2005 HSC Notes from the Marking Centre Economics

Contents

2005 HSC NOTES FROM THE MARKING CENTRE
ECONOMICS

Introduction

This document has been produced for the teachers and candidates of the Stage 6 course in Economics. It provides comments with regard to responses to the 2005 Higher School Certificate examination, indicating the quality of candidate responses and highlighting the relative strengths and weaknesses of the responses to each section and each question.

This document should be read along with the Economics syllabus, the 2005 Higher School Certificate examination paper, the marking guidelines and other support documents which have been developed by the Board of Studies to assist in the teaching and learning of Economics.

In 2005, 5513 candidates presented for the Economics examination.

Section I – Multiple Choice

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

Section II

General comments

This section of the examination included questions that assessed candidates' knowledge and skills in relation to a range of course outcomes, including understanding of economic terms and concepts (H1), the application of terms, concepts and theories (H8), and evaluating the consequences of contemporary economics problems and issues (H7). Responses generally indicated that the different demands of the directive terms such as 'explain', 'outline', 'identify', 'discuss' and 'define' are well understood by the majority of candidates. In addition to responding to the specific detail and directive terms in each question, candidates should use the mark allocation and the space provided as a guide to the expected length of responses. Often the challenge is for candidates to be concise, rather than to provide lengthy responses for a relatively small number of marks.

Question 21

(a) The majority of candidates responded correctly to this part of the question, indicating that the domestic market price after the imposition of the tariff was $15.

(b) Candidates were required to identify the quantity of imports (50-30 = 20) and calculate the revenue value (tariff x quantity of imports). Incorrect responses indicated that candidates were not able to read the correct data from the graph provided. Incorrect mathematical calculations were common. Some responses did not indicate the $ sign.

(c) This part of the question was well answered with better responses able to correctly outline three methods of protection other than tariffs. Methods commonly referred to were subsidies, quotas and local content rules.

Weaker responses contained a brief description of one or two methods of protection. Some responses indicated that candidates did not read the question carefully, incorrectly providing information about the *reasons* for protection rather than *methods* of protection.

(d) The more comprehensive responses provided a clear, concise, and well-structured explanation of the economic effects of a reduction in the general level of protection, with a clear linkage of the effects specifically to the Australian economy. These responses explained the economic effects on income, production, employment, production and price levels and the Australian economy's international market shares, competitiveness and structural change. Better responses used concise economic terminology and made connections across topic areas such as globalisation, income redistribution, and government policies. They also distinguished between long-term and short-term economic effects.

Weaker responses tended to be superficial and descriptive, sometimes only listing one or two effects.

Question 22

The overall standard of responses to parts (a), (b), and (c) was pleasing, with weaker responses to part (d) presenting general information which lacked appropriate integration of economic terms and concepts.

(a)   Most candidates were able to define the term 'award' correctly, frequently making reference to minimum wages and working conditions. Better responses also made brief reference to the context of the industrial relations framework, including the concepts of safety net and allowable matters. Weaker responses included reference to award wages only, and some confused awards with Australian Workplace Agreements.

(b)   The majority of responses correctly identified the trend as a decline in the number of employees covered by awards, indicating that the main reason for the decline was associated with the Workplace Relations Act of 1996 and the move to a less centralised wage-fixing system. These responses referred also to collective certified agreements. A significant number of responses did not identify the trend, but answered the 'account for' part of the question only.

(c)   Most responses included at least one feature of an Australian Workplace Agreement (AWA), with better responses commonly referring to an individual agreement between employer and employee, the lodgement of the agreement with the Employment Advocate and the 'no disadvantage' test. Weaker responses confused an AWA with an award or a certified agreement.

(d)   Better responses developed clear and concise arguments for and against the move to a more decentralised system of wage determination, commonly making reference to possible impacts on inflation, international competitiveness, relative bargaining power of employees and employers, and income inequality. Weaker responses tended to be generalised, with candidates simply listing arguments rather than discussing them in terms of their relative merits.

Question 23

(a)   Most responses correctly described the movement as depreciation. Many responses identified the movement as devaluation. The question asked for an economic term: thus the term 'decrease' was not accepted.

(b)   Better responses correctly stated that the depreciation of the Australian dollar would decrease export prices and increase import prices, with many referring to the significance of the currency in which the export or import contract was written.

