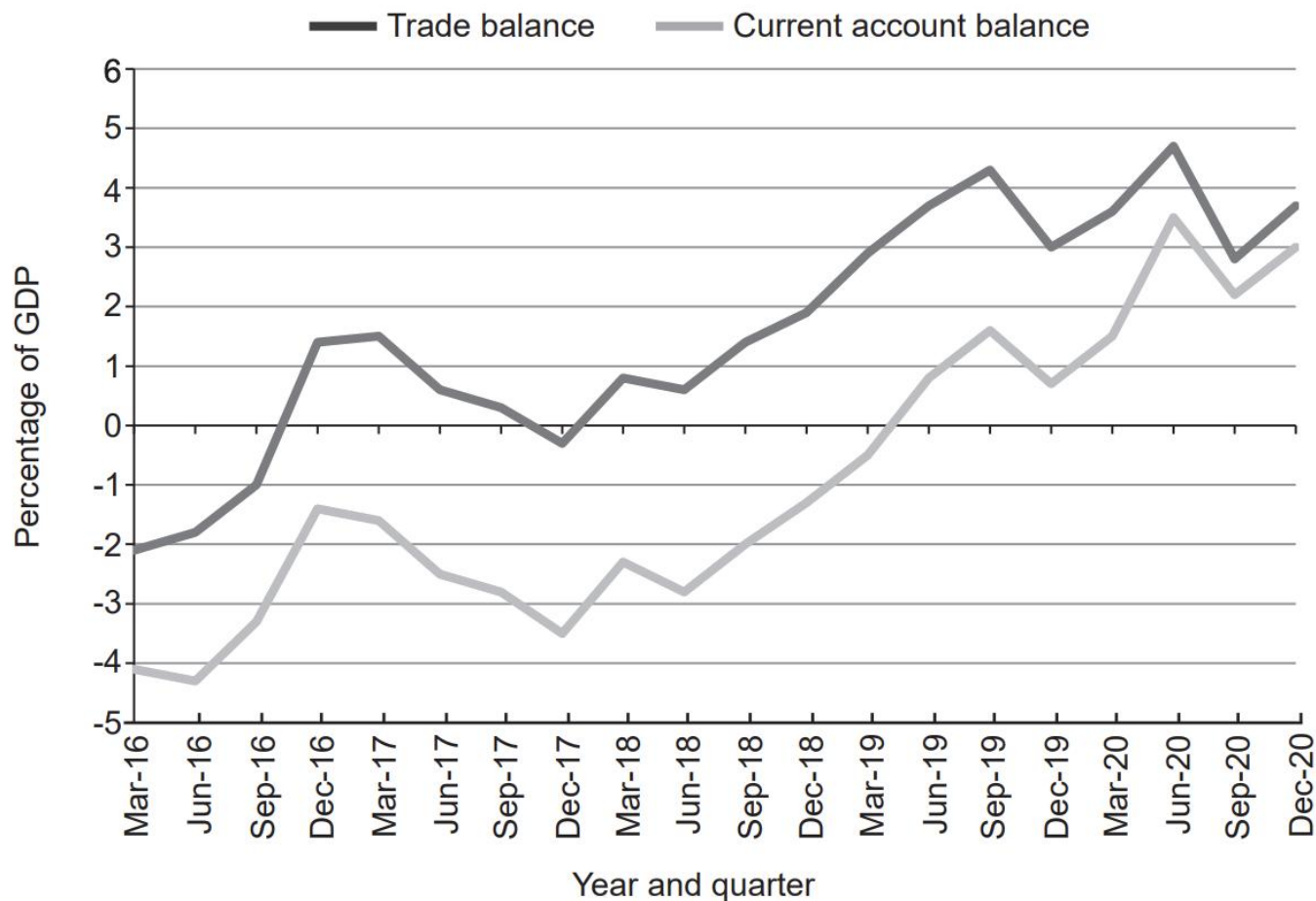


**Question 25****(12 marks)**

This question refers to the graph below which shows Australia's balance of payments data.

**Trade and current account balance 2016–2020**



- (a) (i) What was Australia's highest recorded trade balance over the period 2016 to 2020? (1 mark)

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- (ii) In which year and quarter did Australia record its first current account surplus? (1 mark)

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- (b) Identify the trend in the current account balance from 2018 to 2020 and describe **two** economic reasons for this. (5 marks)

Trend: \_\_\_\_\_

One: \_\_\_\_\_

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Two: \_\_\_\_\_

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- (c) Explain why a fluctuating current account balance is **not** considered to be of concern to policy makers. (5 marks)

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