

**2007 HSC Notes from
the Marking Centre
Economics**

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2007 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 contains comments on candidate responses to the 2007 Higher School Certificate examination, indicating the quality of the responses and highlighting their relative strengths and weaknesses.

This document should be read along with the relevant syllabus, the 2007 Higher School Certificate examination, 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 2007, 5411 candidates presented for the Economics examination.

Section I – Multiple Choice

Question	Correct Response
1	D
2	D
3	B
4	A
5	A
6	D
7	C
8	A
9	B
10	C

Question	Correct Response
11	C
12	A
13	B
14	D
15	B
16	D
17	C
18	B
19	D
20	B

Section II

General comments

In the short-answer section of the examination, candidates were required to answer a range of questions from topic areas such as the distribution of income and wealth, inflation, monetary policy, globalisation and the environment. Some questions were supported by the use of stimulus material which candidates were required to use to assist them in answering the question.

Question 21

- (a) Most responses demonstrated a clear understanding of what the Lorenz Curve measures, referring correctly to the distribution of income.

One-word answers such as *equality* or *inequality* were considered too imprecise to warrant a mark.

Some responses referred to the *x* and *y* axes of the graph, emphasising a relationship between the cumulative proportion of total income and cumulative proportion of persons ranked by income. These responses received one mark.

- (b) This question required students to correctly state the formula for the Gini coefficient as:

$$\frac{A}{A + B}$$

- (c) Better responses stated that income inequality decreased between 1970–1980 and then increased from 1980–2000.

Many students recognised the increased equality of the decade 1970–1980 but then dated this subsequent decline in equality from 1990 onwards, thus leaving out the decade of the 1980s.

Some candidates analysed the change in the Gini coefficient over 1970–2000 without mentioning equality of income distribution. To be awarded marks students had to clearly indicate that they understood the meaning of the Gini coefficient with 0 = perfect equality and 1 = perfect inequality.

- (d) Better responses readily identified that the after-tax Gini coefficient was lower than the pre-tax Gini coefficient because of the effect of the progressive income tax system which taxes higher incomes at a greater marginal rate.

Weaker responses recognised the influence of the progressive tax but failed to discuss why it affects the after-tax Gini coefficient.

Many responses identified the significance of progressive income tax but described it as a system that takes more from high incomes than low incomes. This description could equally apply to a proportional tax system which is a system that would leave the pre- and post-tax Gini coefficient unchanged.

- (e) Better responses discussed two separate taxation changes and were able to emphasise the link between the specific tax change and the change in the distribution of income. The best of these answers contributed an interesting range of tax changes including those relating to

superannuation, Goods and Services Tax (GST) and Fringe Benefits Tax (FBT), noting that superannuation and GST were regressive while FBT contributed to a more equal distribution of income.

Weak responses identified tax changes that were relevant but provided little coherent discussion.

Question 22

- (a) Most responses demonstrated a clear understanding of two causes of inflation and related high demand and supply constraints, and made links between specific causes and increasing prices.

Weaker responses merely listed rather than outlined two causes and some gave only one cause. Some listed high levels of economic activity as a cause of inflation. Others focused on causes of aggregate demand and assumed this would lead to inflation.

- (b) Better responses demonstrated a clear understanding of the process the Reserve Bank of Australia uses to tighten monetary policy, ie sale of Commonwealth Government Securities, identifying the role of the exchange settlement accounts and the reason for flow-on of increased cash rates to all interest rates.

Weaker responses mentioned a 'rise in interest rates' and then described the effects of this rise rather than the 'process'. There was some confusion between exchange settlement accounts, the money supply and Australian dollar value.

- (c) Better responses identified the effects of tightening monetary policy and then provided a clear analysis of the implications for economic activity in Australia. They related the effects of an increase in interest rates to both the domestic and foreign sectors of the economy, covering all aspects of aggregate demand (ie $C + I + G + X - M$). They clarified the implication of an appreciating A\$ with increased foreign investment.

Weaker responses merely listed the effects or demonstrated limited understanding of the effects of tightening monetary policy. Many confused 'tightening' with 'loosening' and some attempted to discuss 'dirtying the float'. These responses showed a lack of understanding of the relationship between interest rates and spending.

