



BOARD OF STUDIES
NEW SOUTH WALES

2011 HSC Economics Marking Guidelines

Section I

Multiple-choice Answer Key

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

Section II

Question 21 (a)

Criteria	Marks
• Sketches in general terms the role of the World Trade Organisation	2
• Demonstrates a limited understanding of the World Trade Organisation	1

Question 21 (b)

Criteria	Marks
• Identifies a disadvantage of a bilateral trade agreement and provides a sound reason why it is a disadvantage	3
• Sketches in general terms ONE disadvantage of bilateral trade agreements	2
• Demonstrates a limited understanding of bilateral trade agreements	1

Question 21 (c)

Criteria	Marks
• Clearly demonstrates a thorough understanding of relevant government strategies and their relationship to the international business cycle in an economy other than Australia	5
• Demonstrates a sound understanding of relevant government strategies and their relationship to the international business cycle in an economy other than Australia	4
• Demonstrates some understanding of relevant government strategies used in an economy other than Australia, with some reference to the international business cycle	3
• Sketches in general terms government strategies used in an economy other than Australia, with some reference to the international business cycle	2
• States any government strategy used in an economy other than Australia	1

Question 22 (a) (i)

Criteria	Marks
• Correctly states the change in the value of the current account balance from Year 1 to Year 2	2
• Correctly states the change in the direction of the current account balance OR • Correctly states the value of the current account balance	1

Question 22 (a) (ii)

Criteria	Marks
<ul style="list-style-type: none">• Sketches in general terms ONE factor that may have caused an increase in the Net Income component of the current account	2
<ul style="list-style-type: none">• Correctly states that the Net Income component increased OR <ul style="list-style-type: none">• Demonstrates a limited understanding of ONE cause of a change in the Net Income component of the current account	1

Question 22 (a) (iii)

Criteria	Marks
<ul style="list-style-type: none">• Sketches in general terms ONE factor that may have caused an increase in the Imports component of the current account	2
<ul style="list-style-type: none">• Correctly states that Imports increased OR <ul style="list-style-type: none">• Demonstrates a limited understanding of ONE cause of a change in Imports	1

Question 22 (b)

Criteria	Marks
<ul style="list-style-type: none">• Demonstrates a clear understanding of the reasons for Australia's persistently high current account deficit	4
<ul style="list-style-type: none">• Demonstrates a sound understanding of the reason for Australia's persistently high current account deficit	3
<ul style="list-style-type: none">• Sketches in general terms some understanding of the reasons for Australia's persistently high current account deficit	2
<ul style="list-style-type: none">• States an aspect of why Australia has a persistently high current account deficit	1

Question 23 (a)

Criteria	Marks
<ul style="list-style-type: none">• Correctly states the participation rate for this economy	1

Question 23 (b)

Criteria	Marks
<ul style="list-style-type: none">Clearly recognises the difference between an award and an enterprise agreement	2
<ul style="list-style-type: none">States meaning of either an award OR an enterprise agreement OR <ul style="list-style-type: none">Demonstrates limited understanding of an award and an enterprise agreement	1

Question 23 (c)

Criteria	Marks
<ul style="list-style-type: none">Demonstrates a clear and thorough understanding of how ONE labour market policy may influence the level of structural unemployment	3
<ul style="list-style-type: none">Sketches in general terms how ONE labour market policy may influence the level of structural unemployment	2
<ul style="list-style-type: none">States ONE labour market policy that may influence the level of structural unemployment	1

Question 23 (d)

Criteria	Marks
<ul style="list-style-type: none">Demonstrates a clear understanding of the advantages of a decentralised system of wage determination on the level of economic activity	4
<ul style="list-style-type: none">Demonstrates a sound understanding of the advantages of a decentralised system of wage determination on the level of economic activity	3
<ul style="list-style-type: none">Sketches in general terms the advantages of a decentralised system of wage determination OR <ul style="list-style-type: none">Demonstrates a sound understanding of ONE advantage of a decentralised system of wage determination on the level of economic activity	2
<ul style="list-style-type: none">States an advantage of a decentralised system of wage determination	1