Weaker responses referred to either export prices or import prices and were incorrect in stating the impact on prices.

(c)   Better responses provided accurate and detailed definitions of the Trade Weighted Index, referring to the weighting of currencies of Australia's major trading partners in the index.

Weaker responses confused the Trade Weighted Index with the terms of trade or provided a brief or partial definition.

(d)   Better responses provided an accurate and clear explanation of both market operations and Reserve Bank operations in the foreign exchange market, and the way in which these operations could influence the value of the Australian dollar. Some of these responses provided excellent analysis of the relationship between the two operations, such as the impact of changes in interest rates on the demand for Australian dollars and possible Reserve Bank response to this situation.

Weaker responses confused the two operations or presented brief information on either foreign exchange operations by the Reserve Bank or market operations. Impacts on interest rates and exchange rates were often confused or incorrect in weaker responses.

Weaker responses also did not explain the effect on the value of the Australian dollar.

Question 24

(a)   Most responses demonstrated a clear understanding of what the Gini coefficient measures, referring correctly to measurement of income inequality.

Weaker responses referred only to income or income distribution, rather than inequality.

(b)   Most responses demonstrated an understanding of the downward movement in the Gini coefficient as indicating a decrease in income inequality or an increase in the equality of income distribution.

Weaker responses often stated that income distribution would be made fairer.

(c)   Candidates generally distinguished between income and wealth and most supported their responses with appropriate examples. Some responses linked income and wealth, stating that earning higher income provides greater opportunity to acquire wealth which in turn generates greater income.

Weaker responses failed to distinguish between the two, and commonly included information about wealth in terms of higher standard of living or people being 'more comfortable'.

(d)   Better responses commonly referred to relative poverty and described consequences such as lack of access to education for successive generations. Increases in crime, greater social division and the effects on health were also included in these responses.

Weaker responses provided lists of some terms, but did not describe a social consequence of an increase in the inequality of income distribution.

(e)   Better responses to this part of the question explained the relationship between differences in gender and occupation and the contribution of each to income inequality. In explaining the effect of gender, better responses included references to part-time and casual work, discrimination in the workplace, family responsibilities and lack of equal access for women to promotion. In explaining how various occupations can contribute to income inequality, better responses made reference to skill levels and wages, demand and supply for different jobs, and the ability of some workers with greater bargaining power to negotiate for better wages and conditions.

Weaker responses were not able to make the links between gender and occupation and income inequality, commonly providing little or no explanation. These responses tended to provide examples only.

Sections III and IV – General Comments

The form of the extended response questions was varied slightly in the 2005 HSC examination. Each of these questions contained two parts, each with a separate directive term, still contained however within the same question. Better responses gave balanced and appropriate attention to answering both parts of the question. Weaker responses tended to focus on one part and neglect or ignore the other. Candidates should ensure that, in planning their responses, they provide appropriate coverage of all parts of the question. Failure to provide a balanced response may prevent candidates from accessing the higher bands in the marking criteria.

Section III

General comments

In general, candidates were able to make effective use of the stimulus material in their responses to both Questions 25 and 26. Better responses contained appropriate integration of references to the stimulus throughout relevant parts of the responses as appropriate. Weaker responses commonly contained reproduced stimulus, with little or no attempt to integrate the information.

Question 25

This question was essentially drawn from Topic 2 of the HSC course, *Australia's Place in the Global Economy*.

Better responses were able to demonstrate a comprehensive understanding of the relationship between structural change and the changes in the composition and direction of Australia's trade. These responses also made effective use of the selected trade data provided as part of the stimulus material. Most candidates acknowledged that whilst changes to the composition and direction of trade can lead to more rapid structural change, structural change will itself lead to changes in the pattern of Australia's exports and imports, and to our trading partners.

Better responses provided a comprehensive explanation of the reason for changes in the composition and direction of Australia's trade, focusing on the significance of the integration of the Australian economy into the global economy from the 1980s. The impact of this increased internationalisation on Australia's export base and export markets was explained in terms of changes in the global economy. Better responses identified a range of relevant policies that accompanied increased integration of Australia into the global economy. These included reduced protection of domestic industry, microeconomic reform policies, competition policy, labour market reform, infrastructure reform, and financial deregulation. Better responses also considered short-term and long-term considerations for economic policy-making.

