



Economics 2025 v1.2

IA1: Sample assessment instrument

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	sample only
Student number	sample only
Teacher	sample only
Exam date	sample only

Marking summary

Criterion	Marks allocated	Provisional marks
Comprehending	10	
Analysing	8	
Evaluating	7	
Overall	25	

Conditions

Technique	Examination — combination response
Unit	Unit 3: International economics
Topic/s	Topic 1: International trade
Time	Planning time: 15 minutes Working time: 120 minutes
Seen/Unseen	Unseen questions Unseen stimulus
Other	<ul style="list-style-type: none">• This is an individual supervised task.• The examination is to be completed in one sitting.• Students:<ul style="list-style-type: none">– may use a QCAA-approved non-programmable calculator– must not bring notes or other resources into the examination.

Instructions

- For each multiple-choice question, circle one of either A, B, C or D, representing the most correct answer on the exam paper.
- For each short response question and the extended response item, provide your response in the space provided.
- Answer all questions using a black or blue pen.
- Planning paper will not be marked.

Multiple choice

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 wheat?

	Wheat	Coal
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

A rise in direct foreign investment in Australia's mining industry can be described as:

- A** increasing the capital account
- B** an inflow to the financial account
- C** reducing Australia's net foreign debt
- D** changing the amount of reserve assets.

Question 5

In which situation would the Australian government need to monitor external stability?

- A** Slowing international economic growth leading to a widening interest rate differential between Australia's high interest rates and the rest of the world.
- B** Non-residents buying existing and new Australian housing, driving up house prices and increasing exchange rates to above the target level.
- C** A reduction in the current account surplus, due to less demand for imports and greater volumes of commodities being sold.
- D** Rising Australian/United States exchange rate causing petrol prices to change.

Short response

Question 6

Why is the balance of payments always zero?

Question 7

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

Diagram

Question 8

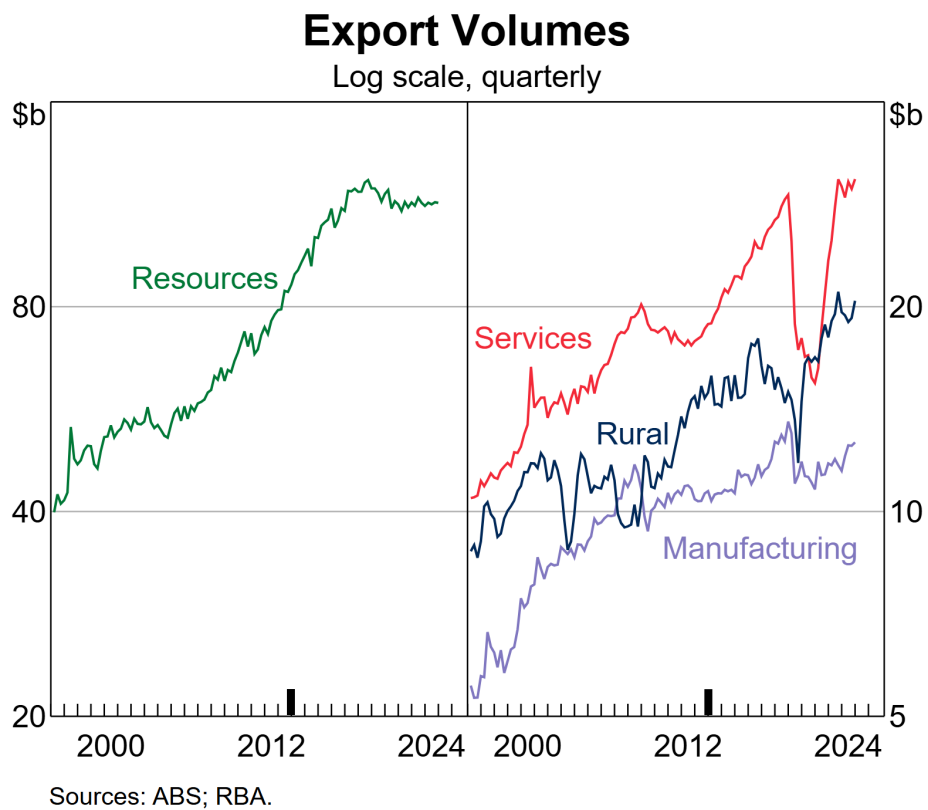
Explain the three components of the current account using an example for each.