Question 23

- (a) Better responses clearly outlined two economic indicators of the globalisation process such as increased trade flows, reflecting reduced protection and increased investment, and financial flows in the form of foreign direct investment and portfolio investment.

Weaker responses made a statement about one or two economic indicators, which essentially listed the indicators and rephrased the question, or listed one or two economic indicators only. Poor responses listed indicator(s) which were not part of the globalisation process.

- (b) Better responses demonstrated a clear understanding of the relationship between globalisation and increased international financial flows. They linked the deregulation of financial systems with the freer flow of foreign investment and financial flows and explained the role of technology in allowing greater ease of access to equity and foreign exchange markets.

Weaker responses referred to globalisation in general terms and/or emphasised the breakdown of trade barriers between nations, failing to distinguish between trade flows and financial flows.

- (c) Better responses provided a clear explanation of the economic reasons for differences in the standard of living between nations, while many candidates referred to specific countries to illustrate their response. Others referred to categories of economies, eg less developed or newly industrialised economies, while others referred to hypothetical examples of Country A and Country B.

In explaining the differences, better responses made reference to domestic factors, eg efficient market systems, and included relevant data/statistics to emphasise their point.

Weaker responses demonstrated a general understanding, referring to characteristics of nations, or providing only one reason for differences in the standard of living. Some responses merely listed factors that have affected the standard of living. Poor responses listed indicators of the standard of living.

Question 24

- (a) Better responses clearly defined private costs and social costs, included relevant examples and used correct economic terminology.

Average responses either defined one term correctly or identified examples of private and social costs.

Weaker responses were vague and general and did not clearly link private costs to production costs. Some described private costs in terms of consumers and some included social costs that were not related to the environment.

- (b) Better responses identified and clearly described two essential characteristics of a public good.

Average responses identified two correct characteristics but did not describe each, or provided descriptions that were inaccurate, or confused the meanings between the characteristics.

Weaker responses confused public good with collective goods and were confused in their use of the terms 'non-rival' and 'non-excludable'. Some students used an explanation for both and some defined 'non-rival' in relation to a lack of competition in production.

- (c) Better responses clearly identified and discussed one economic method and correctly established the link between the economic method and how this would lead to a reduction in production.

Among average responses were some that identified a method that was not an economic method and others that correctly identified an economic method but failed to explain how it would reduce pollution. Some provided more than one method but failed to provide the link.

- (d) Better responses explained market failure and how it leads to underpricing of resources which leads to overuse of resources. They correctly identified the failure of the price mechanism to reflect social costs leading to overuse and scarcity of resources as a result of this underpricing.

Section III

Question 25

This question drew on the content area from Topic Four, Economic Policies and Management.

The stimulus referred to a lowering of the government debt burden and indicated fiscal balance and net government debt figures for the period 2000–2006. Candidates could have viewed a policy of sustained fiscal surpluses in either a positive or negative light but the majority concentrated on the positive aspects of such a policy.

Better responses made excellent use of the stimulus material, including updated statistics and information from the 2007–08 Commonwealth Budget. These responses explained the origins of a budget surplus, acknowledged the role of automatic stabilisers and discussed cyclical and structural budget components. They showed an understanding of the link between budget surpluses, national saving and the current account deficit. They included some discussion of possible negative impacts of fiscal surpluses. Better responses gave clear links between budget surpluses and resource use. They also made reference to resource impacts in different sectors of the economy, and not just in an environmental context. They referred to the government's ability to change the composition of expenditure due to lower on-going debt servicing requirements from the reduction in government debt.

Weaker responses tended to assert that the sustained budget surpluses made it possible for the government to spend more in various areas and stated that fiscal surpluses are always contractionary. These responses could not explain that a smaller surplus, on a previous year, can be expansionary. They often repeated and heavily used the stimulus material provided, and seemed confused about what the term 'resource use' meant in the question. They tended to develop a generalised answer to the question with little analysis.

Question 26

This question drew on the content area from Topic Three, Economic Issues.

The stimulus materials, a graph showing Australia's declining savings ratio and a reference to alternative views of Australia's persistently high current account deficit (CAD), were effectively used by a significant number of responses. Candidates were generally able to provide some detail about the structure and causes of the CAD as well as provide some inferences of the implications of a high CAD to the Australian economy. Alternative arguments regarding the implications of a high CAD were only fully explored in the better responses.

