,500,000	118	53.0	5.1	77.8
5	4,700,000	128	56.0	4.9	78.2

(a) Calculate the unemployment rate for Year 3. (2 marks)

(b) Calculate the inflation rate for Year 5 (2 marks)

Question 22 (continued)

(c) Calculate the increase in Real GDP between Years 3 and 4. (2 marks)

(d) Calculate the size of the labour force in Year 2 (2 marks)

(e) Calculate the labour force participation rate in Year 3 (2 marks)

End of Question 22

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Economics

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Student Number

Section II (continued)
40 marks

Question 23 (10 Marks)

- (a) Distinguish between economic growth and development. (2 marks)

- (b) Explain two impacts of globalisation on the growth and development of an economy other than Australia. (4 marks)

Question 23 continued

- (c) Discuss two strategies used by that economy to promote economic growth and development. (4 marks)

End of Question 23

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Student Number

Section II (continued)
40 marks

Question 24

(a) Define protection (1 mark)

(b) Distinguish between tariff and subsidy (2 marks)

(c) Explain the relevance of the concept of Comparative Advantage (2 marks)

Question 23 continued

(d) Discuss two disadvantages of protection

(4 marks)

(e) Identify the main role of the WTO in the global economy

(1 mark)

End of Question 24

Economics

Section III

20 marks

Attempt either Question 25 or Question 26

Allow about 35 minutes for this section

Answer the questions ON A NEW SHEET. Extra writing paper is available.

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)

	Lowest Quintile	Second Lowest Quintile	Third Quintile	Fourth Quintile	Highest Quintile	Ratio of Household Incomes		Gini Co-Efficient
						Percentiles 90/10	20/50	
1994–95	7.9	12.8	17.7	23.7	37.8	3.77	0.61	0.296
1995–96	8.1	13.0	17.7	23.9	37.3	3.73	0.61	0.296
1996–97	8.3	13.1	17.8	23.7	37.1	3.66	0.62	0.292
1997–98*	7.9	12.8	17.7	23.8	37.9	3.77	0.61	0.303
1999–00	7.7	12.6	17.7	23.7	38.4	3.89	0.59	0.310
2000–01*	7.7	12.6	17.6	23.6	38.5	3.98	0.59	0.311
2002–03	7.7	12.8	17.6	23.7	38.3	4.00	0.60	0.309
2003–04	8.2	13.1	17.9	23.7	37.4	3.70	0.61	0.294

* The survey was not conducted in 1998-99 and 2001-02

Percentage Income Shares

Source: AusStats 6523.0 Income Distribution, Australia

Account for the distribution of income in Australia and analyse the economic and social costs and benefits of inequality in the distribution of income in Australia.

End of Question 25

TRIAL HIGHER SCHOOL CERTIFICATE EXAMINATION 2006

Economics

Section III (continued)

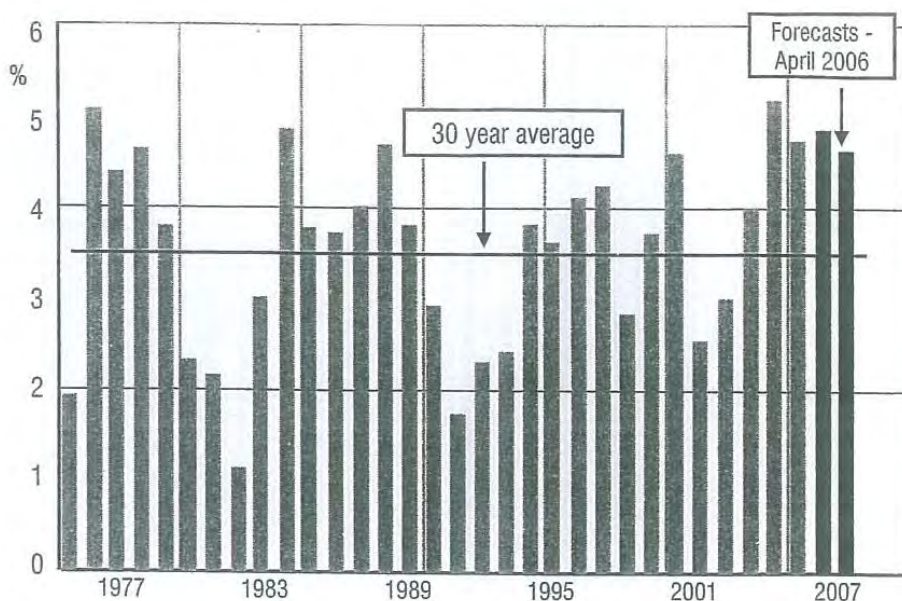
In your answer you will be assessed on how well you:

