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**Willetton Senior High School**

**Year 11 AEECO 2020**

**Assessment 7**

**Name: QUESTIONS Your Mark: \_\_\_\_\_\_\_\_\_/20**

**Teacher:**

**TYPE:** Extended Response

**OUTCOMES:** Outcome 1: Economic inquiry; Outcome 2: The operation of the economy

**WEIGHTING:** 8%

**CONTENT:** Economic Growth

**Time allowed:** 50 minutes

**Conditions:** This assessment is to be written in class without notes.

1. Discuss in detail two factors responsible for economic growth in Australia. Use a diagram to show what happens to the economy as a result of these factors. (8 marks)
2. Discuss three (3) costs and three (3) benefits of economic growth. (6 marks)

1. Refer to the following table:

|  |  |  |
| --- | --- | --- |
|  | Year 1 | Year 2 |
| Nominal GDP | $100 billion | $121 billion |
| Population | 10 million | 10.5 million |
| CPI | 100 | 121 |

1. What is meant by real GDP? Calculate its value in Year 2. (Show all workings). (3 marks)
2. Explain what has happened to real GDP/capita from Year 1 to Year 2 and how this would have impacted material living standards. (3 marks)