

NSW INDEPENDENT TRIAL EXAMS – 2003
ECONOMICS - MARKING GUIDELINES & MAPPING GRID

Section I

1	A	2	D	3	C	4	C	5	C	6	B	7	C	8	D	9	A	10	D
11	C	12	B	13	C	14	A	15	A	16	D	17	B	18	B	19	C	20	B

Section II

Question 21

	Criteria	Marks
(a)	Determine the opportunity cost of DVD players in Australia $\frac{100}{80} = 1\frac{1}{4}$ or 1.25 digital cameras	1
(b)	Determine the opportunity cost of DVD players in Japan $\frac{50}{20} = 2\frac{1}{2}$ or 2.5 digital cameras	1
(c)	Recognise and name the country with the comparative advantage in DVD players. Australia has a comparative advantage in DVD players with a lower opportunity cost of 1.25 than Japan at 2.5	2
(d)	Provide two economic benefits of free trade between Australia and Japan such as more efficient resource allocation; lower prices to consumers; greater employment.	2
(e)	The WTO has facilitated and implemented multilateral trade agreements. The liberalisation of trade has seen an increase in trade especially in agriculture, textiles, clothing and services. It has not been as successful in reducing subsidies and gaining greater market access for developing countries' exports.	4-5
	Discusses rather than evaluates the role of the WTO in promoting free trade	2-3
	Simply lists what the WTO does rather than how it promotes free trade.	1

Question 22

	Criteria	Marks
(a)	Income is a flow concept and refers to earnings from production such as wages, rent, interest and profit. Wealth is a stock concept and refers to a person's total value of assets	2
	Provides only a definition of income or wealth and not both	1
(b)	Correctly outlines two features of distribution from the data: both income and wealth are unequally distributed, with the distribution of wealth being more unequal than income.	2
	Outlines only one feature of the distribution of income and wealth	1
(c)	Discusses two factors contributing to inequality in the distribution of income such as the dispersion in earnings from market income; the incidence of unemployment; discrimination in the workforce; and welfare dependence and poverty traps.	2
	Discusses only one of the above factors that contributes to inequality in the distribution of income.	2

Question 22 continued on next page

Question 24

	Criteria	Marks
(a)	States the meaning of the terms of trade as movements in the relative prices a country receives for its exports and pays for its imports. The terms of trade can also be explained by the formula: $\frac{\text{export price index}}{\text{import price index}} \times \frac{100}{1} = \text{terms of trade}$	1
(b)	Calculates the current account deficit for 2000-01 as – \$18,686 m. (Goods balance + net services + net income + transfers)	1
(c)	Outlines or sketches two reasons for Australia's current account deficit (CAD) in 1999-2000: •goods deficit of – \$12,955 m •net income deficit of –\$19,345 m	2
	Outlines only one reason for Australia's CAD in 1999-2000	1
(d)	Correctly explains the link between the CAD and foreign debt in terms of the servicing cost (interest, profit, dividends remitted overseas) on the foreign debt leading to a higher net income deficit and CAD.	2
	Simply states that the current account deficit leads to overseas borrowing and a foreign debt.	1
(e)	Analysis of one macroeconomic and one microeconomic policy used to address Australia's current account deficit problem: •Macroeconomic policies include monetary policy to contain growth in spending on imports and achieve the inflation target (to improve competitiveness) and fiscal policy used to balance the budget and use surpluses to retire public debt. •Microeconomic policies could include tariff reform to increase international competitiveness and exports; labour market reform to increase productivity; or reforms to infrastructure to increase efficiency and competitiveness.	3-4
	Analyses only one macroeconomic or one microeconomic policy to address the current account deficit problem	1-2

Section III

Question 25

Criteria	Marks
<ul style="list-style-type: none"> Integrates appropriate economic terms, concepts, relationships and theory Synthesises own knowledge with the information provided to develop a logical and well structured answer that provides detail on the effectiveness of monetary policy and other policies in achieving price stability in Australia. Demonstrates factually precise and extensive knowledge of monetary policy and inflation targeting in Australia. Appropriately uses information provided with other relevant data to support contemporary and comprehensive analysis of monetary and other policies to achieve price stability. 	17-20