- 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 (20 marks)

The global economy is now in its fifth year of expansion since the end of the “dot com” boom dropped it into recession in 2000. The bursting of the high tech bubble threw the world’s largest economy, the United States, into disarray, putting millions out of work and leading the US Federal Reserve to slash interest rates to 1 per cent. But the turnaround since then has been rapid, with the world set to celebrate its fourth consecutive year of above-average growth in 2006. The Reserve Bank of Australia predicts gross world product will grow to a robust 4.9 per cent this year and 4.7 per cent in 2007

Jessica Irvine **Australia and the Global Economy**



Source: Reserve Bank, May 2006

World GDP Growth

Account for the recent expansion of the global economy and analyse the impact of changes in the global economy on Australia’s economic performance

End of Question 26

Economics

Section IV

20 marks

Attempt either Question 27 or Question 28

Allow about 35 minutes for this section

Answer the question on a NEW SHEET of paper. Extra writing paper is available.

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 (20 marks)

Outline how Australia's exchange rate is determined, and discuss the impact of changes in the exchange rate on the Australian economy.

OR

Question 28 (20 marks)

Outline the aims of micro economic reform and discuss the impact of microeconomic reform on the Australian economy.

End of paper

MARKING GUIDELINES TRIAL 2006

Multiple Choice

Question	Suggested Answer	Syllabus Area	Outcome Assessed
1	B	The Global Economy	H1, H2
2	B	The Global Economy	H1, H4
3	B	Australia's Place in the Global Economy	H1, H4
4	A	Economic Policies and Management	H1, H6. H7
5	B	Australia's Place in the Global Economy	H1, H4
6	D	The Global Economy	H1, H6
7	C	The Global Economy	H1, H4
8	B	Australia's Place in the Global Economy	H1, H6
9	C	Australia's Place in the Global Economy	H1, H4
10	C+D	Economic Issues	H1
11	A	Economic Issues	H1, H2
12	C	Economic Issues	H1, H2
13	B	Economic Policies and Management	H1, H6
14	D	Economic Policies and Management	H1, H7
15	A	Economic Issues	H1
16	C	Economic Issues	H1
17	C	The Global Economy	H1, H6
18	D	Australia's Place in the Global Economy	H1, H8
19	B	Economic Issues	H1, H7
20	A	The Global Economy	H1, H6

MARKING GUIDELINES QUESTION 21

(a)	<ul style="list-style-type: none"> ➤ Accurately and concisely states the meaning of market failure and identifies essential qualities 	1 mark
(b)	<ul style="list-style-type: none"> ➤ Accurately, clearly and concisely relates the cause and effect of market failure in the preservation of natural environments ➤ Makes reference to an example 	2
	<ul style="list-style-type: none"> ➤ Sketches in general terms, the cause and effect of market failure in the preservation of natural environment. 	1
(c)	<ul style="list-style-type: none"> ➤ Accurately, clearly and concisely notes the differences between private and social costs of preserving the natural environment. 	2
	<ul style="list-style-type: none"> ➤ Sketches in general terms the differences between private and social costs of preserving the natural environment. 	1
(d)	<ul style="list-style-type: none"> ➤ Accurately and concisely relates the importance of ecological sustainable development to potential future growth 	2
	<ul style="list-style-type: none"> ➤ Describes ecological sustainable development 	1
(e)	<ul style="list-style-type: none"> ➤ Accurately, thoroughly and concisely provides the characteristics of the problems associated with attempts to achieve ecological sustainable development 	3
	<ul style="list-style-type: none"> ➤ Presents some characteristics of the problems associated with attempts to achieve ecological sustainable development 	2
	<ul style="list-style-type: none"> ➤ Identifies a problem associated with attempts to achieve ecological sustainable development 	1

