

Economics

Time allowed

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

General instructions

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

Section 1 (10 marks)

- 10 multiple choice questions

Section 2 (29 marks)

- 4 short response questions

Section 3 (22 marks)

- 1 extended response question

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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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Book of books used

Attach your
barcode ID label
here

Section 1

Instructions

- 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.
- Choose the best answer for Questions 1–10.
- 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"/>

Ensure you have filled an answer bubble for each question.

Do not write outside this box.

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 four questions and is worth 29 marks.
-

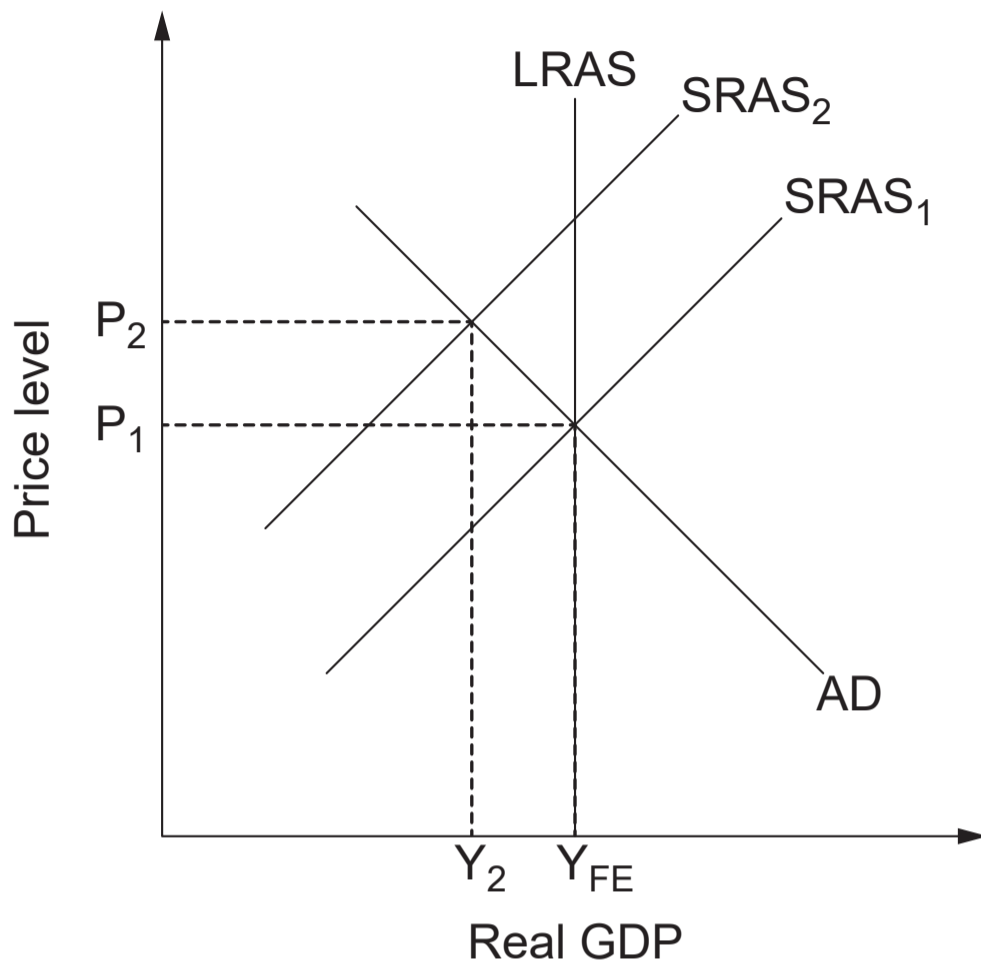
Question 11 (4 marks)

Explain one way that monetary policy is transmitted through the Australian economy following a rise in interest rates.

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Question 12 (4 marks)

Assume the graph represents a recent event experienced by the Australian economy that required economic management.

