



Queensland Curriculum and Assessment Authority

Economics 2019 v1.1

IA1: Sample assessment instrument

Examination — combination response (25%)

This sample has been compiled by the QCAA to assist and support teachers in planning and developing assessment instruments for individual school settings.

Student name

Student number

Teacher

Exam date

Marking summary

Criterion	Marks allocated	Provisional marks
Part A — Comprehending	10	
Part B — Analysing	8	
Part B — Evaluating	7	
Overall	25	

Conditions

Technique	Examination — combination response
Unit	Unit 3: International economics
Topic/s	Topic 1: The global economy
Time	2 hours + 15 minutes planning time
Seen/unseen	Unseen questions, scenarios and problems. Unseen stimulus materials.
Other	Rulers free from markings other than measurement indicators are permitted. Non-programmable calculator permitted.

Instructions

- For each multiple-choice question in Part A — Comprehending, circle one of either A, B, C or D, representing the *most* correct answer on the exam paper.
- For each short response question in Part A — Comprehending, provide your response in the space provided.
- For Part B — Analysing and evaluating, respond to the question in the space provided.
- Answer all questions using a black or blue pen.

Part A: Comprehending

Section 1

Question 1

Which of the following measures the terms of trade for an economy?

- A the ratio of export income to import expenditure
- B the prices of exports compared to the prices of imports
- C the prices of exports compared to the volume of exports
- D the difference between export income and import expenditure

Question 2

In the circular flow of income model, an export of Australian iron ore to Japan and an investment in Japan by BHP Billiton Limited would

- A both increase the circular flow of income.
- B both decrease the circular flow of income.
- C increase the flow in the case of the iron ore export and decrease the flow in the case of the BHP investment.
- D decrease the flow in the case of the iron ore export and increase the flow in the case of the BHP investment.

Question 3

Refer to the following table. Which country has a comparative advantage in the production of bread?

	Bread	Machines
Country A	8	9
Country B	15	10
Total	23	19

- A Country A
- B Country B
- C both Country A and Country B
- D neither Country A nor Country B

Question 4

The Australian government needs to monitor external stability at the moment because

- A** non-residents are buying existing and new Australian housing, driving up house prices and increasing Australian inflation and exchange rates to above the target level.
- B** the current account deficit is becoming smaller, due to falling exchange rates and selling greater volumes of commodities, which is not sustainable.
- C** there is an increasing risk of imported inflation due to the differential between Australia's inflation rate and the rates of our major trading partners.
- D** the financial debt of the external account is growing over time, due in part to the mining boom, and is not sustainable in the long term.

Question 5

An appreciation of the Australian dollar will most likely result from

- A** foreign companies purchasing more Australian commodities.
- B** foreign companies purchasing fewer Australian wool products.
- C** an increase in interest payments to overseas residents.
- D** a decrease in interest payments from overseas residents.

Question 6**50–60 words response**

Tourism exports in Australia increased by 7.6 per cent to \$37,200m. Draw and annotate a demand and supply diagram to show the impact on Australian hospitality employment.

Diagram

Question 7**50–60 words response**

Describe how natural endowment of factors of production influences Australian trade with *either* China *or* Japan. Use two specific examples in your response.

Question 8**80–100 words response**

A country producing steel products has been accused of dumping these products in Australia. Explain the economic problem of dumping and solutions available through global institutions.

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Question 9	80–100 words response
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Explain the importance of port infrastructure to resource allocation and patterns of trade.
Use an example of a current export from or import to one Queensland economic region.

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Question 10**80–100 words response**

How has a specific region in China used competitive advantage to increase international trade?
Focus your response on economic theory involving related and supported industries.

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Use the graph below to answer the following two sub-questions.



Reserve Bank of Australia 2018, 'Balance of payments and external position', *Chart pack*, www.rba.gov.au/chart-pack/balance-payments.html.

- a. Calculate the change in the values of resources and manufacturing exports from 2008 to 2018. Show your working to support your calculations.

- b. Explain the impact of the change in the value of manufacturing exports over the last 10 years. Describe a current government initiative relevant to manufacturing exports.

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Part B: Analysing and evaluating

Question 1

400–500 words response

Use Sources 1–6 to analyse trends between Australia's exchange rates and trade patterns. Evaluate the costs and benefits of the change in trade patterns for economic growth in Australia.