Question 9

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.

Question 10

Use the graph below to answer questions a and b.



- a. Calculate the change in the values of resources and manufacturing exports from 2014 to 2024. Show your working to support your calculations in the blank space below.

- 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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Question 11

How and why does the theory of comparative advantage explain the close trading relationship between Australia and Japan? Use examples in your explanation.

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Extended response

Question 12

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 dashed lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a full page of white paper with horizontal dashed lines, typical of primary school handwriting practice paper. The lines are evenly spaced and run across the entire width of the page. There are no margins, text, or other markings present.

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Instrument-specific marking guide (IA1): Examination — combination response (25%)

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

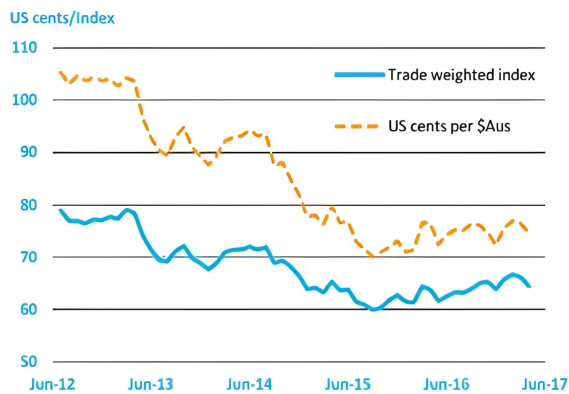
Analysing	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • discerning meaning drawn from patterns or trends relevant to the economic issue identified • discerning explanation of relevant economic relationships • perceptive use of a wide variety of relevant data and information to support the analysis 	7–8
<ul style="list-style-type: none"> • effective meaning drawn from patterns or trends relevant to the economic issue identified • effective explanation of relevant economic relationships • effective use of a variety of relevant data and information to support the analysis 	5–6
<ul style="list-style-type: none"> • adequate meaning drawn from patterns or trends about the economic issue identified • adequate explanation of relevant economic relationships • use of relevant data and information to support the analysis 	3–4
<ul style="list-style-type: none"> • identification of pattern/s or trend/s about an economic issue • identification of a cause or effect relationship • limited use of data or information. 	1–2
The student response does not satisfy any of the descriptors above.	0

Evaluating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • perceptive use of a relevant economic criterion to make a decision about an economic outcome • discerning synthesis of economic ideas and perspectives derived from the analysis to support the decision • critical economic reasoning using reliable evidence from unseen sources to justify the decision 	6–7
<ul style="list-style-type: none"> • effective use of a relevant economic criterion to make a decision about an economic outcome • effective synthesis of economic ideas or perspectives derived from the analysis to support the decision • feasible economic reasoning using evidence from unseen sources to justify the decision 	4–5
<ul style="list-style-type: none"> • superficial decision made about an economic outcome • description of economic ideas or perspectives that link to the decision • economic reason/s that explain the decision 	2–3
<ul style="list-style-type: none"> • opinions or statements about economic ideas or unclear decision. 	1
The student response does not satisfy any of the descriptors above.	0

Stimulus

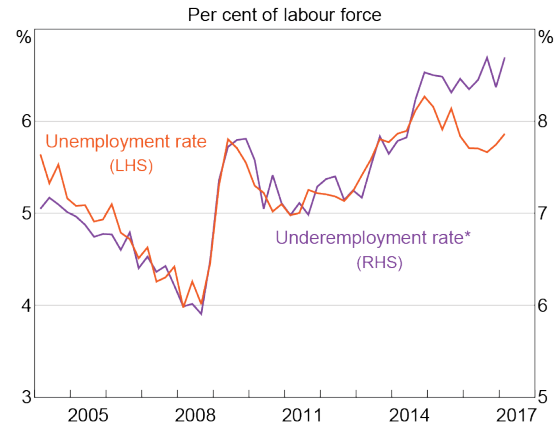
Source 1: Department of Parliamentary Services, 2017