The significance of trading blocs and multilateral and bilateral trade agreements was well explained in better responses. ASEAN, APEC, ANZCERTA and other agreements were outlined and linked to the changing direction and composition of Australia's trade.

Better responses were well structured with information sequenced logically in relation to the question, the rubric and the stimulus material.

Weaker responses described some changes to the composition and direction of Australia's trade but did not link these changes to factors such as changes in the global economy. These responses relied

on the stimulus to discuss changes in the direction of trade, but ignored or neglected changes in the composition of trade. A significant number of weaker responses did not address the specific requirements of the question, presenting pre-prepared information on arguments for and against protection, or features of globalisation.

Question 26

This question drew on the content of HSC Course Topic 3, *Economic Issues*, and HSC Course Topic 4, *Economic Policies and Management*. The stimulus material provided guidance for the structuring of responses and this was clearly well utilised by many candidates. Whilst a majority of candidates were able to present information on the economic policies to deal with inflation, it was only the better responses that were able to fully address the second part of the question – the limitations of the policies to deal with inflation.

Candidates were generally able to distinguish between macroeconomic policies addressing demand-pull inflation and microeconomic policies addressing cost-push inflation. Most responses identified the dominant role played by monetary policy in managing demand and hence demand inflation. They demonstrated a clear understanding of inflation targeting by the Reserve Bank.

Better responses linked macroeconomic monetary and fiscal policy to demand and related this to short and medium term economic management whilst acknowledging that inflation is also linked to microeconomic policies on the supply side.

In addition to referring to time lags and political considerations as limitations of economic policies to deal with inflation, better responses also referred to limitations associated with impacts on economic growth and employment, as well as factors associated with the global economy.

Weaker responses offered prepared responses on the types and effects of inflation.
These responses commonly described economic policies without specifically linking these policies to the management of inflation. Poorly labelled diagrams were presented in weaker responses and these were not well integrated into the responses.

It is worth noting that the stimulus material was critical of the use of macroeconomic policy to deal with inflation. Weaker responses sided unquestionably with this view, whilst better responses were able often to put forward a contrary view or discussed the view presented in the quote. Candidates should be prepared to discuss particular points of view or opinions presented in stimulus or quotations, particularly when they are not sourced to any particular authority.

Section IV

In both Question 27 and Question 28, candidates were required to *outline* in the first part of the question and *analyse* in the second part of the question. Better responses clearly delineated between the two parts of the question, demonstrating a clear understanding of what each of the directive terms required.

Question 27

This question was drawn from HSC Topic 3, *Economic Issues*. Economic growth and unemployment are identified as two separate headings in the 'learn about section' of the syllabus for this topic, and it was the capacity of candidates to demonstrate an understanding of the

relationship between the two content areas that was critical to fully meeting the requirements of the question.

Better responses were able to outline the factors affecting Australia's economic growth such as real income, investment, structural change, international competitiveness, and government economic policies. These responses demonstrated an understanding of relevant economic theory and were supported by relevant statistics and diagrams such as aggregate demand analysis.

In analysing the relationship between economic growth and the rate of unemployment, better responses included the use of Phillips curve analysis, discussion of the natural rate of unemployment and distinguished the impact of economic growth on different types of unemployment including cyclical unemployment and structural unemployment. These responses commonly used current economic data to support their arguments.

Effective use of economic terminology combined with logical and well structured information distinguished the better responses. Candidates distinguished between demand side and supply side factors influencing both economic growth and unemployment, as well as domestic and international factors.

Weaker responses provided a brief description of economic growth but failed to analyse the relationship between economic growth and unemployment. Lengthy discussions on the types and causes of unemployment did not address the specific requirements of the question. Pre-prepared presentations on monetary and fiscal policies and on microeconomic reform were included in the weaker responses.

The rubric for this question indicates that candidates will be assessed on a number of factors including application of economic theory. Better responses included analysis and diagrams that were relevant, correctly and clearly labelled, and well integrated into relevant sections of the response. These candidates had clearly planned where they intended to incorporate this analysis, and ensured adequate discussion of their diagrams to enhance the quality of their argument.

Question 28

This question was drawn from the HSC Course Topic 1, *The Global Economy*.