Better responses synthesised a depth of knowledge with an understanding of concepts, relationships and theory. They were well structured, devoting a large proportion of the response to identifying multiple economic implications of a high CAD and developing arguments about these implications on the Australian economy. Better responses also provided thorough analysis of the structure of the CAD, incorporating data and theory with their discussion of theoretical and contemporary implications of a persistently high CAD.

An alternative approach focused on detailed and sustained discussion, with the provision of supporting information and theory and statistics, of the implications of exposure to economic shocks and debt trap scenarios. These responses frequently provided alternative arguments such as the Pitchford Thesis.

Weaker responses were often prepared responses that included the CAD causes and the range of policy responses available to government. These responses did not make the connection between policy response and the subsequent implications for the Australian economy. Weaker responses provided little or no reference to the stimulus material and lacked understanding of the relevance of this material. The responses were general and lacked detail and data to support arguments.

Section IV

Question 27

This question drew on the content from Topic Four, Economic Policies and Management.

Candidates generally interpreted the question correctly and many demonstrated a sound knowledge of labour market policy and its recent developments. They understood the implication of changes in work practices in relation to flexibility and how some specific policies such as removal of unfair dismissal provisions to firms with fewer than 100 employees could increase employment. However, many candidates were unable to provide specific examples of practices that demonstrated flexibility, enabled increased productivity, reduced costs and impacted on the various forms of employment. Candidates who demonstrated this broader causality and who responded comprehensively to all three parts of the question gained the upper mark ranges.

Better responses used a comprehensive description of labour market policies, ranging from the Accords to the *Workplace Relations Amendment (Work Choices) Act 2005* and beyond to highlight the movement towards a decentralised and deregulated labour market. These responses explained the effect of those policies on a wide range of work practices and revealed the underlying rationale as an increase in workplace flexibility and productivity. These responses then clearly explained how the increased flexibility, reduced costs, more efficient allocation of labour resources and incentives would impact on classical structural unemployment and, via reduced cost push inflation, on cyclical unemployment. Better responses also explained the impact of practices such as casualisation and part-time employment on levels of hidden employment and underemployment. These responses provided a balanced view, pointing out a range of positive and negative effects of policy on work practices and employment.

Some candidates referred to labour market policies on training and efficiency in job placement, and explained, for example, how 'Work for the Dole' could counter structural and frictional unemployment created by a more dynamic labour market. This approach enabled the use of appropriate and accurate graphics, data, integration of a broad range of concepts and terminology and a logically sequenced, sustained and detailed explanation.

Weaker responses generally fell into three categories. Some responses provided a general overview of recent labour market policies and changed conditions within the wage determination streams without relating them to specific work practices or employment. Rather than making causal links between the changed conditions, flexibility, reduced rates and employment, they simply stated that the policies had reduced unemployment or changed other work practices. These responses provided a discussion of recent developments in workplace relations that occasionally touched on work practices, but did not deal with employment and did not respond directly to the intent of the question. Some responses approached labour market policy as an example of micro-economic reform. Although this could have been a valid approach, they tended to write a generalised response on the impact of this policy on the Australian economy rather than a specific response to the question. Weaker responses typically included significant errors in their policy description and incorporated inappropriate or inaccurate diagrams.

Question 28

This question drew on the content of the HSC Course Topic One, The Global Economy. In this topic, a case study on the impact of globalisation on an economy other than Australia must be undertaken, along with the strategies that this economy is using to promote economic growth and development. It also relates to the application of economic skills, which 'assess the impact of development strategies used in a range of contemporary and hypothetical situations'. Overall, the standard of responses was high.

The question asked candidates to 'explain', so responses had to relate cause and effect, make the relationship between things evident, or provide why and/or how. Candidates had to state the government development strategies that their economy of choice has used as a result of being exposed to the process of globalisation. They also had to state why this particular strategy has been employed and what its impact has been. It was important to make this link evident. A clear link could have either a beneficial or negative impact. Case studies of economies that were not as responsive to the process of globalisation and were not greatly assisted by the government development strategies were often lacking in depth of analysis.

Better responses chose an economy that had opened itself to the process of globalisation and had been assisted by direct government development strategies to take advantage of this process. These responses tended to choose economies such as China, Russia, Ireland and Poland where there were many development strategies that could be linked to the process of globalisation.