Question 25 continued on next page

Question 26

Criteria	Marks
<ul style="list-style-type: none"> Integrates economic terms, concepts, relationships and theory Synthesises own knowledge with the information provided to develop a logical and well structured answer that provides detail on how the government has used fiscal policy to achieve growth, internal and external balance in Australia. Demonstrates factually precise and extensive knowledge of fiscal policy and economic objectives. Appropriately uses information provided with other relevant data to support contemporary and comprehensive discussion of fiscal policy and its use in achieving the government's economic objectives. 	17-20
<ul style="list-style-type: none"> Consistently uses appropriate terms, concepts, relationships and theory. Integrates own knowledge with the information provided to develop a logically sequenced answer than demonstrates an understanding of how fiscal policy is used by the government to achieve its economic objectives. Demonstrates factually correct and appropriate knowledge of fiscal policy and how it is used by the Australian government to achieve its economic objectives. Uses information as well as other relevant data to support a well documented argument concerning the role of fiscal policy in achieving the government's economic objectives. 	13-16
<ul style="list-style-type: none"> Uses economic terms, concepts and relationships. Uses own knowledge and information provided to develop an answer concerning the role of fiscal policy in achieving the government's economic objectives of economic growth, price stability, full employment and external balance. Uses the information provided as well as other relevant data to provide descriptive rather than analytical reasoning concerning the government's use of fiscal policy to achieve its economic objectives. 	9-12
<ul style="list-style-type: none"> Uses some economic terms, concepts and relationships. Uses generalised knowledge to develop an answer which refers to the role of government fiscal policy to achieve its economic objectives. Makes minimal use of the information provided as well as other data concerning the use of fiscal policy by the government in achieving its economic objectives. 	5-8
<ul style="list-style-type: none"> Uses some appropriate terminology to communicate economic ideas. Refers to the role of fiscal policy in achieving the government's economic objectives in Australia. Demonstrates a limited knowledge about fiscal policy. Does not utilise the information provided. 	1-4

Question 26 continues on following page

Question 27 continued

<ul style="list-style-type: none"> ▪ Provides concise definitions of economic terms and applies concepts and relationships between globalisation and the balance of payments. ▪ Uses knowledge of economics to develop a logically sequenced answer that highlights a clear understanding of the impact of globalisation on Australia's BOP and the policy responses that can be adopted by the government to improve Australia's international competitiveness and an evaluation of these policies. ▪ Demonstrates correct knowledge of the way that globalisation is impacting on the BOP, by making reference to the current account and the capital and financial accounts ▪ Demonstrates sound knowledge on the strategies that the government could use to improve international competitiveness with reference to microeconomic reform and macroeconomic management. ▪ Uses relevant data to support a contemporary and comprehensive evaluation that is specific to the Australian economy and to strategies used by the government to improve Australia's competitiveness. 	13-16
<ul style="list-style-type: none"> ▪ Provides clear definitions of economic terms and sound discussion of globalisation and the balance of payments. ▪ Uses knowledge of economics to develop an answer demonstrating an understanding of the impact of globalisation on Australia's BOP and the policy responses that can be adopted by the government to improve Australia's international competitiveness. ▪ Demonstrates correct knowledge of the impacts of globalisation on the balance of payments. ▪ Demonstrates knowledge of government policy, which can be used to improve competitiveness and evaluates these briefly. ▪ Uses relevant data to support a contemporary and comprehensive evaluation that is specific to the Australian economy and to strategies used by government to improve Australia's competitiveness. 	9-12
<ul style="list-style-type: none"> ▪ Provides basic definitions of economic terms and applies concepts and relationships. ▪ Uses general knowledge of economics to develop an irrelevant or inappropriate answer concerning the strategies the government could use to improve competitiveness. ▪ Demonstrates minimal knowledge of the way that globalisation is impacting on the BOP. ▪ Uses minimal data to support a contemporary and comprehensive evaluation that is specific to the Australian economy and to strategies used by government to improve Australia's competitiveness. 	5-8
<ul style="list-style-type: none"> ▪ Utilises some terminology to communicate ideas of globalisation and the balance of payments. ▪ Develops no logical sequence in answer. ▪ Demonstrates a lack of knowledge about the nature of globalisation and the balance of payments and international competitiveness. 	1-4