Question 24 (a)

Criteria	Marks
<ul style="list-style-type: none">Correctly states the meaning of a public good	2
<ul style="list-style-type: none">Demonstrates a limited understanding of the meaning of a public good	1

Question 24 (b)

Criteria	Marks
<ul style="list-style-type: none"> • Demonstrates a sound understanding of how market failure may affect the preservation of the natural environment 	3
<ul style="list-style-type: none"> • Sketches in general terms how market failure may affect the preservation of the natural environment 	2
<ul style="list-style-type: none"> • Demonstrates a limited understanding of market failure and/or its effects on the preservation of the natural environment OR <ul style="list-style-type: none"> • States any feature of market failure or its effects on the preservation of the natural environment 	1

Question 24 (c)

Criteria	Marks
<ul style="list-style-type: none"> • Clearly demonstrates a thorough understanding of how regulations and market-based policies can be used to manage the environment 	5
<ul style="list-style-type: none"> • Clearly demonstrates a sound understanding of how regulations and market-based policies can be used to manage the environment OR <ul style="list-style-type: none"> • Clearly demonstrates a thorough understanding of how EITHER regulations OR market-based policies can be used to manage the environment and the other is a sound understanding 	4
<ul style="list-style-type: none"> • Demonstrates a sound understanding of how regulations and market-based policies can be used to manage the environment OR <ul style="list-style-type: none"> • Demonstrates a thorough understanding of how EITHER regulations OR market-based policies can be used to manage the environment 	3
<ul style="list-style-type: none"> • Sketches in general terms how regulations and market-based policies can be used to manage the environment OR <ul style="list-style-type: none"> • Demonstrates a sound understanding of EITHER regulations OR market-based policies can be used to manage the environment 	2
<ul style="list-style-type: none"> • Lists any regulations and/or market-based policies that can be used to manage the environment 	1

Section III

Question 25

Criteria	Marks
<ul style="list-style-type: none"> • Synthesises own knowledge and understanding with information provided to develop a sustained, logical and cohesive response • Extensive integration of relevant economic terms, concepts, relationships and theory • Provides clear and comprehensive arguments identifying how fiscal policy affects economic activity and income distribution in the Australian economy 	17–20
<ul style="list-style-type: none"> • Synthesises own knowledge and understanding with information provided to develop a logical and cohesive response • Integrates relevant economic terms, concepts, relationships and theory • Provides sound arguments identifying how fiscal policy affects economic activity and income distribution in the Australian economy <p>OR</p> <ul style="list-style-type: none"> • Clearly and comprehensively identifies how fiscal policy affects EITHER economic activity OR income distribution in the Australian economy and sketches in general terms arguments for the other 	13–16
<ul style="list-style-type: none"> • Uses own knowledge and understanding with information provided to develop a coherent response • Applies economic terms, concepts and relationships • Sketches in general terms how fiscal policy affects economic activity and income distribution in the Australian economy <p>OR</p> <ul style="list-style-type: none"> • Provides sound arguments identifying how fiscal policy affects EITHER economic activity OR income distribution in the Australian economy 	9–12
<ul style="list-style-type: none"> • Uses information to develop a generalised response • Uses some economic terms, concepts and relationships • States some aspects of how fiscal policy affects economic activity and income distribution in the Australian economy <p>OR</p> <ul style="list-style-type: none"> • Sketches in general terms how fiscal policy affects EITHER economic activity OR income distribution in the Australian economy 	5–8
<ul style="list-style-type: none"> • Presents a limited response • Uses some economic terms and/or concepts • List any affects of fiscal policy on EITHER economic activity OR income distribution in the Australian economy 	1–4

