

# Economics 2019 v1.1

## Unit 2 sample assessment instrument

September 2018

### Examination — extended response to stimulus

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

Schools develop internal assessments for each senior subject, based on the learning described in Units 1 and 2 of the subject syllabus. Each unit objective must be assessed at least once.

### Assessment objectives

This assessment instrument is used to determine student achievement in the following objectives:

1. comprehend economic concepts, principles and models of markets and efficiency, and market measures and strategies
2. select data and economic information from sources relevant to markets and efficiency, and market measures and strategies
3. analyse an economic issue that involves markets and efficiency, and market measures and strategies
4. evaluate an economic situation relevant to markets and efficiency, and market measures and strategies
5. create responses that communicate economic meaning to suit the intended purpose in an analytical essay.

Subject	Economics		
Technique	Examination — extended response to stimulus		
Unit	2: Modified markets		
Topic	2: Case options of market measures and strategies		
Conditions			
Time	2 hours	Planning time	15 minutes
Word length	800–1000 words	Seen/unseen	Unseen question
Other	<ul style="list-style-type: none"><li>• Stimulus material:<ul style="list-style-type: none"><li>- six seen sources to be provided to students seven days before the examination</li><li>- three unseen sources to be provided to students at the start of the examination.</li></ul></li><li>• Rulers free from markings other than measurement indicators are permitted.</li><li>• Non-programmable calculator permitted.</li></ul>		
Instructions			
<ul style="list-style-type: none"><li>• The provided planning paper will not be collected.</li><li>• Answer in the supplied ‘Response booklet’, writing on one side of each page only.</li><li>• The response may be:<ul style="list-style-type: none"><li>- hand written</li><li>- produced in a word-processing document. During the exam, you will be working in a secure electronic folder and have no access to the internet, instant messaging or a grammar, punctuation and spelling checker.</li></ul></li></ul>			
Task			
<p>Create an analytical essay, using both seen and unseen stimulus material, to analyse the extent of income inequality in Australia.</p> <p>Evaluate a proposal that embraces a more market-based system of determining wages by reducing the minimum wage. Use two criteria to draw a conclusion about the proposal, for example economic growth and sustainability, distribution of income and wealth, economic efficiency and/or employment.</p>			
Stimulus			
Refer to the seen and unseen stimulus material.			
Feedback			

# Stimulus

List of sources				
Source	Focus	Mode	Seen/ unseen	Resources
1	Australian income and wealth statistics	<p><b>Infographic:</b> Australian income and wealth distribution by household quintiles (blog)</p> <p><b>Text:</b> One paragraph on the Gini coefficient and one paragraph on highest earners</p>	Seen	<p>McCrindle Research Pty Ltd, n.d. 'Australia's household income and wealth distribution', <a href="http://mccrindle.com.au/the-mccrindle-blog/australias-household-income-and-wealth-distribution">http://mccrindle.com.au/the-mccrindle-blog/australias-household-income-and-wealth-distribution</a></p>
2	Poverty in Australia	<p><b>Table:</b> Table 4 — Rate of poverty – proportion of people from different groups living below poverty lines in 2013–14</p> <p><b>Text:</b> One sentence description of Table 4</p>	Seen	<p>Australian Council of Social Service 2016, 'Poverty in Australia 2016', <a href="http://www.acoss.org.au/wp-content/uploads/2016/10/Poverty-in-Australia-2016.pdf">www.acoss.org.au/wp-content/uploads/2016/10/Poverty-in-Australia-2016.pdf</a></p>
3	Minimum and average wages	<p><b>Graph:</b> Ratio of minimum wage to average wage</p>	Seen	<p>ABC News 2011, 'Graph 6 — Ratio of minimum wage to average wage', 13 December, <a href="http://www.abc.net.au/news/2011-12-13/possum-graph-6-ratior-of-minimum-wage-to-average-wage/3727692">www.abc.net.au/news/2011-12-13/possum-graph-6-ratior-of-minimum-wage-to-average-wage/3727692</a></p>
4	Australian household income and income distribution	<p><b>Graph:</b> Figure 9 — Income distribution before and after the tax and transfer system</p>	Seen	<p>Richardson, D and Denniss, R 2014 'Income and Wealth Inequality in Australia', <i>The Australia institute</i>, Policy Brief no. 64, July, <a href="http://www.tai.org.au/sites/default/files/PB%2064%20Income%20and%20wealth%20inequality%20FINAL.pdf">www.tai.org.au/sites/default/files/PB%2064%20Income%20and%20wealth%20inequality%20FINAL.pdf</a></p>
5	Income inequality in Australia	<p><b>Text:</b> Extract of 206 words (three paragraphs)</p>	Seen	<p>Whiteford, P 2017, 'Income inequality in Australia and its impacts', <i>Australian National University — Crawford School of Public Policy</i>, 24 March, <a href="https://crawford.anu.edu.au/research/impact/6694/income-inequality-australia-and-its-impacts">https://crawford.anu.edu.au/research/impact/6694/income-inequality-australia-and-its-impacts</a></p>
6	Where are the world's highest minimum wages?	<p><b>Graph:</b> The world's highest minimum wages</p>	Seen	<p>Myers, J 2016, 'Where are the world's highest minimum wages?' <i>World Economic Forum</i>, 4 April, <a href="http://www.weforum.org/agenda/2016/04/where-are-the-world-s-highest-minimum-wages">www.weforum.org/agenda/2016/04/where-are-the-world-s-highest-minimum-wages</a></p>

<b>7</b>	Evolution of the minimum wage in Australia	<b>Text:</b> Excerpt of 114 words in one paragraph	Unseen	Bray, J R 2013, 'HC Coombs Policy Forum Findings: Reflections on the evolution of the minimum wage in Australia: Options for the future', <i>Australian National University</i> , May, <a href="https://devpolicy.crawford.anu.edu.au/public_policy_community/content/doc/Minimum%20wage%20Summary.pdf">https://devpolicy.crawford.anu.edu.au/public_policy_community/content/doc/Minimum%20wage%20Summary.pdf</a>
<b>8</b>	Minimum wage and unemployment	<b>Text:</b> Excerpt of 278 words on the review by the European Commission into the employment effects of minimum wages	Unseen	<i>ABC News</i> 2016, 'RMIT (University) Fact Check: Does the minimum wage increase unemployment?', 3 March, <a href="http://www.abc.net.au/news/2015-03-12/minimum-wage/6290482">www.abc.net.au/news/2015-03-12/minimum-wage/6290482</a>
<b>9a</b>	Labour market	<b>Graph:</b> Labour market (Released on 5 September 2018)	Unseen	<i>Reserve Bank of Australia</i> 2018, 'Labour market', <a href="http://www.rba.gov.au/chart-pack/factors-prod-labour-mkt.html">www.rba.gov.au/chart-pack/factors-prod-labour-mkt.html</a>
<b>9b</b>	Estimated worker flow	<b>Graph:</b> Estimated worker flows – selected industries	Unseen	D'Arcy, P (et al.) 2012, 'Bulletin — December Quarter 2012: Labour market turnover and mobility' (Graph 9: Estimated worker flows — selected industries), <i>Reserve Bank of Australia</i> , <a href="http://www.rba.gov.au/publications/bulletin/2012/dec/1.html">www.rba.gov.au/publications/bulletin/2012/dec/1.html</a>