The majority of candidates provided an outline of some of the features of globalisation including trade and financial flows, integration of world trade, patterns of investment and trade, and the role of trading blocs and trade agreements such as EU, ASEAN and NAFTA. In outlining each of these and other features, better responses included appropriate detail whilst weaker responses often provided lists with no additional characteristics. Some responses focused on features of the global economy, rather than the features of globalisation as a series of complex economic, political and social processes.

In responding to the part of the question that required candidates to analyse the impact of globalisation on the standard of living in the global economy, it was evident that candidates were generally familiar with the content headings in the syllabus which were utilised to provide a logical structure to their response. Variations in both income and in development were well explained in the better responses and related to the features of globalisation.

Better candidates demonstrated an understanding of the relationship between globalisation and the standard of living in categories such as developing economies, newly industrialised countries, transition economies and high income economies as well as in individual economies. It was in this

section that better responses included appropriate references to and examples from a case study, although this was not a specific requirement of the question. Better responses considered the impact of globalisation on features such as financial markets and investment flows, the environment, government economic policy and the international business cycle. Data that was used in these responses included economic growth data, unemployment rates, exchange rates and trade data.

Weaker responses provided brief descriptions of globalisation and/or the standard of living in the global economy. Extended responses that consisted essentially of a case study response were common in the weaker responses. These responses commonly demonstrated little attempt to structure the case study information in terms of the question asked, or extrapolate from, or make generalisations through using specific information from the case study.

Some responses referred to the term 'drivers of globalisation', indicating that candidates are able to make connections across subjects, with this term being used in a Business Studies context. In some cases however responses demonstrated confusion between features of globalisation as required by the question, and drivers or causes of globalisation.

Economics
2005 HSC Examination Mapping Grid

Question	Marks	Content	Syllabus outcomes
Section I			
1	1	International monetary fund (Topic 1)	H1, H2
2	1	Economic growth and development (Topic 1)	H1, H8
3	1	Effect of globalisation (Topic 1)	H1, H4
4	1	Fiscal policy (Topic 4)	H1, H2
5	1	Inflation (Topic 3)	H1
6	1	Negative externalities (Topic 3)	H1, H7
7	1	Business cycle (Topic 3)	H1, H2
8	1	Micro economics (Topic 4)	H1, H2
9	1	Current Industrial Relations framework (Topic 4)	H1, H2
10	1	Balance of Payments (Topic 2)	H1, H4
11	1	Budget outcome (Topic 4)	H1, H11
12	1	Multiplier (Topic 3)	H1, H11
13	1	Debit item on Balance of Payments (Topic 2)	H1, H8
14	1	Terms of trade (Topic 2)	H1
15	1	Trade and financial flows (Topic 1)	H4, H8
16	1	Difference between monetary policy and fiscal policy (Topic 4)	H1, H6
17	1	Monetary policy (Topic 4)	H1, H6
18	1	Calculation/Balance of Payments (Topic 2)	H1, H11
19	1	Natural rate of unemployment (Topic 3)	H1
20	1	Participation rate (Topic 3)	H1, H11
Section II			
21 (a)	1	Free trade/Protection (topic 1)	H11
(b)	1	Free trade/Protection (topic 1)	H11
(c)	3	Free trade/Protection (topic 1)	H5
(d)	5	Free trade/Protection (topic 1,2)	H3, H5, H7

Question		Marks	Content	Syllabus outcomes
22	(a)	2	Labour market policies (topic 4)	H2
	(b)	2	Labour market policies (topic 4)	H6, H7
	(c)	2	Labour market policies (topic 4)	H2
	(d)	4	Labour market policies (topic 4)	H2, H6
23	(a)	1	Exchange rates (topic 2)	H8
	(b)	2	Exchange rates (topic 2)	H7
	(c)	2	Exchange rates (topic 2)	H8
	(d)	5	Exchange rates (topic 2)	H5, H8
24	(a)	1	Distribution of Income and Wealth (topic 3)	H1
	(b)	1	Distribution of Income and Wealth (topic 3)	H1
	(c)	2	Distribution of Income and Wealth (topic 3)	H1
	(d)	2	Distribution of Income and Wealth (topic 3)	H7
	(e)	5	Distribution of Income and Wealth (topic 3)	H2, H7
Section III				
25		20	Impact of the global economy on Australia (topic 2)	H4, H5, H8, H9, H10
26		20	Macro/Micro policies on inflation (topic 4)	H2, H5, H6, H9, H10
Section IV				
27		20	Economic growth and unemployment (topic 3)	H1, H2, H7, H10
28		20	Global economy (topic 1)	H1, H4, H7, H10
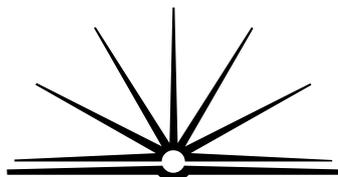
2005 HSC Economics Marking Guidelines