[illegible]

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

Instrument-specific marking guide (ISMG)

Criterion: Part A — Comprehending

Assessment objectives

1. comprehend economic concepts, principles and models of exchange rates, international trade patterns and trade theories

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• accurate and detailed identification of the essential features of exchange rates, international trade patterns and trade theories• perceptive application of economic concepts, principles and models to exchange rates, international trade patterns and trade theories• precise use of economic terminology.	9–10
<ul style="list-style-type: none">• effective identification of the essential features of exchange rates, international trade patterns and trade theories• effective application of economic concepts, principles and models to exchange rates, trade patterns and trade theories• effective use of economic terminology.	7–8
<ul style="list-style-type: none">• adequate identification of the features of exchange rates, international trade patterns and trade theories• adequate application of economic concepts, principles and models to exchange rates, international trade patterns and trade theories• adequate use of economic terminology.	5–6
<ul style="list-style-type: none">• partial identification of the features of exchange rates, international trade patterns and international trade theories• partial application of economic concepts, principles and/or models to exchange rates, international trade patterns and trade theories• narrow use of economic terminology.	3–4
<ul style="list-style-type: none">• identification of aspects of exchange rates, international trade patterns and/or trade theories• identification of aspects of economic concepts, principles or models• inconsistent or unclear use of terminology.	1–2
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Part B — Analysing

Assessment objectives

3. analyse an economic issue that involves exchange rates, trade patterns and/or trade theories

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">discerning interpretation of patterns and trends in exchange rates and/or trade data and economic informationdiscerning explanation of economic relationships involving exchange rates and/or Australia's place in the global economyperceptive use of data and economic information to support the analysis.	7–8
<ul style="list-style-type: none">effective interpretation of patterns and trends in exchange rates and/or trade data and economic informationeffective explanation of relationships involving exchange rates and/or Australia's place in the global economyeffective use of data and economic information to support the analysis.	5–6
<ul style="list-style-type: none">adequate interpretation of patterns and trends in exchange rates and/or trade data and economic informationadequate explanation of international trade relationshipsadequate use of data and/or economic information within the analysis.	3–4
<ul style="list-style-type: none">superficial description of patterns and trends in exchange rates and/or trade data and economic informationsuperficial identification of elements of international trade relationshipsnarrow or inconsistent use of data and/or economic information.	1–2
<ul style="list-style-type: none">does not satisfy any of the descriptors above.	0

Criterion: Part B — Evaluating

Assessment objectives

4. evaluate an economic outcome relevant to exchange rates, trade patterns and/or trade theories

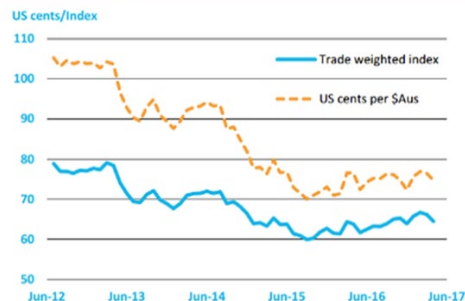
The student work has the following characteristics:	Marks
<ul style="list-style-type: none">discerning synthesis of economic ideas and/or perspectives to support the conclusion or decisionperceptive conclusion drawn or decision made about exchange rates, trade patterns and/or trade theories, based on the use of relevant economic criteriacritical economic reasoning and justification.	6–7
<ul style="list-style-type: none">effective synthesis of economic ideas and/or perspectives to support the conclusion or decisioneffective conclusion drawn or decision made about exchange rates, trade patterns and/or trade theories, based on the use of relevant economic criteriafeasible economic reasoning and justification.	4–5
<ul style="list-style-type: none">description of ideas and/or perspectives that link to the conclusion or decisionreasonable conclusion drawn or decision made, based on economic criteria/criterionidentification of some economic reasoning.	2–3
<ul style="list-style-type: none">opinions and statements about economic ideas or unclear conclusion.	1
<ul style="list-style-type: none">does not satisfy any of the descriptors above.	0