Better responses also integrated economic data throughout. Some of the top responses applied economic theory to show relationships between the government strategy and the process of globalisation. These responses could make an observation as to what was happening in the economy, such as the development of the inequality of income distribution, link it to data to show evidence of this fact, then further relate it to a former strategy that had caused this and perhaps a further strategy that was attempting to solve it. Relationships were made evident.

These responses also distinguished between government strategies that increased economic growth and strategies that increased economic development. They made the distinction that growth does not equate to development. Often these better responses were critical of government strategies and evaluated them in light of their effects.

Weaker responses tended to give an overview of their chosen economy and some appeared to be prepared answers. Often they tended to include everything that they had learnt about their economy, or the process of globalisation, with strategies as an addition at the end. General statements were made about the strategies, such as 'government strategies have resulted in the inequalities of income distribution' and the statement ended without any explanation of how or why. These responses did not validate their statements with evidence such as data, nor did they show any evidence of relationships.

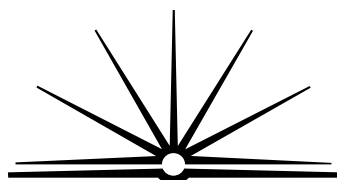
Some weaker responses tended to give information that could have been linked to strategies but they failed to do this. For example, in the case of Brazil, responses referred to the logging of rainforests, but did not elaborate on why the process was occurring and the strategy that allowed it to occur.

Economics

2007 HSC Examination Mapping Grid

Question	Marks	Content	Syllabus outcomes
Section I			
1	1	1 – Globalisation	H1, H8
2	1	3 – Unemployment	H1
3	1	4 – microeconomic reform	H1
4	1	4 – economic objectives	H1, H5
5	1	1 – Protection	H1, H6, H11
6	1	3 – Unemployment	H1, H7
7	1	4 – Fiscal policy	H1, H6
8	1	2 – Exchange rates	H1, H2, H7
9	1	3 – Inflation/unemployment	H1, H7, H11
10	1	3 – Calculation inflation/unemployment	H1, H9, H11
11	1	2 – Exchange rates	H1, H7, H11
12	1	3 – Calculation economic growth	H1, H11
13	1	2 – Balance of payment	H1
14	1	2 – Calculation terms of trade	H1, H7, H11
15	1	1 – Tariffs and subsidies	H1, H6
16	1	2 – Australia's trade	H1, H7, H8
17	1	3 – Environmental management	H1, H7
18	1	4 – Monetary/fiscal	H1, H6
19	1	4 – Microeconomic reform	H1, H6
20	1	4 – Monetary policy	H1, H6

Question	Marks	Content	Syllabus outcomes
Section II			
21 (a)	1	Distribution of Income and Wealth Fiscal Policy (Topics 3 and 4)	H1
21 (b)	1	Distribution of Income and Wealth Fiscal Policy (Topics 3 and 4)	H1, H11
21 (c)	2	Distribution of Income and Wealth Fiscal Policy (Topics 3 and 4)	H1, H11
21 (d)	2	Distribution of Income and Wealth Fiscal Policy (Topics 3 and 4)	H1, H6
21 (e)	4	Distribution of Income and Wealth Fiscal Policy (Topics 3 and 4)	H1, H2, H6, H7
22 (a)	2	Monetary Policy (Topic 4)	H1, H9
22 (b)	3	Monetary Policy (Topic 4)	H1, H2
22 (c)	5	Monetary Policy (Topic 4)	H1, H6, H9
23 (a)	2	Features of the Global Economy (Topic 1)	H1
23 (b)	3	Features of the Global Economy (Topic 1)	H1, H2, H4
23 (c)	5	Features of the Global Economy (Topic 1)	H1, H2, H3, H4, H9
24 (a)	2	Environmental Management (Topic 3)	H1
24 (b)	2	Environmental Management (Topic 3)	H1
24 (c)	3	Environmental Management (Topic 3)	H1, H2, H7
24 (d)	3	Environmental Management (Topic 3)	H1, H2, H7
Section III			
25	20	Fiscal Policy (Topic 4)	H1, H2, H6, H7, H9
26	20	Balance of Payments and External Stability (Topics 2 and 3)	H1, H2, H5, H7, H9
Section IV			
27	20	Unemployment and Labour Market Policies (Topics 3 and 4)	H1, H2, H6, H7
28	20	Case Study – Impact of Globalisation and Development Strategies (Topic 1)	H1, H2, H3, H4, H5, H7