Section II

Question 21 (a)

Outcomes assessed: H11

MARKING GUIDELINES

Criteria	Marks
• States the domestic market price for this product after the imposition of the tariff to be $15	1

Question 21 (b)

Outcomes assessed: H11

MARKING GUIDELINES

Criteria	Marks
• Calculates the amount of government revenue raised from this tariff to be $100	1

Question 21 (c)

Outcomes assessed: H5

MARKING GUIDELINES

Criteria	Marks
• Sketches in general terms THREE methods of protection other than tariffs	3
• Sketches in general terms or provides a detailed description of TWO methods of protection other than tariffs OR • Sketches one or more methods in general terms and provides a detailed description of one other method of protection	2
• Sketches in general terms or provides a detailed description of ONE method of protection other than tariffs OR • Lists THREE methods of protection other than tariffs	1

Question 21 (d)

Outcomes assessed: H3, H5, H7

MARKING GUIDELINES

Criteria	Marks
• Demonstrates a clear and concise understanding of the relationship between a reduction in the general level of protection and the subsequent economic effects for the Australian economy • Explains more than one economic effect	4–5
• Demonstrates some understanding of the relationship between a reduction in the general level of protection and the subsequent economic effect/s for the Australian economy	3
• Describes some economic effect/s of the reduction in the general level of protection for the Australian economy	2
• Outlines an economic effect of the reduction in the general level of protection for the Australian economy	1

Question 22 (a)

Outcomes assessed: H2

MARKING GUIDELINES

Criteria	Marks
• Correctly states the meaning of the term *award* in Australia's industrial relations framework with reference to minimum rates of pay and conditions	2
• Demonstrates a limited understanding of the meaning of the term *award* in Australia's industrial relations framework	1

Question 22 (b)

Outcomes assessed: H6, H7

MARKING GUIDELINES

Criteria	Marks
• Identifies the trend as a decline and states reason/s for this decline in the percentage of employees covered by awards	2
• Identifies the trend as a decline but does not state reason/s for this decline in the percentage of employees covered by awards OR • States reason/s for the change in the percentage of employees covered by awards, but does not identify the trend as a decline	1

Question 22 (c)

Outcomes assessed: H2

MARKING GUIDELINES

Criteria	Marks
• Sketches in general terms TWO features of Australian Workplace Agreements	2
• Sketches in general terms or provides a detailed description of ONE feature of Australian Workplace Agreements OR • Lists TWO features of Australian Workplace Agreements	1

Question 22 (d)

Outcomes assessed: H2, H6

MARKING GUIDELINES

Criteria	Marks
• Provides relevant, clear and concise arguments for and against the move to a more decentralised system of wage determination in Australia	4
• Provides arguments for and against the move to a more decentralised system of wage determination in Australia	3
• Provides general arguments for and/or against the move to a decentralised system of wage determination in Australia OR • Sketches in general terms arguments for and against the move to a more decentralised system of wage determination in Australia	2
• Lists information for and/or against the move to a more decentralised system of wage determination in Australia OR • Sketches in general terms an argument for or against the move to a more decentralised system of wage determination in Australia	1

Question 23 (a)

Outcomes assessed: H8

MARKING GUIDELINES

Criteria	Marks
• Correctly states the movement of the $A from year 1 to year 3 as a depreciation	1

Question 23 (b)

Outcomes assessed: H7

MARKING GUIDELINES

Criteria	Marks
• Sketches in general terms the effect of the movement of the $A from year 1 to year 3 as increasing the price of imports into Australia and reducing the price of Australia's exports to overseas buyers	2
• Sketches in general terms the effect of the movement of the $A from year 1 to year 3 for either exports or imports	1

Question 23 (c)

Outcomes assessed: H8

MARKING GUIDELINES

Criteria	Marks
• Correctly states the meaning of the term Trade Weighted Index	2
• Demonstrates a limited understanding of the term Trade Weighted Index	1

