



For Supervisor's use only

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90758



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA



National Certificate of Educational Achievement
TAUMATA MĀTAURANGA Ā-MOTU KUA TAEA

Level 2 Economics, 2005

90758 Define and describe economic concepts and terms in relation to given issues

Credits: Three

9.30 am Thursday 17 November 2005

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should answer ALL the questions in this booklet.

If you need more space for any answer, use the page(s) provided at the back of this booklet and clearly number the question.

Check that this booklet has pages 2–9 in the correct order and that none of these pages is blank.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

<i>For Assessor's use only</i>		Achievement Criteria	
Achievement		Achievement with Merit	Achievement with Excellence
Define and describe economic concepts and terms in relation to given issues.	<input type="checkbox"/>	Explain and apply economic concepts and terms in relation to given issues.	Evaluate economic concepts and terms in relation to given issues. <input type="checkbox"/>
Overall Level of Performance		<input type="checkbox"/>	

You are advised to spend 30 minutes answering the questions in this booklet.

QUESTION ONE: EMPLOYMENT

- (a) Describe what is meant by underemployment.

- (b) Describe the difference between full-time and part-time employment, according to the definitions used by Statistics New Zealand.

- (c) Describe what is meant by involuntary unemployment.

- (d) (i) Give TWO alternative definitions of full employment. For EACH definition identify one weakness.

(1) _____

Weakness: _____

(2) _____

Weakness: _____

QUESTION TWO: GROWTHAssessor's
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- (a) Describe what is meant by productive capacity.

- (b) Explain why net social welfare might be considered a better definition of growth than real income.

- (c) Define nominal Gross Domestic Product (GDP).

- (d) Explain how nominal GDP might rise even though real GDP falls.

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QUESTION THREE: TRADE

(a) Identify TWO examples of regional specialisation in New Zealand.

(1) _____

(2) _____

(b) Describe what is meant by resource endowments.

(c) Explain how resource endowments in different parts of New Zealand have led to regional specialisation AND trade.

(d) On the table provided, classify each of the products listed below as commodities that are mostly exported from or imported to New Zealand.

oil	motor vehicles	seafood	wood	electronic goods
wool		dairy products	textile and clothing articles	

Exports from New Zealand	Imports to New Zealand

(e) (i) Identify TWO arguments for free trade.

(1) _____

(2) _____

(ii) Identify TWO arguments for protectionism.

(1) _____

(2) _____

(iii) Draw a conclusion about which would be better for the New Zealand economy in the future: free trade or more protectionism. Give a reason for your conclusion.

QUESTION FOUR: INFLATION

(a) Describe what is meant by deflation.

(b) Explain the difference between inflation and disinflation.

(c) Explain why an increase in the price of petrol is more likely to cause inflation than an increase in the price of potatoes.
