**Part A - Multiple Choice and Short Answer**

**Multiple Choice Questions (15 marks)**

1. The sectors that participate in the economy are:
   1. Consumers, Goods and Services, Governments
   2. Households, Businesses, Financial, Governments
   3. Individuals, Households, Producers, Suppliers
   4. Businesses, Producers, Suppliers, Governments
2. Macroeconomics is concerned with:
   1. Large scale factors which affect the way Australia, as a nation, functions economically
   2. How large companies operate within Australia's economy
   3. Factors such as prices and levels of production within businesses
   4. The way governments run a country
3. Businesses interact with Governments in two ways
   1. Businesses pay wages to employees and consumers pay taxes
   2. Governments pay people welfare payments and businesses make loan payments
   3. Businesses pay taxes and benefit when governments spend money on projects
   4. Households work in businesses and governments pay them an income
4. The Government manages the economy using both monetary and fiscal policy. Fiscal policy involves
   1. Government spending on projects to create jobs
   2. Changes to taxes to increase or decrease income
   3. Changing interest rates
   4. Both a and b
5. Australia has a high standard of living. What does this mean?
   1. As a nation, we have a high GDP which means most people have a lot of money
   2. Overall, most people are wealthy
   3. There is not much homelessness in Australia and we have high literacy rates
   4. As a nation, the degree of wealth and material comfort available to the members of the community is high
6. The combination of different resources, businesses and information that moves a product or service from producer to consumer is known as the
   1. Resource management chain
   2. Process of supply and demand
   3. Supply Chain
   4. Production cycle
7. What happens to the price of a product when fewer people want to buy it (demand) is low and levels of production (supply) are high
   1. Prices increase because more people want to buy it and you have a lot of product to sell
   2. Prices increase because less people want to buy it and you don't have a lot of product to sell
   3. Prices decrease because more people want to buy it and you don't have a lot of product to sell
   4. Prices decrease because less people want to buy it and you have a lot of product to sell
8. Money is superior to bartering as a form of trade because
   1. Everyone always wants the goods you have to trade
   2. You can always save the goods or services you have for use at a later time
   3. It is widely accepted and allows us to put a price on the goods and services we want to exchange.
   4. Bartering of goods allows for credit by both parties as you know what you will trade at a later date
9. What is the banks role in ensuring the right balance is achieved between all the parts of the Australian Economy?
   1. Monitor the Australian Dollar
   2. Investment of taxes
   3. Vary interest rates
   4. Both a and c
10. To produce more, there is a need to access more resources. These resources include:
    1. Raw materials, Goods and Services
    2. Natural, Human and Capital
    3. Labour, Goods and Services
    4. All of the above
11. Microeconomics is concerned with three main factors that influence purchasing decisions
    1. Prices, levels of production and use of resources
    2. Inflation, unemployment and monetary systems
    3. Prices, use of resources and unemployment
    4. Inflation, prices and monetary systems
12. Global events have an impact on Australia's economic environment. Why?
    1. What happens overseas can affect our exports and imports which has an impact on our overall economy.
    2. What happens overseas has no impact on Australia's economy.
    3. Global events may impact the levels of investment in Australia (eg. Overseas investors of property and businesses)
    4. Both a and c
13. Australia is a major trading partner in which region
    1. Asia-Pacific
    2. Europe
    3. Chinese
    4. United States
14. Australia imports a variety of goods. From your research throughout the lessons, what is one major import?
    1. Beef
    2. Petroleum products
    3. Alcoholic beverages
    4. Meat (excl. beef)
15. Economic growth is measured by comparing GDP from one period to the next. What does GDP stand for?
    1. Gross Domestic Product
    2. Gross Daily Prices
    3. Government and Domestic Policies
    4. Government Downgraded Prices

**Short Answer (15 marks)**

1. Describe the effects (both positive and negative) on the participants in the economy when:

You graduate from university and get a job (3 marks)

Examples

* + You enter the workforce, gaining an income and money to spend.
  + Businesses benefit from your spending on goods and services
  + You start to pay taxes which the government can use of infrastructure projects

The government announces a major road upgrade (3 marks)

Examples

* + Taxes might be increased to pay for the project
  + Jobs are created by the new project.
  + This job creation reduces unemployment. More people will have jobs which creates more spending on other businesses.
  + When more people have jobs, the government has less unemployment benefits (welfare) to pay and more money is received via taxes
  + Quality of life is increased as travel for people in the area will benefit from the road upgrade in the long term – possibly shorter travel time, more productive at work

1. Explain why exporting goods overseas helps Australia's economy (3 marks).

Examples

* + Improves trade relationships with other countries
  + Creates/keeps jobs in Australia – manufacturing is done in Australia
  + Less unemployment = more taxes being paid in Australia. Businesses who have
  + Money comes into the Australia economy from an overseas economy
  + New markets are created through the trade relationship – The Australian market is relatively small so exporting gives business access to new markets

1. Australia participates in the global economy. In what ways does Australia do this? (3 marks)

Examples

* + Importing/exporting of goods – Foreign Trade
  + By providing aid to countries in need – Foreign Aid
  + When Australians travel overseas, or when people travel to Australia - Tourism

1. Australia imports goods from other countries for various reasons. What strategies can the government use to protect Australian made products? Describe one strategy and explain why this would be effective. (3 marks)

Examples:

Providing subsidies to companies to producers who make goods in Australia – this would allow them to sell goods cheaper and allow them to compete with imports from overseas (who have access to cheaper labour markets). By providing subsidies, it would keep people in employment in Australia, thereby reducing unemployment.

Increase Import taxes – by putting a tax on imports coming into the country, this increases the prices of the goods allowing Australian made goods to compete.

Trade embargoes – banning goods coming into the country altogether – students would need to explain the impact of this. They should consider what this may do to trade relationships though.

**Part B - Extended response - Case Study (20 marks)**

Analyse the news articles in relation to the Carmichael Coal Mine that has been proposed by Adani. Determine the implications of the proposed mine for the Australian Economy.

Positives and Negatives identified (10 marks)

Answers will vary

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| --- | --- |
| Positives | Negatives |
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Evaluate the implications you have examined above and then write a letter a Queensland Government recommending whether the mine should be approved (10 marks). You should outline the reasons why you have made this recommendation.

Your letter should be between 250 to 300 words in length. Use the template on the next page.