MARKING GUIDELINES QUESTION 22

(a)	Correctly states formula and correctly calculates the rate of unemployment for Year 3	2
	Correctly states formula or correctly calculates the rate of unemployment for Year 3	1

Unemployment Rate = Total Number Unemployed x 100

Total Labour Force
(employed and unemployed)

Unemployment Rate for Year 3

$$\frac{5.6}{52.0\text{m} + 5.6\text{m}} \times \frac{100}{1} = 9.7\%$$

(b)	Correctly states formula and correctly calculates the rate of inflation for Year 5	2
	Correctly states formula or correctly calculates the rate of inflation for Year 5	1

Inflation Rate = Current Value of Price Index (CPI) - Previous Value of Price Index (CPI) x 100

Previous Value of Price Index (CPI) 1

Inflation Rate for Year 5

$$\frac{128-118}{118} \times \frac{100}{1} = 8.5\%$$

(c)	Correctly states formula for calculating real GDP and correctly calculates the correct value for the change in GDP between Years 3 and 4	2
	Correctly states formula for calculating real GDP or correctly calculates the correct value for the change in GDP between Years 3 and 4	1

Real GDP Growth Rate = Real GDP Current Year - Real GDP Previous Year x 100

(% change in real GDP) -----
Real GDP Previous Year 1

Increase in real GDP between years 3 and 4

$$\begin{aligned} & \frac{4,500,000\text{m} - 4,250,000}{4,250,000\text{m}} \times \frac{100}{1} \\ & = \frac{250,000\text{m}}{4,250,000\text{m}} \times \frac{100}{1} = 5.9\% \end{aligned}$$

(d)	Correctly states formula for the labour force and correctly calculates the size labour force in Year 2.	2
	Correctly states formula for the labour force or correctly calculates the labour force in Year 2.	1

Total Labour Force = Employed persons + Unemployed persons
P/T and F/T

Size of the labour force in Year 2
52.5m + 5.5m =58 million

(e)	Correctly states formula for labour force participation rate and correctly calculates the labour force participation rate for Year 3	2
	Correctly states formula for labour force participation rate or correctly calculates the labour force participation rate for Year 3	1

Labour Force Participation Rate = $\frac{\text{Total Labour Force}}{\text{Working Age Population}} \times 100$

Labour Force Participation Rate for Year 3

$$= \frac{52.0 \text{ m} + 5.6 \text{ m}}{77.4} \times \frac{100}{1}$$

= 74.4%

End of answer to Q 22

MARKING GUIDELINES QUESTION 23

(a)	<ul style="list-style-type: none"> Concisely and accurately shows the difference between economic growth and economic development 	2
	<ul style="list-style-type: none"> States the meaning of economic growth and development without signifying the difference 	1

(b)	<ul style="list-style-type: none"> Concisely, accurately and in detail demonstrates the relationship between two global events and their impact on the growth and development of an economy other than Australia with examples 	4
	<ul style="list-style-type: none"> Describes the relationship between two global events and their impact on the growth and development of an economy other than Australia. or Presents one event and its consequence in detail and superficially mentions an other 	3
	<ul style="list-style-type: none"> Concisely, accurately and in detail demonstrates the relationship between one global event and its impact on the growth and development of an economy other than Australia, with an example • or Presents two events and their consequences superficially 	2
	<ul style="list-style-type: none"> Mentions two global events and their impact on the growth and development of an economy other than Australia 	1

(c)	<ul style="list-style-type: none"> Concisely, accurately and in detail identifies two issues that promote economic growth and development in the specified economy and provides points for and or against 	4
	<ul style="list-style-type: none"> Describes two issues that promote economic growth and development in the specified economy and provides points for and or against .or Presents one event and its consequence in detail and superficially mentions another 	3
	<ul style="list-style-type: none"> Concisely, accurately and in detail demonstrates the relationship between one global event and its impact on the growth and development of an economy other than Australia, with an example or Presents two events and their consequences superficially 	2
	<ul style="list-style-type: none"> Mentions two global events and their impact on the growth and development of an economy other than Australia 	1