Question 26

Criteria	Marks
<ul style="list-style-type: none"> • Synthesises own knowledge and understanding with information provided to develop a sustained, logical and cohesive response • Extensive integration of relevant economic terms, concepts, relationships and theory • Provides clear and comprehensive arguments identifying how monetary policy affects inflation and unemployment in the Australian economy 	17–20
<ul style="list-style-type: none"> • Synthesises own knowledge and understanding with information provided to develop a logical and cohesive response • Integrates relevant economic terms, concepts, relationships and theory • Provides sound arguments identifying how monetary policy affects inflation and unemployment in the Australian economy <p>OR</p> <ul style="list-style-type: none"> • Clearly and comprehensively identifies how monetary policy affects EITHER inflation OR unemployment in the Australian economy and sketches in general terms arguments for the other 	13–16
<ul style="list-style-type: none"> • Uses own knowledge and understanding with information provided to develop a coherent response • Applies economic terms, concepts and relationships • Sketches in general terms how monetary policy affects inflation and unemployment in the Australian economy <p>OR</p> <ul style="list-style-type: none"> • Provides sound arguments identifying how monetary policy affects EITHER inflation OR unemployment in the Australian economy 	9–12
<ul style="list-style-type: none"> • Uses information to develop a generalised response • Uses some economic terms, concepts and relationships • States some aspects of how monetary policy affects inflation and unemployment in the Australian economy <p>OR</p> <ul style="list-style-type: none"> • Sketches in general terms how monetary policy affects EITHER inflation OR unemployment in the Australian economy 	5–8
<ul style="list-style-type: none"> • Presents a limited response • Uses some economic terms and/or concepts • List any effects of monetary policy on EITHER inflation AND/OR unemployment in the Australian economy 	1–4

Section IV

Question 27

Criteria	Marks
<ul style="list-style-type: none"> Extensive integration of relevant economic terms, concepts, relationships and theories Provides comprehensive economic information in a sustained, logical and cohesive response Provides clear and comprehensive arguments identifying points for and/or against how microeconomic reform affects product and factor markets in the Australian economy 	17–20
<ul style="list-style-type: none"> Integrates relevant economic terms, concepts, relationships and theories Provides sound economic information in a logical and cohesive response Provides sound arguments identifying points for and/or against how microeconomic reform affects product and factor markets in the Australian economy <p>OR</p> <ul style="list-style-type: none"> Clearly and comprehensively identifies points for and/or against how microeconomic reform affects EITHER product OR factor markets in the Australian economy and sketches in general terms arguments for the other 	13–16
<ul style="list-style-type: none"> Applies economic terms, concepts and relationships Develops a coherent response Sketches in general terms points for and/or against how microeconomic reform affects product and factor markets <p>OR</p> <ul style="list-style-type: none"> Provides sound arguments identifying points for and/or against how microeconomic reform affects EITHER product OR factor markets 	9–12
<ul style="list-style-type: none"> Uses some economic terms, concepts and relationships Develops a generalised response States some aspects of microeconomic reform and the effect on product markets and factor markets <p>OR</p> <ul style="list-style-type: none"> Sketches in general terms points for and/or against how microeconomic reform affects EITHER product OR factor markets 	5–8
<ul style="list-style-type: none"> Use some economic terms and/or concepts Presents a limited response Lists any microeconomic reforms and/or effect on EITHER product OR factor markets 	1–4

Question 28

Criteria	Marks
<ul style="list-style-type: none"> • Extensive integration of relevant economic terms, concepts, relationships and theories • Provides comprehensive economic information in a sustained, logical and cohesive response • Provides clear and comprehensive arguments identifying points for and/or against how changes in the domestic and global economy impact on Australia's exchange rate 	17–20
<ul style="list-style-type: none"> • Integrates relevant economic terms, concepts, relationships and theories • Provides sound economic information in a logical and cohesive response • Provides sound arguments identifying points for and/or against how changes in the domestic and global economy impact on Australia's exchange rate <p>OR</p> <ul style="list-style-type: none"> • Clearly and comprehensively identifies points for and/or against how changes in EITHER the domestic economy OR global economy impacts on Australia's exchange rate and sketches in general terms arguments for the other 	13–16
<ul style="list-style-type: none"> • Applies economic terms, concepts and relationships • Develops a coherent response • Sketches in general terms points for and/or against how changes in the domestic and global economy impacts on Australia's exchange rate <p>OR</p> <ul style="list-style-type: none"> • Provides sound arguments identifying points for and/or against how changes in EITHER the domestic OR global economy impact on Australia's exchange rate 	9–12
<ul style="list-style-type: none"> • Uses some economic terms, concepts and relationships • Develops a generalised response • States some aspects of domestic and global economy and the impacts on Australia's exchange rates <p>OR</p> <ul style="list-style-type: none"> • Sketches in general terms points for and/or against how changes in EITHER the domestic OR global economy impacts on Australia's exchange rate <p>OR</p> <ul style="list-style-type: none"> • Provides arguments for the impact of changes in the Australian exchange rate on the domestic and/or global economy 	5–8