Stimulus

Stimulus for Part B

Source 1

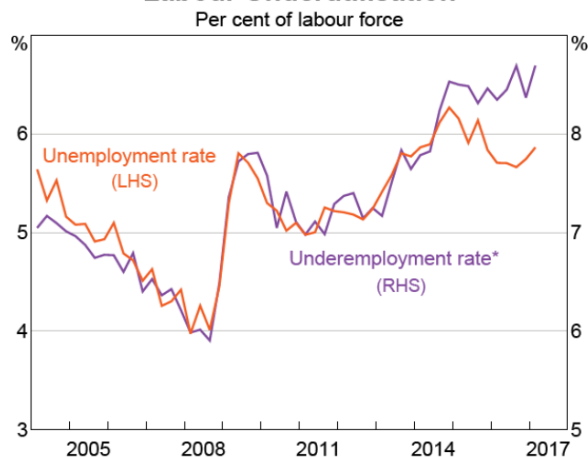
6.4 Exchange rates



Department of Parliamentary Services, 'Monthly statistical bulletin — July 2017'; Research Paper Series 2017–18, *Parliamentary Library*, p. 33, Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia, http://parinfo.aph.gov.au/parInfo/download/library/prspub/WUKX6/upload_binary/WUKX6.pdf;fileType=application%2Fpdf accessed July 2017.

Source 2

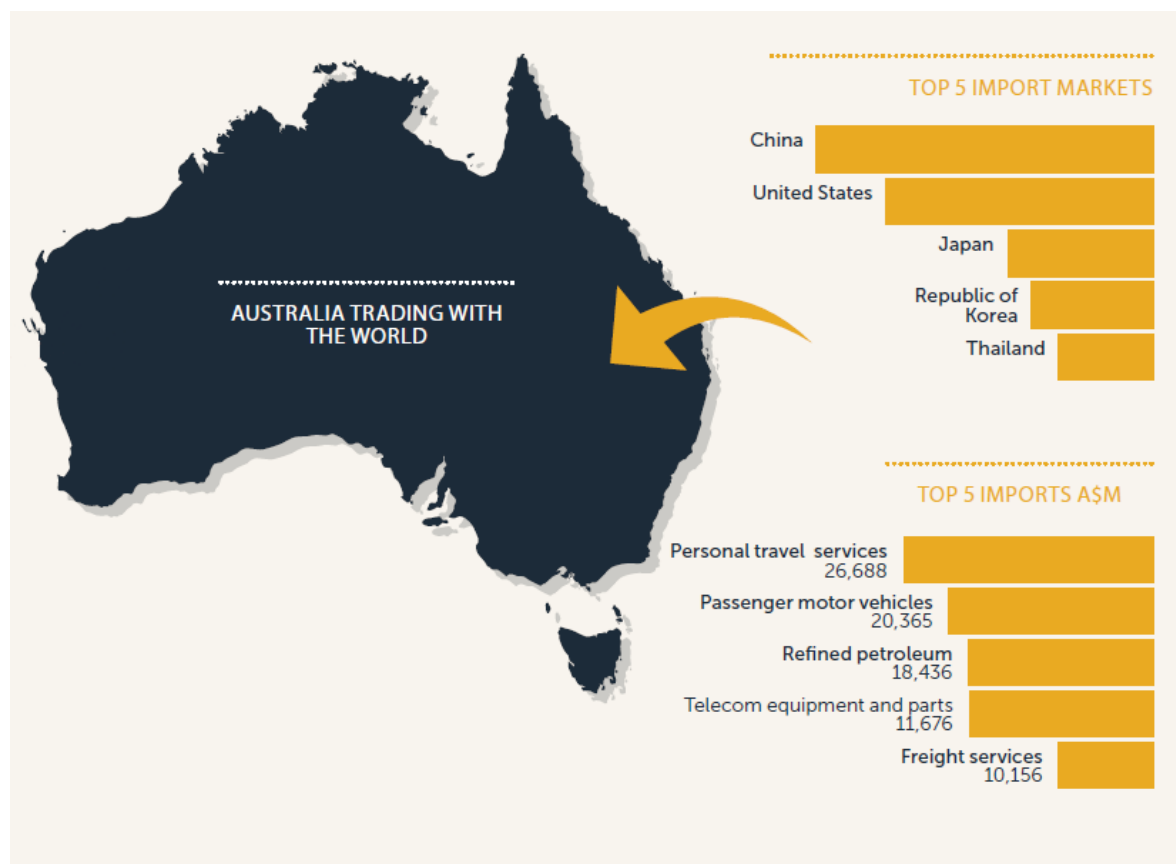
Labour Underutilisation



* Full-time workers on reduced hours for economic reasons and part-time workers who would like, and are available, to work more hours
Source: ABS

Cusbert, T 2017, 'Estimating the NAIRU and the Unemployment Gap', *Bulletin*, June 2017, www.rba.gov.au/publications/bulletin/2017/jun/2.html.