End of Marking Guidelines Q23

MARKING GUIDELINES QUESTION 24

(a)	<ul style="list-style-type: none"> States the meaning and provided essential qualities of protection 	1
(b)	<ul style="list-style-type: none"> Concisely, completely and accurately expresses the differences between a tariff and a subsidy 	2
	<ul style="list-style-type: none"> Describes a tariff and a subsidy 	1
(c)	<ul style="list-style-type: none"> Clearly, correctly and concisely expresses the concept of Comparative Advantage using economic terms (opportunity cost) and its application to international trade 	2
	<ul style="list-style-type: none"> Describes the term Comparative Advantage 	1
(d)	<ul style="list-style-type: none"> Clearly and concisely identifies in detail two disadvantages of protection 	4
	<ul style="list-style-type: none"> Clearly and concisely identifies in detail one disadvantage of protection or Mentions in some detail two disadvantages of protection 	3
	<ul style="list-style-type: none"> Clearly and concisely identifies in detail one disadvantage of protection or Outlines two disadvantages of protection 	2
	<ul style="list-style-type: none"> Mentions disadvantages of protection 	1
(e)	<ul style="list-style-type: none"> Recognises and names the main role of the IMF 	1

End of marking guidelines for Q24

Question 25 criteria ACCOUNT AND ANALYSE	Marks
<ul style="list-style-type: none"> • Provides clear and concise reasons for the distribution of income in Australia and demonstrates a clear understanding of the economic and social costs and benefits of that distribution in Australia • Integrates an extensive and appropriate range of economic terms, data, concepts, relationships and theory throughout • Synthesises own knowledge with the information provided to develop a logical and well-structured response 	17 - 20
<ul style="list-style-type: none"> • Consistently uses appropriate economic terms and data and applies concepts, relationships and theory show the distribution of income in Australia and the economic and social costs and benefits • Combines own knowledge with the information provided to develop an answer which demonstrates the distribution of income in Australia and the economic and social costs and benefits • Uses own information and the information provided to develop a logical and well structured response 	13–16
<ul style="list-style-type: none"> • Demonstrates some understanding of economic terms, concepts and relationships to show the distribution of income in Australia and the economic and social costs and benefits • Uses own knowledge and information provided to develop a coherent response that demonstrates the distribution of income in Australia and the economic and social costs and benefits • Demonstrates correct and usually relevant knowledge on the distribution of income in Australia and the economic and social costs and benefits 	9–12
<ul style="list-style-type: none"> • Sketches in general terms some aspects of how income is distributed in Australia and its economic and social costs and benefits • Uses some economic terms, concepts and relationships • Uses generalised knowledge to develop and answer which refers on the distribution of income in Australia and the economic and social costs and benefits • Makes minimal use of data concerning on the distribution of income in Australia and the economic and social costs and benefits 	5–8
<ul style="list-style-type: none"> • Uses some appropriate terminology to communicate economic ideas • Demonstrates a limited knowledge of on the distribution of income in Australia and the economic and social costs and benefits • Unable to provide sufficient information 	1 – 4

End of Question 25

Question 26 criteria ACCOUNT AND ANALYSE	Marks
<ul style="list-style-type: none"> • Provides clear and concise reasons for the expansion in the global economy and its impact on Australia's economic performance • Integrates an extensive and appropriate range of economic terms, data, concepts, relationships and theory throughout • Synthesises own knowledge with the information provided to develop a logical and well-structured response 	17 - 20
<ul style="list-style-type: none"> • Consistently uses appropriate economic terms and data and applies concepts, relationships and theory show the expansion in the global economy and its impact on Australia's economic performance • Combines own knowledge with the information provided to develop an answer which demonstrates the expansion in the global economy and its impact on Australia's economic performance • Synthesises own knowledge with the information provided to develop a logical and well-structured response 	13 – 16
<ul style="list-style-type: none"> • Demonstrates some under standing of economic terms, concepts and relationships to show the expansion in the global economy and its impact on Australia's economic performance • Uses own knowledge and information provided to develop a coherent response that demonstrates the expansion in the global economy and its impact on Australia's economic performance • Demonstrates correct and usually relevant knowledge the expansion in the global economy and its impact on Australia's economic performance 	9–12
<ul style="list-style-type: none"> • Sketches in general terms the expansion of the global economy and its impact on Australia's economic performance • Uses some economic terms, concepts and relationships • Uses generalised knowledge to develop and answer which refers on the expansion in the global economy and its impact on Australia's economic performance • Makes minimal use of data concerning on the expansion in the global economy and its impact on Australia's economic performance 	5–8
<ul style="list-style-type: none"> • Demonstrates a limited knowledge of on the expansion in the global economy and its impact on Australia's economic performance • Unable to provide sufficient information • Uses some appropriate terminology to communicate economic ideas 	1 – 4

