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School code

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School name

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Given name/s

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Family name

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Attach your
barcode ID label here

Book

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of

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books used

External assessment

Question and response book

Economics

Time allowed

- Planning time — 15 minutes
- Working time — 120 minutes

General instructions

- Answer all questions in this question and response book.
- Non-programmable calculator permitted.
- Planning paper will not be marked.

Section 1 (10 marks)

- 10 multiple choice questions

Section 2 (24 marks)

- 3 short response questions

Section 3 (28 marks)

- 1 extended response question





DO NOT WRITE ON THIS PAGE

THIS PAGE WILL NOT BE MARKED



Section 1

Instructions

- Choose the best answer for Questions 1–10.
- This section has 10 questions and is worth 10 marks.
- Use a 2B pencil to fill in the A, B, C or D answer bubble completely.
- If you change your mind or make a mistake, use an eraser to remove your response and fill in the new answer bubble completely.

	A	B	C	D
Example:	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	A	B	C	D
1.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Section 2

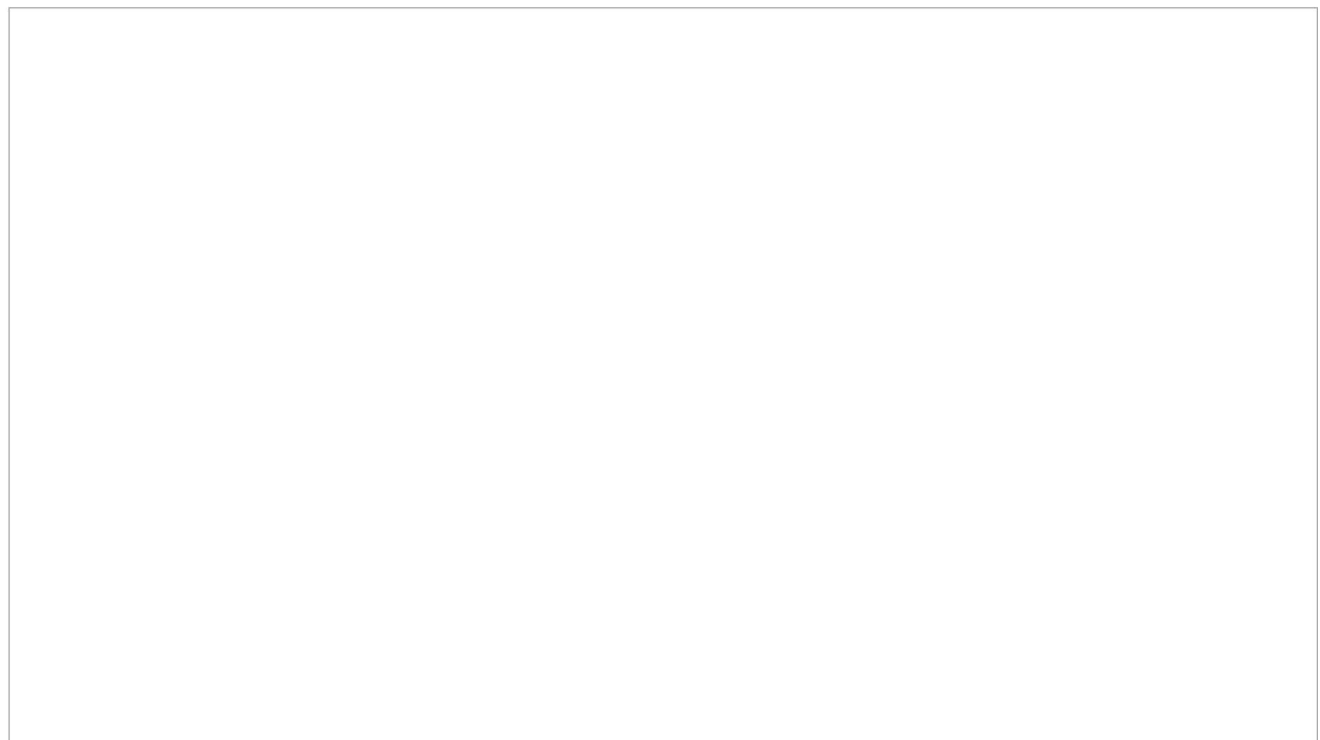
Instructions

- Write using black or blue pen.
 - Respond in paragraphs consisting of full sentences.
 - If you need more space for a response, use the additional pages at the back of this book.
 - On the additional pages, write the question number you are responding to.