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2007 HSC Economics Marking Guidelines

Section II

Question 21 (a)

Outcomes assessed: H1

MARKING GUIDELINES

Criteria	Marks
• Correctly states the Lorenz curve measures the degree of inequality in the distribution of income or wealth	1

Question 21 (b)

Outcomes assessed: H1, H11

MARKING GUIDELINES

Criteria	Marks
• Correctly states the formula for the Gini coefficient. $\frac{\text{Area A}}{\text{Area A} + \text{Area B}}$	1

Sample answer:

$$\frac{A}{A + B}$$

Question 21 (c)

Outcomes assessed: H1, H11

MARKING GUIDELINES

Criteria	Marks
• Correctly recognises the changes over time for pre-tax income inequality	2
• Correctly recognises a change over time for the pre-tax income inequality	1

Question 21 (d)

Outcomes assessed: H1, H6

MARKING GUIDELINES

Criteria	Marks
• Demonstrates a clear understanding of why the after tax Gini coefficient is lower than the pre tax Gini coefficient	2
• Sketches in general terms why the after tax Gini coefficient is lower than the pre tax Gini coefficient	1

Question 21 (e)

Outcomes assessed: H1, H2, H6, H7

MARKING GUIDELINES

Criteria	Marks
• Identifies two changes to taxation and provides relevant, clear and concise arguments as to how these changes affect the distribution of income in Australia	4
• Identifies two changes to taxation and provides relevant and general arguments as to how these changes affect the distribution of income in Australia OR • Identifies two changes to taxation and provides relevant, clear and concise arguments as to how one change affects the distribution of income in Australia and sketches in general terms how the other change affects the distribution of income in Australia	3
• Identifies two changes to taxation and sketches in general terms how these changes affect the distribution of income in Australia OR • Identifies one change to taxation and provides relevant, clear and concise arguments as to how this change affects the distribution of income in Australia	2
• Identifies two changes to taxation OR • Sketches in general terms one change to taxation	1

Question 22 (a)

Outcomes assessed: H1, H9

MARKING GUIDELINES

Criteria	Marks
• Sketches in general terms two causes of inflation in Australia	2
• Sketches in general terms one cause of inflation in Australia OR • Lists two causes of inflation in Australia	1

Question 22 (b)

Outcomes assessed: H1, H2

MARKING GUIDELINES

Criteria	Marks
• Demonstrates a clear and concise understanding of the process the Reserve Bank uses to tighten monetary policy in Australia	3
• Demonstrates a general understanding of the process the Reserve Bank uses to tighten monetary policy in Australia	2
• Correctly defines a tightening of monetary policy OR • Sketches in general terms the operation of monetary policy	1

Question 22 (c)

Outcomes assessed: H1, H6, H9

MARKING GUIDELINES

Criteria	Marks
• Identifies the effects of a tightening of monetary policy, providing a clear and concise understanding of the implications for the level of economic activity in Australia	4-5
• Identifies the effects of a tightening of monetary policy, providing a general understanding of the implications for the level of economic activity in Australia	3
• Demonstrates a limited understanding of the effects of a tightening of monetary policy	2
• Lists some effects of monetary policy OR • Correctly defines a tightening of monetary policy	1

Question 23 (a)*Outcomes assessed: H1***MARKING GUIDELINES**

Criteria	Marks
<ul style="list-style-type: none">• Sketches in general terms two economic indicators of the globalisation process	2
<ul style="list-style-type: none">• Sketches in general terms one economic indicator of the globalisation process OR <ul style="list-style-type: none">• Lists two economic indicators of the globalisation process	1

Question 23 (b)*Outcomes assessed: H1, H2, H4***MARKING GUIDELINES**

Criteria	Marks
<ul style="list-style-type: none">• Demonstrates a clear and concise understanding of the relationship between globalisation and increased international financial flows	3
<ul style="list-style-type: none">• Demonstrates a general understanding of the relationship between globalisation and increased international financial flows	2
<ul style="list-style-type: none">• Sketches in general terms the relationship between globalisation and international financial flows OR <ul style="list-style-type: none">• Correctly defines globalisation and international financial flows	1