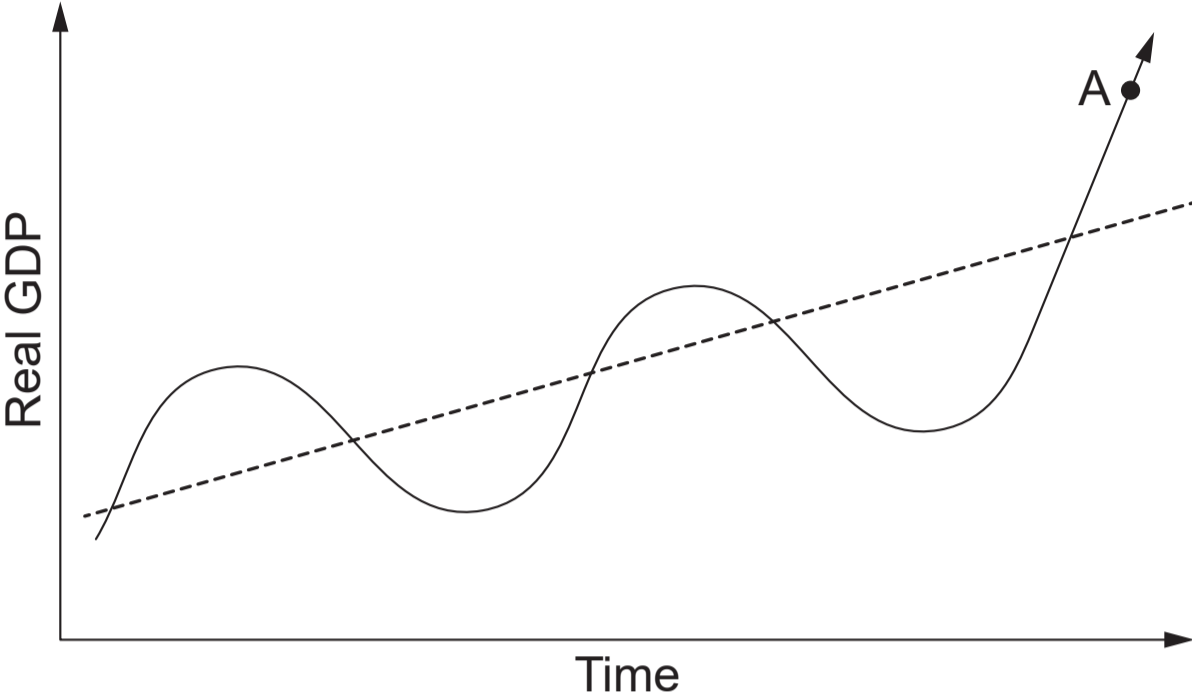


Explain a likely cause and short-term effect of the event.

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Question 13 (8 marks)

Assume that the economy is at point A on the economic cycle and the Australian Government is considering its fiscal policy response.



Explain what is happening with income tax receipts at point A and whether income tax should be reduced.

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Question 14 (13 marks)

The data and information shown represent an economic issue in Australia.

Superannuation is a percentage payment from current income by an employee. The purpose is to save for a future income in retirement.

