

Question 23 (10 marks)

2013 HSC - Economics
Band 1/2
Sample 1 Question 23

(a) Distinguish between the current account deficit and foreign debt.

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Current account deficit is the net value of current account and financial account, while foreign debt is from the lending of another nation's resources, while the current account deficit is the net value from a nation's investments in capital and financial account. imports of goods and services.

(b) Explain how the level of national savings can influence the size of the current account.

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Through the
The rate

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Question 23 (continued)

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- (c) What are the positive and negative implications of a current account deficit for the Australian economy?

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Negative is the reliance on other nations
loans, etc

End of Question 23