Question 23 (c)*Outcomes assessed: H1, H2, H3, H4, H9***MARKING GUIDELINES**

Criteria	Marks
<ul style="list-style-type: none">• Demonstrates a balanced, clear and concise understanding of the economic reasons for differences in the standard of living between nations	4-5
<ul style="list-style-type: none">• Demonstrates a relevant and general understanding of the economic reason for differences in the standard of living between nations	3
<ul style="list-style-type: none">• Demonstrates a clear and concise understanding of factors that have affected the standard of living for a nation <p>OR</p> <ul style="list-style-type: none">• Sketches in general terms factors that have affected the standards of living in nations	2
<ul style="list-style-type: none">• Provides some measures of the standard of living	1

Question 24 (a)*Outcomes assessed: H1***MARKING GUIDELINES**

Criteria	Marks
<ul style="list-style-type: none">• Correctly states the meaning of both private and social costs	2
<ul style="list-style-type: none">• Correctly states the meaning of either private or social costs	1

Question 24 (b)*Outcomes assessed: H1***MARKING GUIDELINES**

Criteria	Marks
<ul style="list-style-type: none">• Provides two essential characteristics and features of a public good	2
<ul style="list-style-type: none">• Provides one essential characteristic and feature of a public good <p>OR</p> <ul style="list-style-type: none">• Lists two essential characteristics of a public good	1

Question 24 (c)*Outcomes assessed: H1, H2, H7***MARKING GUIDELINES**

Criteria	Marks
• Identifies one economic method and provides clear and concise arguments as to how a government may use this method to reduce pollution	3
• Identifies one economic method and provides general arguments as to how a government may use this method to reduce pollution	2
• Sketches in general terms a method which may reduce pollution	1

Question 24 (d)*Outcomes assessed: H1, H2, H7***MARKING GUIDELINES**

Criteria	Marks
• Demonstrates a clear and concise understanding of how market failure causes the misallocation of scarce resources	3
• Demonstrates a general understanding of how market failure causes the misallocation of scarce resources	2
• Sketches in general terms how market failure causes the misallocation of scarce resources	1
OR	
• Correctly defines market failure and/or misallocation of scarce resources	

Section III

Question 25

Outcomes assessed: H1, H2, H6, H7, H8, H9

MARKING GUIDELINES

Criteria	Marks
<ul style="list-style-type: none"> Integrates appropriate economic terms, relevant concepts, relationships and theory Synthesises own knowledge with the economic information provided to develop a sustained, logical and well-structured response Provides a clear and comprehensive understanding of the positive and/or negative impacts of sustained fiscal surpluses on both resource use and economic activity in the Australian economy 	17–20
<ul style="list-style-type: none"> Consistently applies appropriate economic terms, relevant concepts, relationships and theory Uses own knowledge and the economic information provided to develop a logical and structured response Provides a clear understanding of the positive and/or negative impacts of sustained fiscal surpluses on both resource use and economic activity in the Australian economy <p>OR</p> <ul style="list-style-type: none"> Provides a clear and comprehensive understanding of the positive and/or negative impacts of sustained fiscal surpluses on either resource use or economic activity and a general understanding of the positive and/or negative impacts on the other aspect 	13–16
<ul style="list-style-type: none"> Provides a general understanding of economic terms, concepts, relationships and theory Uses own knowledge and the economic information provided to develop a coherent response Provides a general understanding of the positive and/or negative impacts of sustained fiscal surpluses on both resource use and economic activity in the Australia economy <p>OR</p> <ul style="list-style-type: none"> Provides a clear understanding of the positive and/or negative impacts of sustained fiscal surpluses on either resource use or economic activity and sketches in general terms some features of the other aspect 	9–12
<ul style="list-style-type: none"> Uses some economic terms, concepts and relationships Uses economic information to provide a generalised response Sketches in general terms some aspects of sustained fiscal surpluses, resource use and/or economic activity in the Australian economy 	5–8
<ul style="list-style-type: none"> Use some economic terms and/or concepts Presents a limited response Lists some aspects of fiscal outcomes 	1–4