Source 3



Department of Foreign Affairs and Trade 2016, *Australia in brief*, 51st edn, DFAT, Barton, ACT, p. 33, Creative Commons Attribution 3.0 Australia, <https://dfat.gov.au/about-us/publications/Documents/australia-in-brief.pdf> accessed 15 Aug 2018.

Source 4

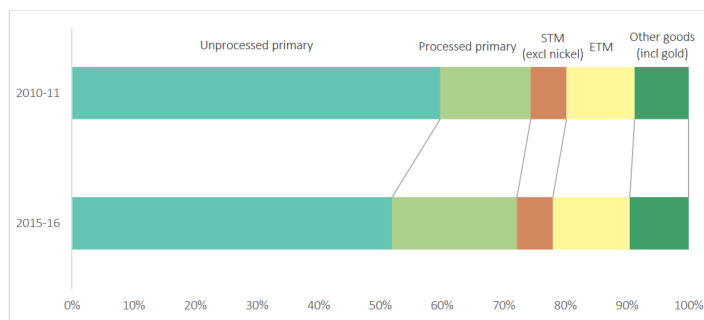
Exports

In 2015–16, exports of *Unprocessed primary products* decreased 10.2 per cent to \$126.2 billion and *Processed primary products* fell 2.8 per cent to \$49.3 billion.

Exports of *Manufactures* rose 2.6 per cent to \$44.5 billion, with *Simply transformed manufactures (STM) (excl Nickel)* exports rising 0.3 per cent to \$14.2 billion and *Elaborately transformed manufactures (ETM)* exports rising 3.7 per cent to \$30.3 billion.

Other goods (mainly *Gold* and *Confidential trade items*) exports increased 16.2 per cent to \$23.2 billion.

Merchandise exports by level of processing: 2010–11 and 2015–16



Based on ABS trade data on the DFAT STARS database.

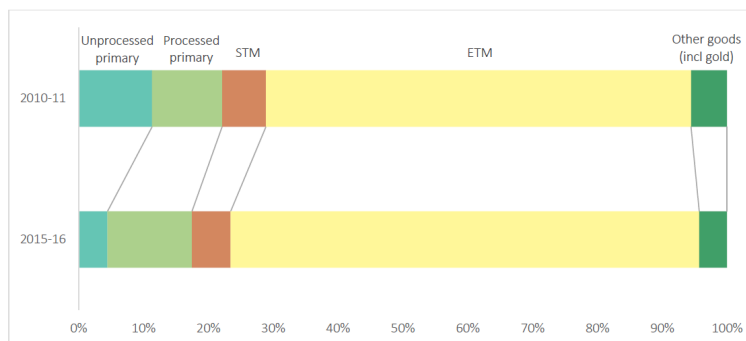
Imports

In 2015–16, imports of *Unprocessed primary products* fell 36.7 per cent to \$11.7 billion and *Processed primary products* decreased 2.5 per cent to \$34.3 billion.

Imports of *Manufactures* rose 7.1 per cent to \$206.0 billion, with *STM* imports rising 2.1 per cent to \$15.7 billion and *ETM* imports rising 7.6 per cent to \$190.3 billion.

Other goods (mainly *Gold* and *Confidential items of trade*) increased 1.8 per cent to \$11.3 billion.

Merchandise imports by level of processing: 2010–11 and 2015–16



Based on ABS trade data on the DFAT STARS database.

Source: DFAT publication 'Composition of Trade Australia 2015–16', Department of Foreign Affairs and Trade, January 2017, pp. 6–7, Creative Commons Attribution 3.0 Australia, <http://dfat.gov.au/about-us/publications/Documents/cot-fy-2015-16.pdf> accessed 15 Aug 2018.

Source 5

The consequence of a fiercely competitive, global market place can be seen in every Australian industry — from agriculture, to manufacturing, to mining, to services.

Department of Industry, Innovation and Science 2016, *Australian Industry Report 2016*, 'Enhancing Australia's competitiveness', p. 143, Creative Commons Attribution 3.0 Australia, <http://publications.industry.gov.au/publications/australianindustryreport2016> accessed 15 Aug 2018.

Source 6

Trade and investment flows have been important drivers of economic growth in the past, but the relationship between globalization and growth remains imperfectly understood.

Schwab, K 2017, *The Global Competitiveness Report 2017–2018*, World Economic Forum, Geneva, p. 5, www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%992018.pdf.

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