Exchange rates



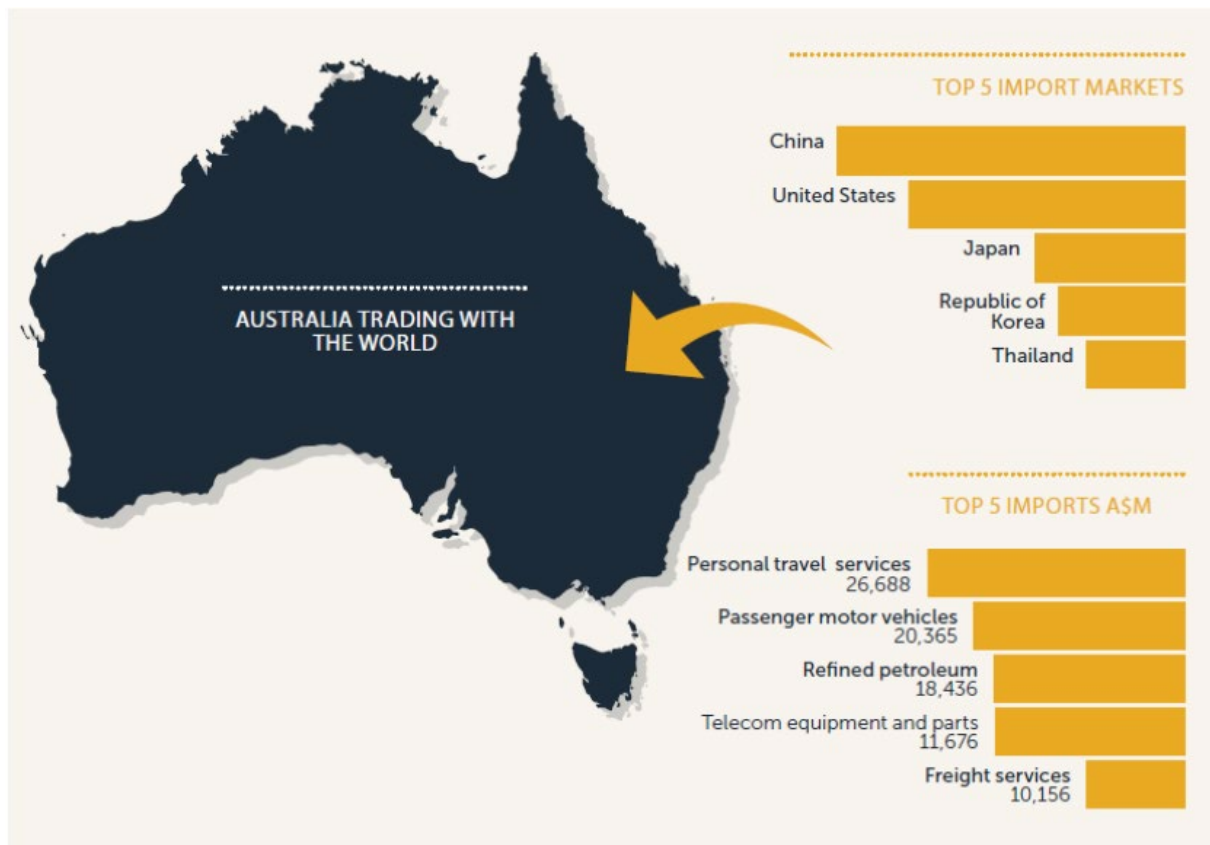
Source 2: Reserve Bank of Australia, 2017

