



BOARD OF STUDIES
NEW SOUTH WALES

2012 HSC Economics Marking Guidelines

Section I

Multiple-choice Answer Key

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

Section II

Question 21 (a)

Criteria	Marks
<ul style="list-style-type: none">Correctly identifies the features of both an import tariff and an import quota or identifies a difference between the two	2
<ul style="list-style-type: none">Demonstrates a limited understanding of the features of both an import tariff and an import quota or a limited understanding of the difference between the two OR <ul style="list-style-type: none">Correctly identifies the features of a tariff or quota	1

Question 21 (b)

Criteria	Marks
<ul style="list-style-type: none">Sketches in general terms TWO reasons for protecting domestic industries	4
<ul style="list-style-type: none">Sketches in general terms ONE reason for protecting industries and demonstrates limited understanding of ONE other reason for protecting domestic industries	3
<ul style="list-style-type: none">Demonstrates a limited understanding of TWO reasons for protecting domestic industries OR <ul style="list-style-type: none">Sketches in general terms ONE reason for protecting domestic industries	2
<ul style="list-style-type: none">Demonstrates a limited understanding of ONE reason for protecting domestic industries	1

Question 21 (c)

Criteria	Marks
<ul style="list-style-type: none">Clearly describes an economic benefit AND an economic cost of a free trade agreement involving Australia	4
<ul style="list-style-type: none">Clearly describes an economic benefit OR an economic cost of a free trade agreement involving Australia and states another economic cost or benefit	3
<ul style="list-style-type: none">Clearly describes an economic benefit OR an economic cost of a free trade agreement involving Australia OR <ul style="list-style-type: none">States or lists ONE economic benefit and ONE economic cost of a free trade agreement involving Australia	2
<ul style="list-style-type: none">States ONE economic benefit OR ONE economic cost of a free trade agreement involving Australia	1

Question 22 (a)

Criteria	Marks
• Correctly states the inflation rate between Year 1 and Year 2.	1

Question 22 (b)

Criteria	Marks
• Demonstrates a clear understanding of the difference between the headline rate and the underlying rate of CPI inflation	2
• Sketches in general terms the features of the headline OR underlying rate of CPI inflation	1

Question 22 (c)

Criteria	Marks
• Demonstrates a clear understanding of how inflationary expectations affect inflation	3
• Sketches in general terms how inflationary expectations affect inflation	2
• Demonstrates a limited understanding of how inflationary expectations affect inflation	1

Question 22 (d)

Criteria	Marks
• Clearly identifies and gives reasons for the possible effect of high relative domestic inflation on the domestic economy	4
• Clearly identifies and gives reasons for ONE effect of high relative domestic inflation on the domestic economy and sketches in general terms at least ONE other impact	3
• Clearly identifies and gives reasons for ONE effect of high relative domestic inflation on the domestic economy OR • Sketches in general terms some effects of high relative domestic inflation on the domestic economy	2
• States an effect of high domestic inflation on the domestic economy	1

Question 23 (a)

Criteria	Marks
<ul style="list-style-type: none">• Correctly indicates the Lorenz Curve for an economy with a more equal distribution of income	1

Question 23 (b)

Criteria	Marks
<ul style="list-style-type: none">• Clearly outlines an economic benefit of income inequality	2
<ul style="list-style-type: none">• States an economic benefit of income inequality	1

Question 23 (c)

Criteria	Marks
<ul style="list-style-type: none">• Clearly explains the reasons for difference between male and female average weekly earnings OR <ul style="list-style-type: none">• Clearly explains in detail ONE reason for differences between male and female average weekly earnings	3
<ul style="list-style-type: none">• Sketches in general terms a reason(s) for the differences between male and female average weekly earnings	2
<ul style="list-style-type: none">• States a reason for the difference	1

Question 23 (d)

Criteria	Marks
<ul style="list-style-type: none">• Clearly explains how fiscal policy can reduce income inequality	4
<ul style="list-style-type: none">• Clearly explains how ONE element of fiscal policy can reduce income inequality and sketches in general terms at least ONE other influence	3
<ul style="list-style-type: none">• Clearly explains how ONE element of fiscal policy can reduce income inequality OR <ul style="list-style-type: none">• Sketches in general terms how fiscal policy can reduce income inequality	2
<ul style="list-style-type: none">• States ONE way in which fiscal policy can reduce income inequality	1

Question 24 (a)