Question 23 (d)

Outcomes assessed: H5, H8

MARKING GUIDELINES

Criteria	Marks
• Demonstrates a clear and concise understanding of the operations used by the Reserve Bank in the foreign exchange market and the domestic money market to influence the value of the $A AND • Explains the relationship between these operations and the subsequent impact on the value of the $A	4–5
• Demonstrates some understanding of the operations used by the Reserve Bank in the foreign exchange market and the domestic money market to influence the value of the $A but does not correctly explain the relationship between these operations and the subsequent impact on the value of the $A OR • Demonstrates a clear and concise understanding of ONE operation used by the Reserve Bank in either the foreign exchange market or the domestic money market to influence the value of the $A and explains the relationship between this operation and the subsequent impact on the value of the $A	3
• Sketches in general terms TWO operations used by the Reserve Bank but does not correctly identify the relationship and the subsequent impact on the value of the $A OR • Sketches in general terms one operation used by the Reserve Bank and correctly identifies the relationship and the subsequent impact on the value of the $A	2
• Sketches in general terms ONE operation used by the Reserve Bank but does not correctly identify the relationship and the subsequent impact on the value of the $A	1

Question 24 (a)

Outcomes assessed: H1

MARKING GUIDELINES

Criteria	Marks
• Correctly states that the Gini coefficient measures the degree of inequality in the distribution of income	1

Question 24 (b)

Outcomes assessed: H1

MARKING GUIDELINES

Criteria	Marks
• Correctly states that the movement in the Gini coefficient from 0.60 to 0.50 results in a decrease in income inequality or an increase in income equality	1

Question 24 (c)

Outcomes assessed: H1

MARKING GUIDELINES

Criteria	Marks
• Correctly notes the difference between the term income as a flow concept and wealth as a stock concept OR • Correctly notes the difference between income as a return for productive activity and wealth as the value of accumulated assets	2
• Correctly notes the characteristic or source of either income or wealth, but does not correctly note the difference between them	1

Question 24 (d)

Outcomes assessed: H7

MARKING GUIDELINES

Criteria	Marks
• Clearly provides characteristics and features of a social consequence of an increase in the inequality of income distribution for an economy	2
• Sketches in general terms a social consequence of an increase in the inequality of income distribution for an economy	1

Question 24 (e)

Outcomes assessed: H2, H7

MARKING GUIDELINES

Criteria	Marks
• Demonstrates a clear, concise and balanced understanding of the relationship between the differences in gender and occupation and their contribution to income inequality in Australia	4
• Demonstrates an understanding of a relationship between the differences in gender and occupation and their contribution to income inequality	3
• Sketches the relationship of the differences in gender and occupation and their contribution to income inequality OR • Demonstrates an understanding of the relationship between the differences in EITHER gender OR occupation and its contribution to income inequality.	2
• Lists examples of gender and occupation with limited reference to any contribution to income inequality	1

Section III

Question 25

Outcomes assessed: H4, H5 H8, H9, H10

MARKING GUIDELINES

Criteria	Marks
• Provides a clear and concise examination of the reasons for changes in the composition and direction of Australia's trade and demonstrates a clear and concise understanding of the relationship between the impact of these changes on structural change in Australia • Integrates an extensive and appropriate range of economic terms with relevant concepts, relationships and theory • Synthesises own information with the information provided to develop a sustained, logical and well structured response	17–20
• Demonstrates an understanding of the reasons for changes in the composition and direction of Australia's trade and demonstrates an understanding of the relationship between the impact of these changes on structural change in Australia OR • Provides a clear and concise examination of the reasons for changes in the composition of Australia's trade, and demonstrates some understanding of the impact of these changes on structural change in Australia (or vice versa) • Consistently applies appropriate economic terms, relevant concepts, relationships and theory • Uses own information and the information provided to develop a logical and structured response	13–16
• Demonstrates some understanding of the composition and direction of Australia's trade and provides characteristics and features of structural change in Australia OR • Demonstrates an understanding of one and sketches in general terms the other • Applies appropriate economic terms, concepts and relationships • Uses own information and the information provided to develop a coherent response	9–12
• Sketches in general terms some aspects of the composition and direction of Australia's trade and/or sketches in general terms some aspects of structural change in Australia • Uses some appropriate economic terms, concepts and relationships • Uses information to develop a generalised response	5–8
• Lists aspects of Australia's trade and/or structural change • Uses some economic terms and/or concepts • Presents a limited response	1–4