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

Source 3: Department of Foreign Affairs and Trade, 2016



Source 4: Department of Foreign Affairs and Trade, 2017

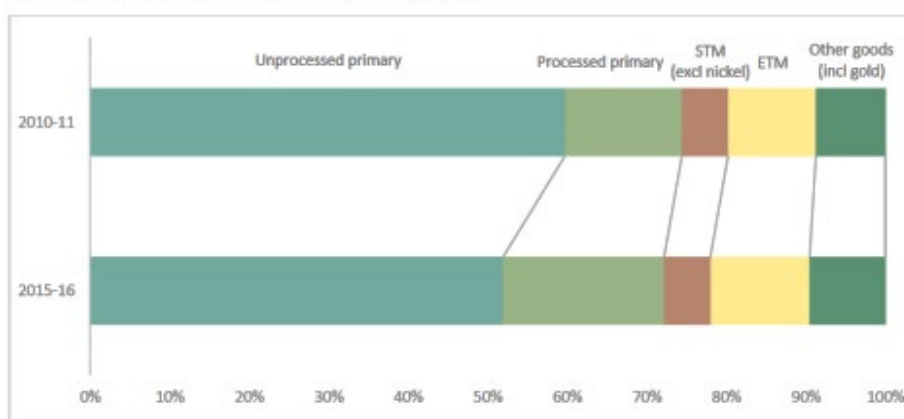
Exports

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.

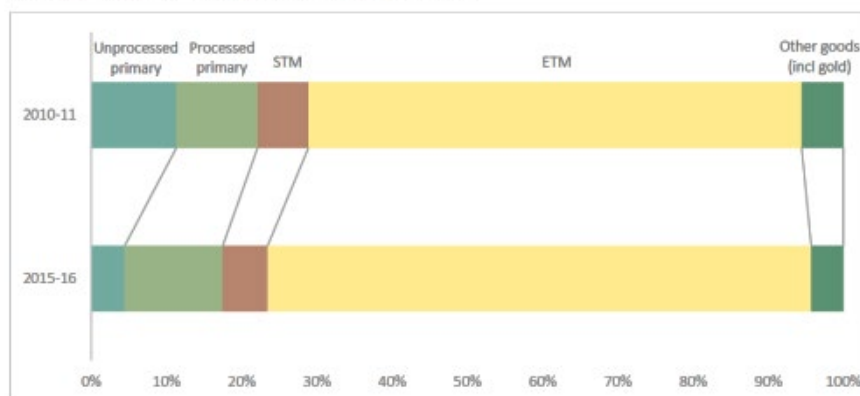
Imports

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 5: Department of Industry, Innovation and Science 2016

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

Source 6: World Economic Forum, 2017

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

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2. Department of Parliamentary Services. (2017 July). *Exchange rate graph 6.4* [Graph]. *Monthly statistical bulletin* — July 2017. Research Paper Series 2017–18, p. 33. Parliamentary Library. Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia.
3. Cusbert, T. (2017, June). *Labour underutilisation graph 7* [Graph]. Estimating the NAIRU and the Unemployment Gap. *Bulletin*. Reserve Bank of Australia. www.rba.gov.au/publications/bulletin/2017/jun/2.html. Creative Commons Attribution 4.0 International Licence.
4. Department of Foreign Affairs and Trade. (2016). *Australia trading with the world*. [Infographic]. Australia in brief (51st ed.), p. 33. Creative Commons Attribution 3.0 Australia.
5. Department of Foreign Affairs and Trade. (2017). *Exports of unprocessed primary products*. [graph and quote]. Composition of Trade Australia 2015–16, pp. 6–7. Creative Commons Attribution 3.0 Australia.
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7. Department of Industry, Innovation and Science. (2016). *Enhancing Australia's competitiveness*. Australian Industry Report 2016, p. 143. Creative Commons Attribution 3.0 Australia.
8. Schwab, K. (2017). *The Global Competitiveness Report 2017–2018*, p. 5. World Economic Forum, Geneva. <https://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>.