 - Cancel any incorrect response by ruling a single diagonal line through your work.
 - Write the page number of your alternative/additional response, i.e. See page ...
 - If you do not do this, your original response will be marked.
 - This section has three questions and is worth 24 marks.
-

QUESTION 11 (6 marks)

The JobSeeker payment is the main income support payment for Australians over 22 years of age who are unemployed and looking for work.

Explain how automatic stabilisers operate and describe how JobSeeker payments stabilise the economic cycle. Draw a diagram in the space provided to support your answer.



Note: If you make a mistake in the diagram, cancel it by ruling a single diagonal line through your work and use the additional response space on page 17 of this question and response book.

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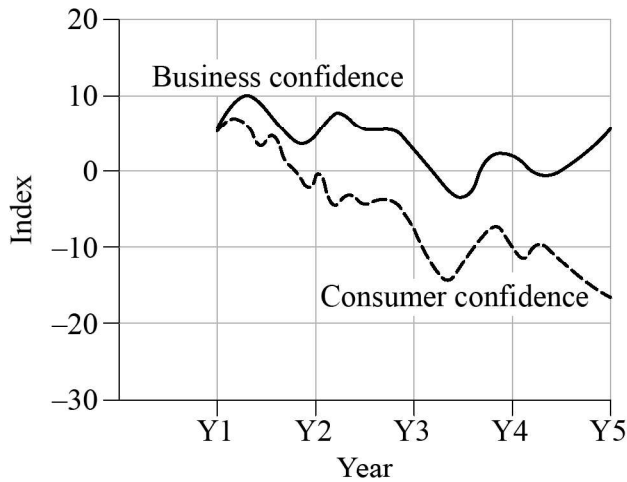
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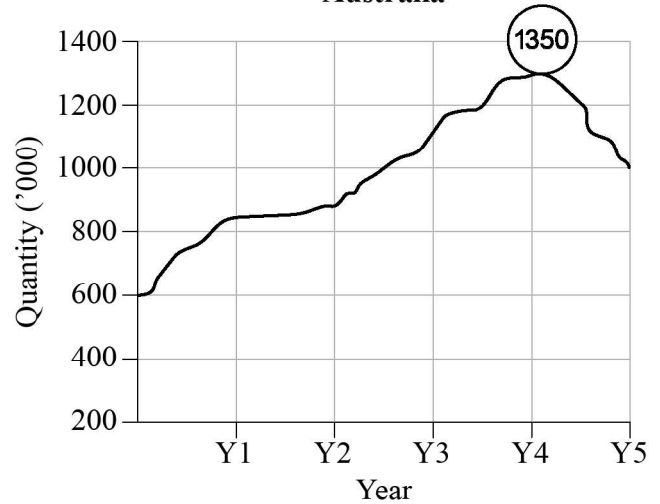
QUESTION 12 (9 marks)

Hypothetical data and economic information is provided.

**Business and consumer confidence,
Australia**



**New vehicle sales,
Australia**



**RESERVE BANK OF AUSTRALIA:
Current cash rate is 3.5%**

Analyse the data and economic information to explain the impact on the household sector of a 75 basis point cash rate decrease from the current cash rate (*ceteris paribus*). Provide two reasons to justify your answer.

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QUESTION 13 (9 marks)

An economic scenario is provided.

The 2021/22 federal budget is expected to deliver a deficit of \$4.2b at the end of June 2022. A \$7.1b surplus is anticipated the following year.

(Forecast released May 2022)

Export data shows coal exports are expected to fall from 2021 to 2022 by approximately \$70 billion.