Question 26

Outcomes assessed: H2, H5, H6, H9, H10

MARKING GUIDELINES

Criteria	Marks
• Provides a clear and concise examination of the economic policies available in dealing with inflation and demonstrates a clear and concise understanding of the limitations of these policies • Integrates an extensive and appropriate range of economic terms with relevant concepts, relationships and theory • Synthesises own information with the information provided to develop a sustained, logical and well structured response	17–20
• Demonstrates an understanding of the economic policies available in dealing with inflation and demonstrates an understanding of the limitation of these policies OR • Provides a clear and concise examination of the economic policies available to deal with inflation and demonstrates some understanding of the limitations of these policies (or vice versa) • Consistently applies appropriate economic terms, relevant concepts, relationships and theory • Uses own information and the information provided to develop a logical and structured response	13–16
• Demonstrates some understanding of the economic policies available in dealing with inflation and provides characteristics and features of the limitations of these policies OR • Demonstrates an understanding of one and sketches in general terms the other • Applies appropriate economic terms, concepts and theory • Uses own information and the information provided to develop a coherent response	9–12
• Sketches in general terms one or more economic policies available in dealing with inflation and sketches in general terms some limitations of this policy/policies • Uses some appropriate economic terms, concepts and relationships • Uses information to develop a generalised response	5–8
• Lists aspects of one or more economic policies available in dealing with inflation and/or lists some limitations of this policy/policies • Uses some economic terms and/or concepts • Presents a limited response	1–4

Section IV

Question 27

Outcomes assessed: H1, H2, H7, H10

MARKING GUIDELINES

Criteria	Marks
• Sketches in general terms a range of factors affecting Australia's economic growth • Demonstrates a clear and concise understanding of the relationship between economic growth and changes in Australia's unemployment rate • Integrates an extensive and appropriate range of economic terms with relevant concepts, relationships and theory • Synthesises economic data and other information to develop a sustained, logical and well structured response	17–20
• Sketches in general terms some factors affecting Australia's economic growth • Demonstrates an understanding of the relationship between economic growth and changes in Australia's unemployment rate • Consistently applies appropriate economic terms, relevant concepts, relationships and theory • Uses economic data and other information to develop a logical and structured response	13–16
• Sketches in general terms some factors affecting Australia's economic growth • Provides some understanding of the relationship between economic growth and changes in Australia's unemployment rate • Applies appropriate economic terms, concepts and relationships • Uses some economic data and other information to develop a coherent response	9–12
• Sketches in general terms a limited number of factors affecting Australia's economic growth • Provides characteristics and features of either Australia's economic growth and/or Australia's unemployment rate • Uses some appropriate economic terms, concepts and relationships • Uses some economic information to develop a generalised response	5–8
• Lists some factors affecting Australia's economic growth and/or Australia's unemployment rate • Uses some economic terms and/or concepts • Presents a limited response	1–4

Question 28

Outcomes assessed: H1, H4, H7, H10

MARKING GUIDELINES

Criteria	Marks
• Sketches in general terms a range of features of globalisation • Demonstrates a clear and concise understanding of the relationship between globalisation and its impact on the standard of living in the global economy • Integrates an extensive and appropriate range of economic terms with relevant concepts, relationships and theory • Synthesises economic data and other information to develop a sustained, logical and well structured response	17–20
• Sketches in general terms features of globalisation • Demonstrates an understanding of the relationship between globalisation and its impact on the standard of living in the global economy • Consistently applies appropriate economic terms, relevant concepts, relationships and theory • Uses economic data and other information to develop a logical and structured response	13–16
• Sketches in general terms some features of globalisation • Demonstrates some understanding of the relationship between globalisation and its impact on the standard of living in the global economy • Applies appropriate economic terms, concepts and relationships • Uses some economic data and other information to develop a coherent response	9–12
• Sketches in general terms a limited number of the features of globalisation • Makes limited reference to the standard of living in the global economy • Uses some appropriate economic terms, concepts and relationships • Uses some economic information to develop a generalised response	5–8
• Lists some features of globalisation • Refers to the global economy and/or living standards • Uses some economic terms and/or concepts • Presents a limited response	1–4