

1

Economics Exam 2023

When: **Tuesday 7th November 9.20am**

1. Know the **Syllabus in Units 3 & 4** – textbook theory and concepts account for around 80% of the paper
2. Be aware of **current economic conditions & events** – around 20% of the paper
3. Use **models** to support your explanations (both Sections 2 & 3)

2

Economics Exam 2023

- What is the simplest way to increase my score by 10%?
- Focus on **Section 3**
 - 2 questions = **40%** of the total
 - Know the meaning of the key **question verbs** – e.g. **define, describe, explain, discuss**
 - Always **define** your key concepts
 - Always provide **examples**
 - Importance of correctly labelled **models**



3

Economic Models

Unit 3

1. **D/S model – free trade & protection**
2. **D/S model – exchange rate**

Unit 4

1. **AE model – equilibrium; the multiplier**
2. **AD/AS model – the business cycle; inflation (cost & demand); productivity; monetary & fiscal policy**

4

Unit 3 Australia & the Global Economy



1. *Global interdependence*
2. * *Free Trade & Protection (s2)*
3. *Pattern of trade*
4. * *Balance of payments*
5. *Terms of trade (s3)*
6. * *Exchange rates (s2)*
7. *Foreign investment (s3)*

5

Unit 4: Macroeconomics

1. *The business cycle (s2)*
2. *The AE model & the multiplier (s2 & s3)*
3. * *The AD/AS model (s2 & s3)*
4. *Economic policy objectives (s3)*
5. * *Fiscal policy (s3)*
6. * *Monetary policy (s2)*
7. *Structural change & productivity (s3)*



6

Last year's exam



- **Difficult questions**
- **The terms of trade**
- **Foreign liabilities**

7

2022 Section 3

2 marks

4 x 2 marks



Question 28

- (a) Explain the meaning of the 'terms of trade' and describe **four** factors that may influence Australia's terms of trade. (10 marks) **Mean = 45%**

- **Explain the meaning – 2 marks**
- **Describe FOUR factors – 8 marks (4 x 2 marks)**

8

2022 Section 3



Question 28

- (b) Describe the contemporary trend in Australia's terms of trade and explain **four** impacts of this trend on the level of economic activity. (10 marks) **Mean = 47%**

The trend is . . .



9

2022 Section 3



4 x 2 marks

Question 28

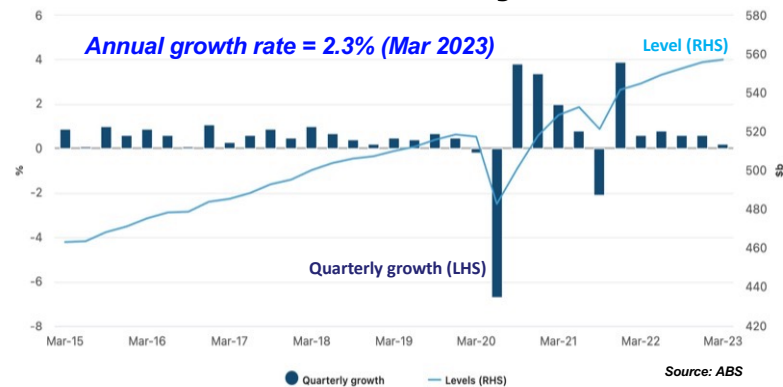
- (b) Describe the contemporary trend in Australia's terms of trade and explain **four** impacts of this trend on the level of economic activity. (10 marks) **Mean = 47%**

FOUR impacts on economic activity – 8 marks

- Increase in aggregate demand (AD)
- Increase in real GDP and std of living

10

The Australian Economy – Real GDP



11

Success in the Exam

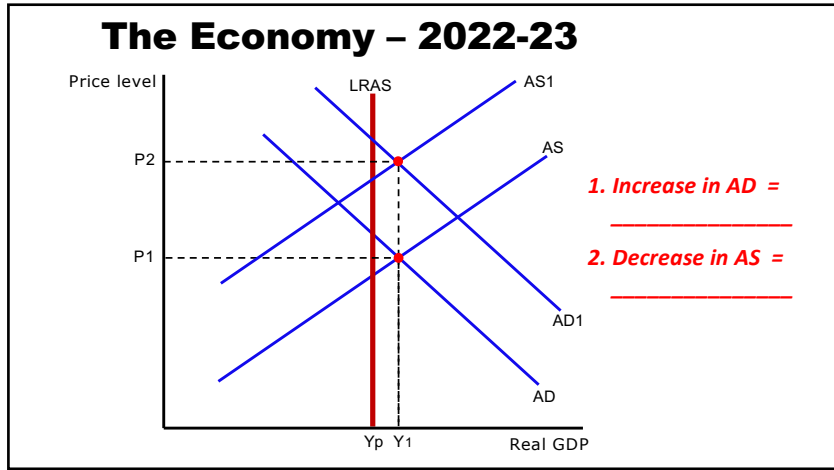
What key indicators should I know?

You should know what has happened to the

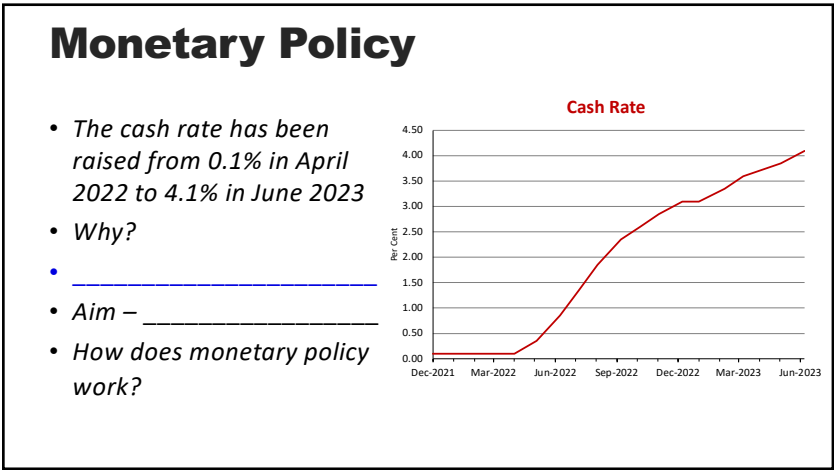
- real GDP growth rate
- inflation rate
- unemployment rate
- cash rate
- exchange rate



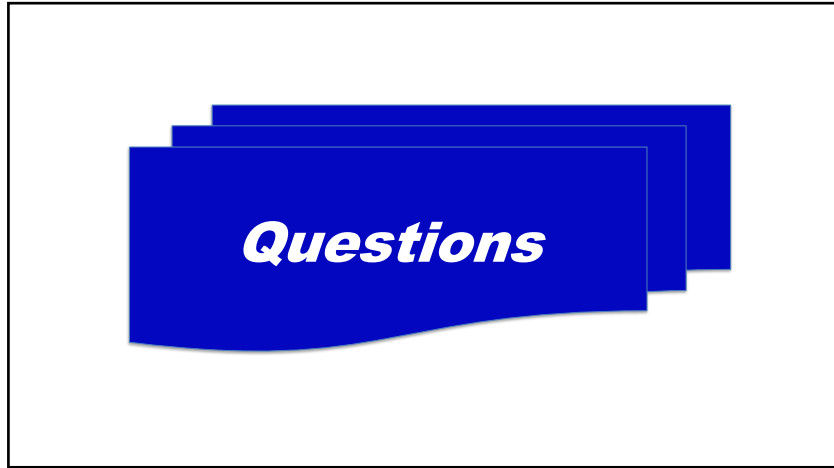
12



13



14



15