End of Question 26

Q27 MARKING GUIDELINES Trial 2006

Criteria outline and discuss	Marks
<ul style="list-style-type: none"> • Sketches in general terms how the Australian exchange rate is determined • Thoroughly integrates appropriate economic terms, data, concepts, relationships and theory throughout • Synthesises an extensive knowledge to develop a logical and well-structured answer that clearly shows the impact of changes in the exchange rate on the Australian economy • Demonstrates factually precise and extensive knowledge to show the exchange rate impact on the Australian economy 	17–20
<ul style="list-style-type: none"> • Sketches in general terms how the Australian exchange rate is determined • Consistently uses appropriate economic terms and data and applies concepts, relationships and theory to shows the impact of changes in the exchange rate on the Australian economy • Develops a logically shows the impact of changes in the exchange rate on the Australian economy -sequenced answer that demonstrates the impact of changes shows the impact of changes in the exchange rate on the Australian economy • Demonstrates factually correct and appropriate knowledge to show the impact shows the impact of changes in the exchange rate on the Australian economy 	13–16
<ul style="list-style-type: none"> • Sketches in general terms, how the Australian exchange rate is determined • Uses appropriate economic terms, concepts and relationships • Uses own knowledge to show the impact of changes in the exchange rate on the Australian economy • Demonstrates correct and usually relevant knowledge to show the impact of changes in the exchange rate on the Australian economy 	9–12
<ul style="list-style-type: none"> • Sketches in general terms, how the Australian exchange rate is determined • Uses some economic terms, concepts and relationships • Uses generalised knowledge to shows the impact of changes in the shows the impact of changes in the exchange rate on the Australian economy • Makes minimal use of data concerning the impact of changes in exchange rate on the Australian economy 	5–8
<ul style="list-style-type: none"> • Lists some factors determining the Australian exchange rate • Uses some appropriate terminology to communicate economic ideas • Demonstrates a limited knowledge of the impact of changes in the exchange rate on the Australian economy • Unable to provide sufficient information 	1–4

End of Question 27

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Criteria outline and discuss	Marks
<ul style="list-style-type: none"> • Sketches in general terms the aims of micro economic reform in Australia • Thoroughly integrates appropriate economic terms, data, concepts, relationships and theory throughout • Synthesises own knowledge to develop a logical and well-structured answer that clearly shows the impact of micro economic reform on the Australian economy • Demonstrates factually precise and extensive knowledge to show the impact of micro economic reform on the Australian economy 	17–20
<ul style="list-style-type: none"> • Sketches in general terms the aims of micro economic reform in Australia • Consistently uses appropriate economic terms and data and applies concepts, relationships and theory to show the impact of micro economic reform on the Australian economy • Uses own knowledge to develop a logically-sequenced answer that demonstrates the impact of micro economic reform on the Australian economy • Demonstrates factually correct and appropriate knowledge to show the impact of micro economic reform on the Australian economy 	13–16
<ul style="list-style-type: none"> • Sketches in general terms, the aims of micro economic reform in Australia • Uses appropriate economic terms, concepts and relationships • Uses own knowledge to show the impact of micro economic reform on the Australian economy • Demonstrates correct and usually relevant knowledge to show the impact of micro economic reform on the Australian economy 	9–12
<ul style="list-style-type: none"> • Sketches in general terms, the aim of micro economic reform in Australia • Uses some economic terms, concepts and relationships • Uses generalised knowledge to shows the impact of micro economic reform on the Australian economy • Makes minimal use of data concerning the impact of micro economic reform on the Australian economy 	5–8
<ul style="list-style-type: none"> • Lists some factors on the aims of micro economic reform in Australia • Uses some appropriate terminology to communicate economic ideas • Demonstrates a limited knowledge of the impact of micro economic reform on the Australian economy • Unable to provide sufficient information 	1– 4

End of Question 28