



B O A R D O F S T U D I E S
NEW SOUTH WALES

HIGHER SCHOOL CERTIFICATE EXAMINATION

2000

ECONOMICS

3 UNIT (ADDITIONAL)

*Time allowed—One hour and a half
(Plus 5 minutes reading time)*

DIRECTIONS TO CANDIDATES

- Attempt TWO questions, each from a different option.
- All questions are of equal value.
- Answer each question in a SEPARATE Writing Booklet.
- You may ask for extra Writing Booklets if you need them.
- Board-approved calculators may be used.

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All questions are of equal value.

Answer each question in a SEPARATE Writing Booklet.

ENVIRONMENTAL ECONOMICS

EITHER

- 1 What is meant by externalities? Discuss the implications for the environment of economic development and technological change. With reference to specific examples, explain how the environment can be protected through the more efficient management of resources.

OR

- 2 What is cost-benefit analysis? Discuss the role of cost-benefit analysis and environmental impact statements in assessing the impact of economic development on the environment. Explain how government policies could assist in conserving the environment. Refer to specific examples in your answer.

INCOME AND EXPENDITURE ANALYSIS

EITHER

- 3 What is aggregate demand? How does aggregate demand determine the level of income? Explain how changes in saving and investment influence the level of economic activity in an economy.

OR

- 4 How is the equilibrium level of income determined in an open economy? Discuss how the changes in major economic variables affect the main phases of the business cycle in Australia. Assess the impact of government policies on the level of economic activity in Australia in recent years.

COMPARATIVE ECONOMIC SYSTEMS

EITHER

- 5** How are economic systems classified? Explain how a socialist or former socialist economy has modified its economic system. Analyse the problems that have been associated with these changes in recent years.

OR

- 6** What are the features of a market economy? Discuss the economic issues influencing the development of a market economy that you have studied. Analyse the role of government in overcoming the problems faced by this economy.

EVOLUTION OF ECONOMIC IDEAS

EITHER

- 7** What factors led to the rise of capitalism in the eighteenth century? Discuss the main features of classical economic thought. Evaluate Keynes' criticism of classical economics.

OR

- 8** What is meant by the term 'surplus value'? Discuss the importance of the labour theory of value to the economic theory of Karl Marx. Explain how Marx's economic writings differed from those of his classical predecessors.

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