Policy option 1

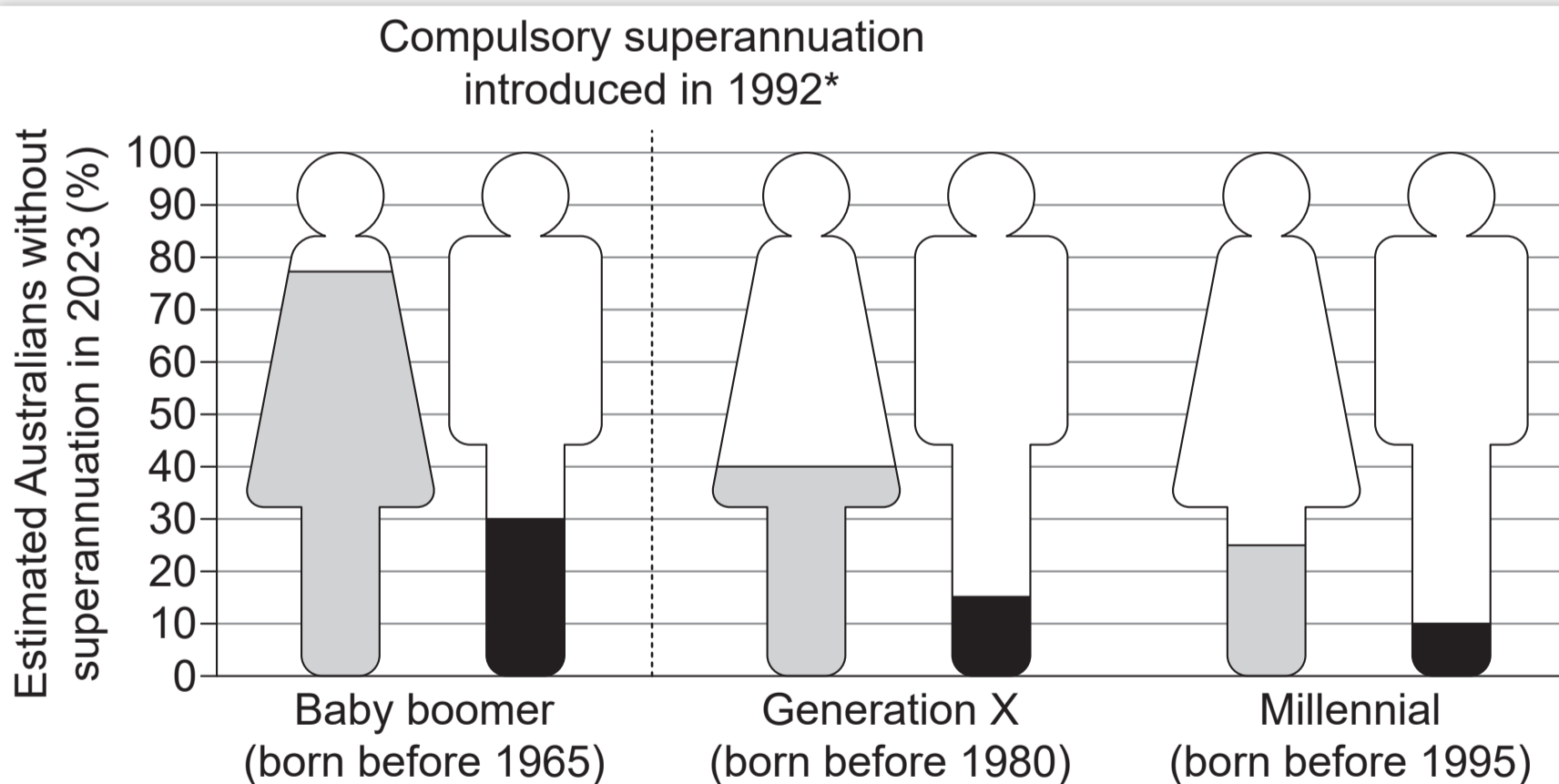
Women given incentive to top up personal superannuation accounts

Five-year income tax discount to older women if they pay significantly more into their superannuation fund each year ...

Policy option 2

One-off taxation levy for low superannuation balances

All Australians pay a one-off additional tax on their 2024 income to fix an identified inequity ...



* The introduction of compulsory superannuation in 1992 incentivised more Australians to save for their retirement. The nature of compounding magnifies the effect of early contributions to superannuation.

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Estimated work arrangements in Australia

	1990		2020	
	Women (%)	Men (%)	Women (%)	Men (%)
Full-time	30	70	45	70
Part-time	40	10	30	10
Casual	30	20	25	20

Analyse the economic issue indicated in the data and economic information provided. Which policy option should the government implement to improve equity in economic prosperity for all Australians?

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Section 3

Instructions

- This section has one question and is worth 22 marks.
 - Respond in 400–600 words.
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Question 15 (22 marks)

Use all Sources 1–8 in the stimulus book to prepare your response.

Explain the rationale for the scenario presented to reduce payroll tax in Australia.

Evaluate the benefits and costs using the perspectives of households, businesses and government.

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Do not write outside this box.



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Do not write outside this box.



Lined writing area with 25 horizontal lines.

End of paper

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Additional page for student responses

Write the question number you are responding to.

Do not write outside this box.

Additional page for student responses

Write the question number you are responding to.

Do not write outside this box.

Additional page for student responses

Write the question number you are responding to.

Do not write outside this box.

References

Question 14

Clare, R 2019, *Better Retirement Outcomes — A Snapshot of Account Balances in Australia: Report 2019*, The Association of Superannuation Funds of Australia Limited, Sydney, www.superannuation.asn.au/ArticleDocuments/359/1907-Better-Retirement-Outcomes-a-snapshot-of-account-balances-in-Australia.pdf.aspx.

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