Criteria	Marks
<ul style="list-style-type: none">Clearly states the difference between underemployment and hidden unemployment	2
<ul style="list-style-type: none">States meaning of either underemployment or hidden employment OR <ul style="list-style-type: none">Demonstrates limited understanding of underemployment and hidden unemployment	1

Question 24 (b)

Criteria	Marks
<ul style="list-style-type: none">Demonstrates a clear understanding of the relationship between underemployment and the unemployment rate	2
<ul style="list-style-type: none">States some aspect of underemployment	1

Question 24 (c)

Criteria	Marks
<ul style="list-style-type: none">Clearly explains how an increase in school leaving age might affect labour force participation and unemployment	3
<ul style="list-style-type: none">Demonstrates a limited understanding of how an increase in the school leaving age might affect the labour force participation and unemployment	2
<ul style="list-style-type: none">States an effect on either labour force participation or unemployment of an increase in the school leaving age	1

Question 24 (d)

Criteria	Marks
<ul style="list-style-type: none">Clearly explains how an increase in the minimum wage affects the supply and demand for labour and unemployment	3
<ul style="list-style-type: none">Demonstrates a limited understanding of how an increase in the minimum wage impacts on supply and demand for labour and states the effect on unemployment	2
<ul style="list-style-type: none">States the effect on unemployment or the supply or demand for labour	1

Section III

Question 25

Criteria	Marks
<ul style="list-style-type: none">• Synthesises own knowledge and understanding, with the information provided, to develop a sustained, logical and cohesive response• Integrates relevant economic terms, concepts, relationships and theory• Demonstrates a clear and comprehensive understanding of the relationship between changes in the global economy and Australia's Balance of Payments and the implications of these changes.	17–20
<ul style="list-style-type: none">• Synthesises own knowledge and understanding, with the information provided, to develop a logical and cohesive response.• Applies relevant economic terms, concepts, relationships and theory• Provides a clear understanding of the relationship between changes in the global economy and Australia's Balance of Payments.	13–16
<ul style="list-style-type: none">• Uses own knowledge and understanding with the information provided to develop a coherent response• Uses relevant economic terms and concepts and shows some relationships• Sketches in general terms some effects of changes in the global economy on Australia's Balance of Payments.	9–12
<ul style="list-style-type: none">• Develops a generalised response• Uses some economic terms and concepts• States some effects of changes in the global economy on Australia's Balance of Payments.	5–8
<ul style="list-style-type: none">• Presents a limited response• Uses some economic terms or concepts• Lists features of the global economy or Australia's Balance of Payments.	1–4

Question 26

Criteria	Marks
<ul style="list-style-type: none">• Synthesises own knowledge and understanding, with the information provided, to develop a sustained, logical and cohesive response• Integrates relevant economic terms, concepts, relationships and theory• Demonstrates a clear and comprehensive understanding of the relationship between changes in the global economy and the structure of industry in the Australian economy and the implications of these changes.	17–20
<ul style="list-style-type: none">• Synthesises own knowledge and understanding, with the information provided, to develop a logical and cohesive response• Applies relevant economic terms, concepts, relationships and theory• Provides a clear understanding of the relationship between changes in the global economy and the structure of industry in the Australian economy.	13–16
<ul style="list-style-type: none">• Uses own knowledge and understanding, with the information provided, to develop a coherent response• Uses relevant economic terms and concepts and shows some relationships• Sketches in general terms some effects of changes in the global economy on the structure of the Australian economy.	9–12
<ul style="list-style-type: none">• Develops a generalised response• Uses some economic terms and concepts• States some effects of changes in the global economy on the structure of the Australian economy.	5–8
<ul style="list-style-type: none">• Presents a limited response• Uses some economic terms or concepts• List features of the global economy or the structure of the Australian economy.	1–4

Section IV

Question 27

Criteria	Marks
<ul style="list-style-type: none">• Integrates relevant economic terms, concepts, relationships and theories• Provides a sustained, logical and cohesive response• For an economy other than Australia, demonstrates a clear and comprehensive understanding of the effects of globalisation on economic growth and the quality of life• Develops informed arguments for and/or against the effects of globalisation on economic growth and the quality of life	17–20
<ul style="list-style-type: none">• Applies relevant economic terms, concepts, relationships and theories• Provides a logical and cohesive response• For an economy other than Australia, demonstrates a clear understanding of the effects of globalisation on economic growth and the quality of life• Provides some arguments for and/or against the effects of globalisation on economic growth and the quality of life	13–16
<ul style="list-style-type: none">• Uses economic terms and concepts and shows some relationships• Develops a coherent response• For an economy other than Australia, demonstrates some understanding of the effects of globalisation on economic growth and/or the quality of life• May refer to positive or negative effects of globalisation	9–12
<ul style="list-style-type: none">• Uses some economic terms and concepts• Develops a generalised response• States some aspects of the effects of globalisation on economic growth or the quality of life	5–8
<ul style="list-style-type: none">• Uses some economic terms and/or concepts• Presents a limited response• Lists some aspects of globalisation or its effects	1–4

