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SUPERVISOR'S USE ONLY



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MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD  
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

Tick this box if you  
have NOT written  
in this booklet

## Scholarship 2022 Economics

Time allowed: Three hours  
Total score: 24

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should answer ALL the questions in this booklet.

Pull out Resource Booklet 93402R from the centre of this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–28 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (▨). This area may be cut off when the booklet is marked.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

| Question | Score |
|----------|-------|
| ONE      |       |
| TWO      |       |
| THREE    |       |
| TOTAL    |       |

ASSESSOR'S USE ONLY

**INSTRUCTIONS:** Write an essay in response to EACH of the THREE questions in this paper. Question Two is on page 10, and Question Three is on page 18.

### QUESTION ONE: Protectionist trade policies and allocative efficiency

Use information from **Resources A to D**, and your knowledge of micro-economic theory, to answer this question.

Cheap imports have some domestic producers asking [REDACTED]  
[REDACTED] including canned peaches from South Africa and galvanised wire from Malaysia.

Explain the changes in the European market that lead to surplus goods that could be dumped on other markets. Analyse the impact of dumping these cheaper surplus goods on the New Zealand market. Evaluate the extent to which protectionist policies would impact participants and allocative efficiency in the New Zealand market.

In your answer:

- use appropriate economic models throughout
- illustrate and explain the changes in the European market for EITHER potato fries OR specialty cheese that have resulted in dumped goods
- analyse New Zealand's position as a price taker for imported goods, and the impact of lower-priced imports on producer revenue and allocative efficiency in EITHER the potato fries OR specialty cheese market
- analyse the impact of the TWO protectionist policies suggested in **Resource D** on producer surplus, consumer surplus, the government, and allocative efficiency in the New Zealand market
- evaluate which policy would be most effective in protecting New Zealand producers from unfair competition, whilst minimising the impact on consumers and allocative efficiency.

Use this space for planning your essay. This plan will NOT be marked.

### PLANNING

















**QUESTION TWO: Reducing smoking incidence and inequities in New Zealand**

Use information from **Resources E to H**, and your knowledge of micro-economic theory, to answer this question.

In 2011, the Government set a target for a Smokefree

affordability, availability, and addictiveness of tobacco.

Analyse the market failure in the New Zealand cigarette market. With reference to allocative efficiency and equity, evaluate the effectiveness of three policies suggested by the government on different groups in society.

In your answer:

- use appropriate economic models throughout
- explain and illustrate the externalities associated with smoking cigarettes, and why market failure occurs
- explain and analyse THREE government policies from **Resource H** and their impact on allocative efficiency and equity for different groups in society
- evaluate which policy or policies would be most effective, and allocatively efficient, for the government to pursue to achieve its goals in the short-and long-term.

Use this space for planning your essay. This plan will NOT be marked.

**PLANNING**

















**QUESTION THREE: Inflationary pressures and the New Zealand economy**

Use information from **Resources I to M**, and your knowledge of the New Zealand economy and macroeconomic theory, to answer this question.

The consumers price index (CPI)

many other OECD countries

experiencing higher inflation than in recent decades.

Analyse the factors causing inflation that were impacting the New Zealand economy in early 2022. Evaluate the impact of implementing a contractionary monetary policy on the New Zealand economy and macro-economic goals.

In your answer:

- use appropriate economic models throughout
- analyse the aggregate demand and aggregate supply factors that led to increasing inflation in New Zealand in early 2022
- explain why price stability is an important macroeconomic goal
- evaluate the effect of an increasing Official Cash Rate on the New Zealand economy and key macroeconomic goals, given the position of the New Zealand economy in early 2022.

Use this space for planning your essay. This plan will NOT be marked.

**PLANNING**

















**Extra space if required.  
Write the question number(s) if applicable.**

QUESTION  
NUMBER

**Extra space if required.**  
**Write the question number(s) if applicable.**

QUESTION  
NUMBER

**Acknowledgements**

Material from the following sources has been adapted for use in this assessment:

**Question One**

<https://www.customs.govt.nz/about-us/news/important-notice/update-imposition-of-provisional-anti-dumping-duties-on-galvanised-wire-from-china-and-goods-currently-subject-to-anti-dumping-duties>

<https://www.newshub.co.nz/home/rural/2020/07/new-zealand-specialty-cheesemakers-call-for-tariffs-on-eu-imports.html>

**Question Two**

<https://www.health.govt.nz/our-work/preventative-health-wellness/tobacco-control/smokefree-aotearoa-2025>

**Question Three**

<https://www.stats.govt.nz/news/annual-inflation-reaches-30-year-high-of-6-9-percent>