Question 27 continued on following

Question 28 (20 marks)

Criteria	Marks
<ul style="list-style-type: none">▪ Integrates appropriate economic terms, concepts, issues, relationships and theory linking globalisation and economic development.▪ Develops a sustained logical and well structured answer that demonstrates the relationship between globalisation and the nature of economic development and living standards in an economy other than Australia.▪ Demonstrates precise and extensive knowledge to draw out and relate the implications of how globalisation has impacted on the economic development and living standards of an economy other than Australia.▪ Uses relevant economic data to support a contemporary and comprehensive discussion of the impact of globalisation on the economic development and standard of living of an economy other than Australia.	17-20
<ul style="list-style-type: none">▪ Consistently uses appropriate economic terms, concepts, relationships and theory to link globalisation and economic development.▪ Develops a logical and well structured answer that relates globalisation and the development and living standards in an economy other than Australia▪ Demonstrates correct and appropriate knowledge to relate the implications of how globalisation has impacted on the economic development and living standards of an economy other than Australia.▪ Uses economic data to provide a description of the impact of globalisation on the economic development and standard of living of an economy other than Australia.	13-16
<ul style="list-style-type: none">▪ Uses economic terms, concepts and relationships.▪ Develops an answer, linking globalisation and the nature of economic development and living standards in an economy other than Australia.▪ Demonstrates correct, and relevant knowledge of how globalisation has impacted on the economic development and living standards of an economy other than Australia.▪ Uses economic data to provide a description of the impact of globalisation on the economic development and standard of living of an economy other than Australia.	9-12
<ul style="list-style-type: none">▪ Uses some economic terms, concepts and relationships.▪ Develops an answer which refers to globalisation and the nature of economic development and living standards in an economy other than Australia.▪ Demonstrates some knowledge of the way globalisation has impacted on the economic development and living standards in an economy other than Australia.▪ Makes minimal use of economic data concerning the impact of globalisation on the economic development and standard of living of an economy other than Australia.	5-8
<ul style="list-style-type: none">▪ Applies some appropriate terminology to communicate economic ideas.▪ Demonstrates limited knowledge of an economy other than Australia.▪ Presents a limited understanding of an economy other than Australia.▪ Provides little if any economic data to support their answer.	1-4

Question 28 continues of following page

ECONOMICS TRIAL 2003 MAPPING GRID

Question	Outcome(s) assessed	Question	Outcome(s) assessed
1	H1, H8	21 (a)	H8, H11
2	H1, H8, H11	21 (b)	H8, H11
3	H1	21 (c)	H8, H11
4	H1	21 (d)	H4, H6
5	H1, H4, H8, H11	21 (e)	H4
6	H1, H5	22 (a)	H1
7	H1	22 (b)	H7, H8, H9
8	H1, H8, H11	22 (c)	H1, H7
9	H1	22 (d)	H1, H6, H7
10	H1, H8	23 (a)	H1, H11
11	H1, H8, H10	23 (b)	H1, H11
12	H1, H4	23 (c)	H1, H10
13	H1, H8, H10	23 (d)	H1, H8
14	H1, H7	23 (e)	H1, H5, H6
15	H1, H4, H6	24 (a)	H1, H10
16	H1	24 (b)	H1, H8, H11
17	H1, H7	24 (c)	H1, H8
18	H1, H4	24 (d)	H1, H8
19	H1, H5	24 (e)	H1, H6, H8
20	H1, H4	25	H1, H5, H6, H7, H8, H10
		26	H1, H2, H5, H6, H7, H8, H10
		27	H1, H3, H4, H5, H6, H7, H8, H10
		28	H1, H3, H4, H7, H8, H10

The Trial HSC examination, marking guidelines/suggested answers and 'mapping grid' have been produced to help prepare students for the HSC to the best of our ability.

Individual teachers/schools may alter parts of this product to suit their own requirements.