



Question 29

(20 marks)

Since 2019, Australia has persistently achieved current account surpluses in the Balance of Payments.

- (a) Outline the concept of the current account balance and describe **four** cyclical reasons for the current account surpluses since 2019. (10 marks)

- (b) Using a demand and supply model, demonstrate and explain the impact of falling commodity prices on the value of the Australian dollar (AUD) and explain the impact of this change on Australian consumers. (10 marks)