| | Question 31 | (20 marks) |
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| (a) | Explain the meaning of a 'budget deficit' and describe three methods the Aus | tralian |

- Government can use to finance a budget deficit. (8 marks)
- Using the aggregate expenditure (AE) model, explain the short and long-term implications of the contemporary fiscal policy measures adopted by the Australian (b) Government. (12 marks)