(Data released 10 July 2022)

CPI data shows that movements in the consumer price index (CPI) and the wage price index (WPI) were below 2% for the three years to June 2022.

(Data updated 31 July 2022)

Use the scenario to explain two relationships and their economic effects. Evaluate the merit of achieving a budget surplus in your answer.

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Section 3

Instructions

- This section has one question and is worth 28 marks.
- Respond in 400–600 words.

QUESTION 14 (28 marks)

Use Stimulus 1–8 in the stimulus book to evaluate whether government intervention to influence either housing demand or housing supply would be more effective in reducing housing price pressures and improving living standards.

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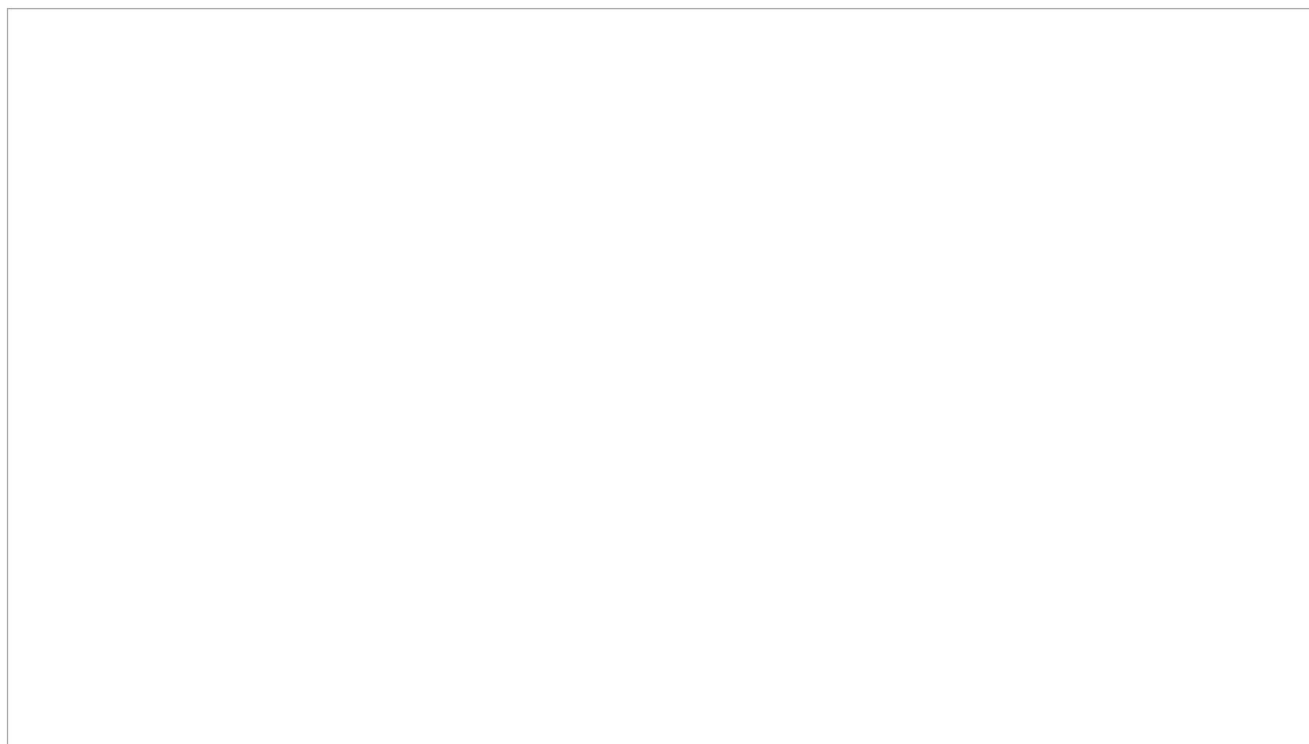


10



ADDITIONAL RESPONSE SPACE FOR QUESTION 11

If you want this diagram to be marked, rule a line through the diagram on page 2.



Do not write outside this box.



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