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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 2024

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.
- 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 (21 marks)

- 1 extended response question





DO NOT WRITE ON THIS PAGE
THIS PAGE WILL NOT BE MARKED



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"/>
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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.

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Section 2

Instructions

- Write using black or blue pen.
 - Respond in paragraphs consisting of full sentences unless instructed otherwise.
 - 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)

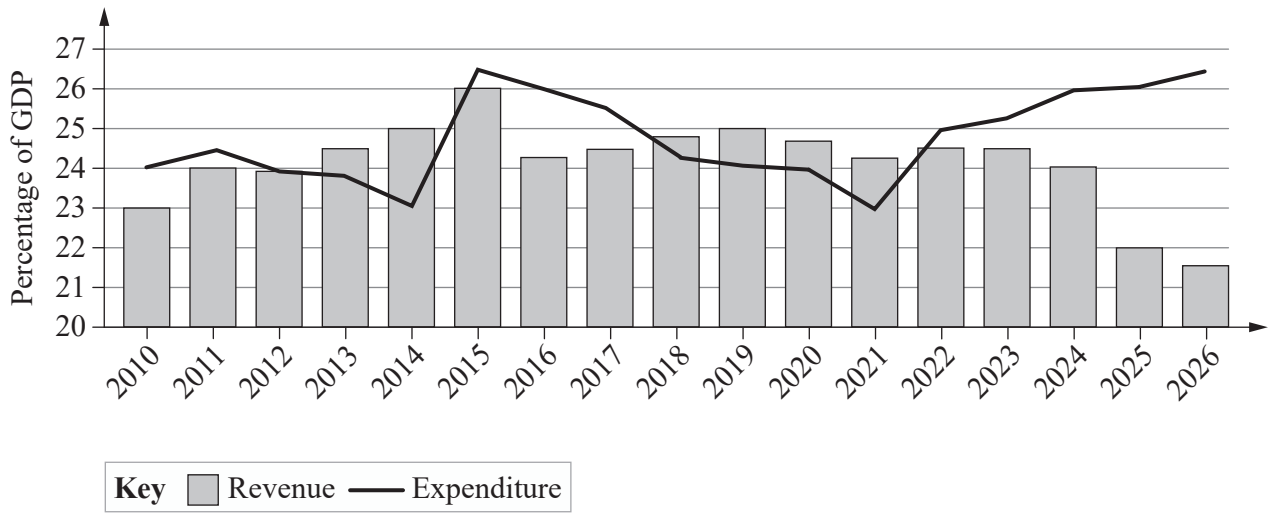
The federal government decides to significantly increase spending on military defence over the long term.

Describe the concept of opportunity cost using an example based on the given scenario. How might this decision have an impact on the federal government’s objective of stabilising the economic cycle?

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QUESTION 12 (10 marks)

The graph shows a hypothetical situation faced by an Australian federal government budget in 2026.



a) Describe the economic issue shown and explain the two causes.

[6 marks]

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b) Identify two funding solutions the federal government should consider and explain one limitation of each.

[4 marks]

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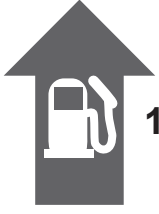
QUESTION 13 (11 marks)

Hypothetical annual data for an economy similar to Australia’s economy is shown.

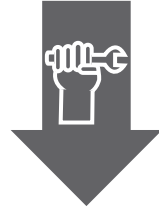
 Cash rate **8%** and rising

 Exchange rate with major trading partner has appreciated
AUD \$0.80 to AUD \$1.00

 Housing prices rise **10%** per annum

 Petrol and gas prices **1%** increase over past year

 Health costs rise **12%** since last year

 Labour under-utilisation rate **4%** and falling

Analyse the data to decide whether its central bank should continue its current monetary policy stance.