Question 28

Criteria	Marks
<ul style="list-style-type: none"> • Integrates relevant terms, concepts, relationships and theories • Provides a sustained, logical and cohesive response • Demonstrates a clear and comprehensive understanding of economic objectives and a range of economic policies • Develops informed arguments about the relative effectiveness of a range of economic policies in achieving the Australian government's economic objectives 	17–20
<ul style="list-style-type: none"> • Applies relevant economic terms, concepts, relationships and theories • Provides a logical and cohesive response • Demonstrates a clear understanding of economic objectives and a range of economic policies • Provides some arguments about the effectiveness of a range of economic policies in achieving the Australian government's economic objectives 	13–16
<ul style="list-style-type: none"> • Uses economic terms and concepts and shows some relationships • Develops a coherent response • Demonstrates some understanding of economic objectives and some economic policies • Sketches in general terms the effectiveness of one or more policies in achieving the Australian government's economic objectives 	9–12
<ul style="list-style-type: none"> • Uses some economic terms and concepts • Develops a generalised response • States some aspects of economic objectives and/or economic policies • May refer to the effectiveness of one or more policies in achieving economic objectives 	5–8
<ul style="list-style-type: none"> • Uses some economic terms or concepts • Presents a limited response • Lists any economic objectives and/or economic policies 	1–4

Economics

2012 HSC Examination Mapping Grid

Section I

Question	Marks	Content	Syllabus outcomes
1	1	Trade agreements	H1
2	1	Awards	H1
3	1	Development	H1
4	1	Monetary Policy objectives	H1
5	1	Fiscal and Monetary Policy	H1, H6
6	1	Labour force	H1, H11
7	1	Growth leakage/Injections	H1, H11
8	1	Fiscal Policy	H1, H6
9	1	Interest rate	H6
10	1	Monetary Policy operations	H1, H6
11	1	Balance of payments	H1, H11
12	1	Environmental sustainability	H1, H6
13	1	Public goods	H1
14	1	Aggregate to demand and supply	H1, H11
15	1	Unemployment/Participation	H1, H11
16	1	Current account deficit	H1, H11
17	1	Exchange rates	H11
18	1	Subsidies	H11
19	1	Marginal Propensity to Consume	H1, H11
20	1	Balance of payments	H1, H6

Section II

Question	Marks	Content	Syllabus outcomes
21 (a)	2	Tariff quota	H1, H4, H10
21 (b)	4	Protection	H1, H2, H4, H6, H10
21 (c)	4	Trade agreements	H1, H2, H4, H6, H10
22 (a)	1	CPI/Inflation	H11
22 (b)	2	Inflation	H1, H10
22 (c)	3	Inflation	H1, H6, H10
22 (d)	4	Inflation/International competitiveness	H1, H2, H6, H10
23 (a)	1	Lorenz curve	H1
23 (b)	2	Income distribution	H2, H7
23 (c)	3	Income distribution	H1, H2, H7
23 (d)	4	Fiscal Policy/Income distribution	H1, H2, H5, H7
24 (a)	2	Unemployment	H1

Question	Marks	Content	Syllabus outcomes
24 (b)	2	Unemployment	H1, H10
24 (c)	3	Participation/Unemployment	H1, H6, H10
24 (d)	3	Supply and demand for labour	H1, H2, H10

Section III

Question	Marks	Content	Syllabus outcomes
25	20	Global economy/Balance of payment	H1, H2, H3, H4, H8, H9, H10
26	20	Global economy/Australian structure of economy	H1, H2, H3, H4, H7, H8, H9, H10

Section IV

Question	Marks	Content	Syllabus outcomes
27	20	Globalisation and its effects on individual economies	H1, H2, H4, H5, H6, H8, H10
28	20	Economic policy and economic objectives	H1, H2, H5, H7, H8, H10