<ul style="list-style-type: none">• Use some economic terms and/or concepts• Presents a limited response• Lists any effects of the domestic and/or global economy on Australia's exchange rate <p>OR</p> <ul style="list-style-type: none">• Lists any effects on the global and/or domestic economy of changes in the Australian exchange rate	<p>1-4</p>
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Economics

2011 HSC Examination Mapping Grid

Section I

Question	Marks	Content	Syllabus outcomes
1	1	Topic 1 – Globalisation	H1, H4
2	1	Topic 4 – Income inequality policy	H1, H5
3	1	Topics 3 and 4 – Government policy and unemployment	H1, H5
4	1	Topic 3 – Economic growth	H1, H11
5	1	Topic 3 – Aggregate supply	H1, H2
6	1	Topic 2 – Australia’s trade	H1, H4
7	1	Topic 3 – External stability (TOT)	H1, H11
8	1	Topic 3 – Inflation	H1
9	1	Topic 3 – Income distribution (Gini)	H1, H7
10	1	Topic 2 – Exchange rates	H1, H4
11	1	Topic 3 – External stability	H1
12	1	Topic 4 – Government policy	H1, H6
13	1	Topic 3 – Multiplier	H1, H11
14	1	Topic 2 – Balance of payments	H1, H7
15	1	Topic 2 – Balance of payments	H1, H11
16	1	Topic 4 – Government policy	H1, H6
17	1	Topic 1 – Protection	H1, H11
18	1	Topic 1 – Economic development	H1
19	1	Topic 4 – Fiscal Policy	H1, H6
20	1	Topic 3 – Environmental sustainability	H1, H7

Section II

Question	Marks	Content	Syllabus outcomes
21 (a)	2	Topic 1 – WTO	H1
21 (b)	3	Topic 1 – Trade agreements	H1, H2
21 (c)	5	Topic 1 – Case study	H1, H2, H4, H5, H8, H10
22 (a) (i)	2	Topic 2 – Current account	H1, H11
22 (a) (ii)	2	Topic 2 – Net income	H1, H4
22 (a) (iii)	2	Topic 2 – Imports	H1, H4
22 (b)	4	Topic 3 – External stability	H1, H4
23 (a)	1	Topic 3 – Employment	H1, H11
23 (b)	2	Topic 4 – Labour policy	H1, H2
23 (c)	3	Topic 4 – Labour policy	H1, H2, H5, H7
23 (d)	4	Topic 4 – Labour policy	H1, H2, H5, H7, H10
24 (a)	2	Topic 3 – Public good	H1
24 (b)	3	Topic 3 – Market failure	H1, H2, H7
24 (c)	5	Topic 4 – Environmental management	H1, H2, H5, H7, H10

Section III

Question	Marks	Content	Syllabus outcomes
25	20	Topic 3 – Economic issues; Fiscal policy – income distribution/economic activity Topic 4 – Economic policies	H1, H2, H6, H9, H10
26	20	Topic 3 – Economic issues; Monetary policy, inflation/unemployment Topic 4 – Economic policies and management	H1, H2, H6, H9, H10

Section IV

Question	Marks	Content	Syllabus outcomes
27	20	Topic 4 – Economic policies and management: Microeconomic reform	H1, H2, H6, H10
28	20	Topic 1 – The Global economy Topic 2 – Australia’s place in the Global economy: Exchange rates	H1, H3, H4, H8, H10