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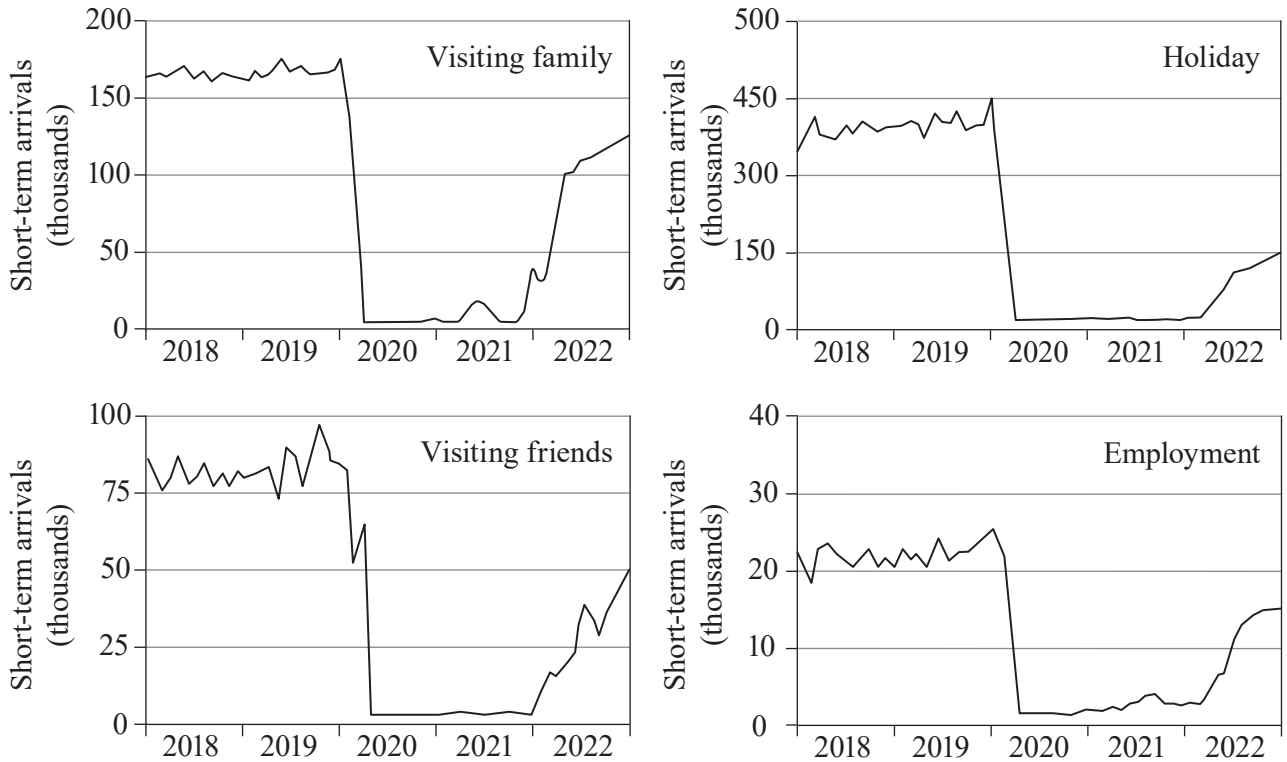
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QUESTION 14 (4 marks)

The graphs refer to a hypothetical scenario of Australia’s international travel exports.

Australian overseas short-term arrivals by reason



Calculate the percentage change of the arrival that has recovered the least from the start of 2020 to the end of 2022. Using economic terms, write an annotation that suggests a reason why this arrival has not fully recovered.

Calculation space, include your working.

Annotation (bullet points)

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Section 3

Instructions

- Respond in 400–600 words.
 - This section has one question and is worth 21 marks.
-

QUESTION 15 (21 marks)

Use all of Sources 1–8 to analyse the economic issue and evaluate a demand-side and a supply-side approach being taken by Australian governments. Draw a conclusion about which approach is more effective, using the criterion of future employment.

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END OF PAPER

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ADDITIONAL PAGE FOR STUDENT RESPONSES

Write the question number you are responding to.

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ADDITIONAL PAGE FOR STUDENT RESPONSES

Write the question number you are responding to.

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References

Question 14

Graphs adapted from ‘The Recovery in the Australian Tourism Industry | Bulletin – December 2022’, Bruno, A, Davis, K & Staub, A, *Reserve Bank of Australia*, www.rba.gov.au/publications/bulletin/2022/dec/the-recovery-in-the-australian-tourism-industry.html. Licensed CC BY 4.0.



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