Question 26

Outcomes assessed: H1, H2, H5, H7,H8, H9, H10

MARKING GUIDELINES

Criteria	Marks
<ul style="list-style-type: none"> • Integrates appropriate economic terms, relevant concepts, relationships and theory • Synthesises own knowledge with the economic information provided to develop a sustained, logical and well-structured response • Provides a clear and comprehensive understanding of the positive and/or negative economic implications for the Australian economy of continuing current account deficits 	17–20
<ul style="list-style-type: none"> • Consistently applies appropriate economic terms, relevant concepts, relationships and theory • Uses own knowledge and the economic information provided to develop a logical and structured response • Provides a clear understanding of the positive and/or negative economic implications for the Australian economy of continuing current account deficits 	13–16
<ul style="list-style-type: none"> • Provides a general understanding of economic terms concepts, relationships and theory • Uses own knowledge and the economic information provided to develop a coherent response • Provides a general understanding of the positive and/or negative economic implications for the Australian economy of continuing current account deficits 	9–12
<ul style="list-style-type: none"> • Uses some economic terms, concepts and relationships • Uses economic information to provide a generalised response • Sketches in general terms some aspects of Australia’s continuing current account deficits 	5–8
<ul style="list-style-type: none"> • Use some economic terms and/or concepts • Presents a limited response • Lists some aspects of Australia’s current account deficits 	1–4

Section IV

Question 27

Outcomes assessed: H1, H2, H6, H7, H8, H10

MARKING GUIDELINES

Criteria	Marks
<ul style="list-style-type: none"> Integrates appropriate economic terms, relevant concepts, relationships and theory Synthesises economic data and other information to develop a sustained, logical and well-structured response Demonstrates a clear and comprehensive understanding of how Australia's labour market policies have affected both work practices and employment 	17–20
<ul style="list-style-type: none"> Consistently applies appropriate economic terms, relevant concepts, relationships and theory Uses economic data and other information to develop a logical and structured response Demonstrates a clear understanding of how Australia's labour market policies have affected both work practices and employment <p>OR</p> <ul style="list-style-type: none"> Demonstrates a clear and comprehensive understanding of how Australia's labour market policies have affected either work practices or employment and a general understanding of the other aspect 	13–16
<ul style="list-style-type: none"> Provides a general understanding of economic terms, concepts, relationships and theory Uses economic data and other information to develop a coherent response Demonstrates a general understanding of how Australia's labour market policies have affected both work practices and employment <p>OR</p> <ul style="list-style-type: none"> Demonstrates a clear understanding of how Australia's labour market policies have affected either work practices or employment and sketches in general terms the other aspect 	9–12
<ul style="list-style-type: none"> Uses some economic terms, concepts and relationships Uses information to develop a generalised response Sketches in general terms some aspects of Australia's labour market policies which may affect work practices and/or employment 	5–8
<ul style="list-style-type: none"> Uses some economic terms and/or concepts Presents a limited response Lists some aspects of Australia's labour market policies 	1–4

Question 28

Outcomes assessed: H1, H2, H3, H4, H8

MARKING GUIDELINES

Criteria	Marks
<ul style="list-style-type: none"> • Integrates appropriate economic terms, relevant concepts, relationships, and theory • Synthesises economic data and other information to develop a sustained, logical and well-structured response • Demonstrates a clear, concise and comprehensive understanding of how government development strategies in an economy other than Australia have responded to the process of globalisation 	17–20
<ul style="list-style-type: none"> • Consistently applies appropriate, economic terms relevant concepts, relationships and theory • Uses economic data and other information to develop a logical and structured response • Demonstrates a clear understanding of how government development strategies in an economy other than Australia have responded to the process of globalisation 	13–16
<ul style="list-style-type: none"> • Provides some understanding of economic terms, concepts, relationships and theory • Uses economic data and other information to develop an coherent response • Demonstrates a general understanding of how government development strategies in an economy other than Australia have responded to the process of globalisation 	9–12
<ul style="list-style-type: none"> • Uses some economic terms, concepts and relationships • Uses information to develop a generalised response • Sketches in general terms some aspects of government development strategies in an economy other than Australia which may be related to the process of globalisation 	5–8
<ul style="list-style-type: none"> • Uses some economic terms and/or concepts • Presents a limited response • Lists some aspects of government development strategies and/or globalisation 	1–4