



For Supervisor's use only

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90761



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA



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

Level 2 Economics, 2006

90761 Process and interpret statistical data in relation to given economic issues

Credits: Four

9.30 am Monday 27 November 2006

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 2–11 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.

For Assessor's use only			Achievement Criteria		
Achievement			Achievement with Merit		Achievement with Excellence
Process and interpret statistical data in relation to given economic issues.	☐		Analyse statistical data in relation to given economic issues and recognise limitations of the data.	☐	Comprehensively analyse statistical data in relation to given economic issues. ☐
Overall Level of Performance			☐		

You are advised to spend 40 minutes answering the questions in this booklet.

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QUESTION ONE: EMPLOYMENT

- (a) Use the information on the table below to calculate the number of unemployed and the unemployment rate.

Labour force (000)	Employed (000)	Unemployed (000)	Unemployment rate (%)
2 163	2 085	(i) _____	(ii) _____ (1dp)

- (b) Describe what the unemployment rate measures.

- (c) Use the information on the table below to calculate the working-age population and the participation rate.

Labour force (000)	Non-participants in the labour force (000)	Working-age population (000)	Participation rate (%)
2 163	1 025	(i) _____	(ii) _____ (1dp)

- (d) Identify TWO examples of people who would be classified as non-participants in the labour force.

(1) _____

(2) _____

- (e) Identify ONE limitation for each measure of employment shown on the table below.

Measure of employment	ONE limitation of this measure
(i) Household Labour Force Survey	
(ii) Quarterly Employment Survey	

Use the information in this table to answer questions (f), (g) and (h).

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New Zealand Economic Forecasts

	2005	2006f	2007f	2008f
Employment (annual % change)	3.4	1.8	0.3	0.9
Private consumption (annual % change)	5.8	3.7	1.2	1.2
Real GDP (annual % change)	3.7	2.0	0.7	1.8
Unemployment Rate %	3.9	3.7	4.6	5.0

f = forecast

adapted from www.westpac.co.nz

- (f) (i) Describe the connection between the annual % changes in employment and private consumption for New Zealand.

- (ii) Suggest ONE reason for the connection described in (f) (i).

- (g) (i) Describe the connection between the annual % change in real GDP and the unemployment rate for New Zealand.

- (ii) Suggest ONE reason for the connection you described in (g) (i) above.

- (h) Explain how employment in New Zealand can increase at the same time as the unemployment rate increases.

QUESTION TWO: TRADE

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New Zealand's Current Account Summary Quarter ended December 2005	
	NZ\$ (million)
Balance on goods	-1 375
Income from foreign investment in NZ	3 182
Imports of services	2 938
Income from NZ investment abroad	354
Balance on current transfers	204
Exports of services	3 080

www.stats.govt.nz

- (a) Calculate the balance on services. \$_____ m surplus or deficit (circle one)
- (b) Calculate the balance on income. \$_____ m surplus or deficit (circle one)
- (c) If imports were \$9312m, calculate the value of exports. \$_____m
- (d) Calculate the Current Account Balance. \$_____m surplus or deficit (circle one)
- (e) Suggest TWO reasons why trade is important to the New Zealand economy.

(1) _____

(2) _____

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QUESTION THREE: INFLATION

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- (a) Complete the table below by calculating total expenditure, a price index and the rate of inflation for Year 2 and Year 3.

Good Purchased	Quantity	Price Year 1	Price Year 2	Price Year 3
Rice	8	\$2.00	\$2.20	\$2.40
Chicken	4	\$6.00	\$6.30	\$6.60
Water	12	\$3.00	\$3.10	\$3.10
(i) Total Expenditure		\$76.00	\$_____	\$_____
(ii) Price Index		1000	_____	_____
(iii) Rate of Inflation		—	_____ %	_____ %

- (b) (i) State which good (of the three listed) will have the greatest impact on the rate of inflation you calculated in (a).

- (ii) Explain your answer to (b) (i) above.

- (c) Identify ONE limitation of using the Consumer Price Index to establish the impact of inflation on households.

- (d) (i) Identify ONE alternative measure of inflation to the Consumer Price Index.

- (ii) Explain why the alternative measure of inflation you identified in (d) (i) might be more appropriate when establishing the impact of inflation.

Use the information in this table to answer questions (e) to (f), which follow.

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Economic Forecasts

	2005	2006f	2007f	2008f
OCR (%)	7.25	7.00	5.25	5.75
CPI (annual %)	2.8	3.3	2.6	2.3
NZD/USD exchange rate	0.72	0.61	0.52	0.56

f = forecast

adapted from www.westpac.co.nz

- (e) (i) Describe the general connection between the CPI annual % and the OCR %.

- (ii) Suggest ONE reason for the connection you described in (e) (i) above.

- (f) (i) Describe the connection between the OCR % and the NZD/USD exchange rate.

- (ii) Suggest ONE reason for the connection you described in (f) (i) above.

QUESTION FOUR: INEQUALITY

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Average Weekly Income by Labour Force Status (\$)			
	Employed	Unemployed	Not in the labour force
Sex			
Male	939	94	235
Female	613	119	205
Age group			
15–19	262	34	23
20–24	537	81	112
25–29	705	117	158
30–34	836	151	161
35–39	872	138	156
40–44	899	153	188
45–49	933	135	185
50–54	878	171	178
55–59	880	162	227
60–64	883	160	263
65 and over	777	220	337
Highest qualification			
No qualification	587	112	215
School Certificate qualification	632	70	162
Sixth form qualification	666	74	166
Vocational or trade qualification	805	156	259
Bachelor or higher degree	1 131	77	219

adapted from www.stats.govt.nz

- (a) Calculate how much the average employed female weekly income is as a percentage of average employed male weekly income.

_____ % (1dp)

- (b) Calculate the range of average weekly incomes for the different age groups of employed people.

\$_____

- (c) Describe the pattern between income level and qualification for those who are employed.

- (d) Suggest ONE reason for the pattern you identified in (c) above.

- (e) Describe the trend between age and income for employed people.

- (f) Suggest ONE reason why, in almost every group, those who are not in the labour force have higher average weekly incomes than those who are unemployed.

[illegible]

