

Short Answer Question Assignment

ECON1102 – Term 2, 2024

Details

- Value: 10% of final mark
- Submission date: 1 August by 4pm

Submission Procedure

You should submit your short answer question response electronically via the course Moodle website by the submission due date (Turnitin link will be available).

Write your surname and student ID in the file name.

Write up your responses to questions in a Word document (or other word processing software). Paste the graphs from Excel to the Word file (Excel workbooks will not be accepted).

Short answer question responses submitted after the deadline will be penalized at a rate of 5% per day. An assessment will not be accepted after 5 days from the deadline unless special consideration has been approved. Special consideration will only be granted in the case of serious illness and will require full and convincing documentation of that illness.

Further Instructions

Length of submission: Not more than 5 pages, this should include all plots and answers. Do not exceed the 50 or 100 words limit per answer, as indicated. If words count limit is not indicated, it means that no verbal explanation is expected, the plots will provide a sufficient answer.

Write up: Clearly label which question you are answering by using the question numbers. Do not copy the questions in your submission. (This creates needless clutter and will cause Turnitin to subject your paper to added scrutiny for plagiarism.)

Figures: It should be clear what the figure is showing (i.e., title, axes, lines, etc. well labelled) without the reader needing to refer to the text. Marks will be deducted if figures are not properly labelled.

Research: You should be able to answer the questions using the lecture and textbook material. You can also conduct independent research (this is optional and not a requirement) using articles from the news media.

Total marks available: 25, marks are as stated per question.

Plagiarism: All answers will be checked for plagiarism using the Turnitin system into which they are uploaded. Plagiarism is a serious matter, and cases discovered will be dealt with accordingly.

Q 1: (7 marks) GDP Data

Visit this ABS page to access data:

<https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release>

Scroll down on the ABS webpage to access data downloads.

- a. (1 mark) Use “Table 1. Key National Accounts Aggregates” to plot quarterly nominal GDP, quarterly real GDP, quarterly real GDP per capita, for 1980-2024. Title each graph and state the relevant information in notes: source, etc.
(Note: use the “Original” or “Seasonally Adjusted” series. Clarify what series you have used in the notes of your figure.).
- b. (1 mark) Real GDP is adjusted for inflation and is used to measure changes in economic output. It is an indicator of economic growth. The overall trend is that real GDP has been increasing in Australia. However, there are periods during which real GDP declined. When real GDP declined for more than 2 consecutive quarters (i.e. 6 months), we say that the economy is going through a recession. Identify the approximate years of one or more recessions in the plot you reported in your answer for part (a). (Clearly state which plot you are referring to.)
- c. (1 mark) Use the ABS data on National Income Account (Table 11. National Income Account, Current prices) to create a measure of the labour share of total income by dividing compensation of employees by national income for each year. Similarly, create a measure of capital income share by dividing gross operating surplus by gross national income. Plot both measures of income shares for 1959-2024. (Note: use the “original” series).
- d. (2 marks) Briefly describe the patterns and trends in labour and capital income shares. (Maximum of 100 words).
- e. (2 marks) Use “Table 1. Key National Accounts Aggregates” to plot the Household Savings Ratio for the period December 2007 to March 2024. (Note: use the “original” series). Summarise developments in Australia’s household savings over the period. (Use the plot and maximum of 50 words to answer)

Q 2: (12 marks) Labour Force Data

Visit this ABS page to access data: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>

Scroll down on the ABS webpage to access data downloads.

Clearly state what data release you are using, for example, the May data released on 13/06/2024.

Part I: Using the ABS data in “Table 1. Labour force status by Sex, Australia - Trend, Seasonally adjusted and Original”:

- a. (1 mark) Plot unemployment rate (for all persons) for 1980-2024.
- b. (1 mark) Plot participation rate (for all persons) for 1980-2024.
(Note: use “trend” series for your plots).

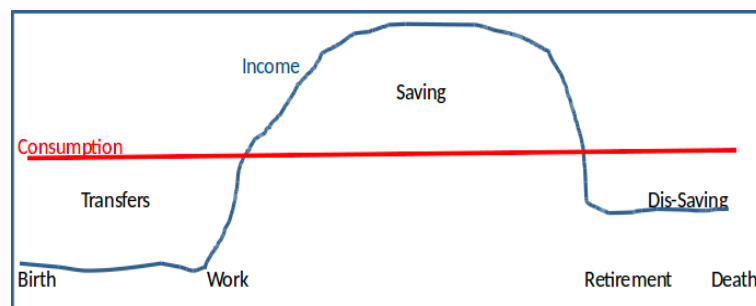
- c. (2 mark) Summarise the trends in unemployment and participation rates. Report average rates in your answer. (maximum of 100 words)
- d. (2 marks) Recall your answer to 1(b): summarise unemployment rate trends during a recession. (Report using a table or maximum of 50 words)

Part II: Use data in “Table 22. Underutilised persons by Age and Sex - Trend, Seasonally adjusted and Original”, to:

- e. (3 marks) Show how unemployment rate has evolved since 1980s for different age groups. (To simplify presentation, use the following age groups: 15-19; 20-24; 35-44).
(Note: use “Original” or “Seasonally Adjusted” series for your plots. Clarify what series you have used in the notes of your figure.).
Briefly summarise your main findings. (maximum of 50 words)
- f. (3 marks) Explain how differences in structural unemployment can explain the differences in unemployment rates between the age groups. (maximum of 100 words)

Q 3: (6 marks) Labour force participation over the life cycle.

In Chapter 3, we learned how individual consumption and saving vary over the life cycle. Figure 3.7 describes how consumption, income and saving evolve over the life cycle.



To answer the questions below, use the Labour Force, Australia, Detailed release, available here:

<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release>

- g. (3 marks) Use ABS data in “Table 01. Labour force status by age, social marital status and sex” to plot participation rate over the life cycle. Explain if it is consistent with the income patterns in Figure 3.7 in the textbook. Use May 2024 data to produce the plot. (Use plots and maximum of 100 words).
- h. (3 marks) Using the ABS data in “Table 01. Labour force status by age, social marital status and sex”, generate plots to show how labour force participation rate over the life cycle has changed over time for men and women, by comparing participation rates patterns in May 1980 and May 2024. Briefly

summarise your main findings (Use plots and maximum of 100 words).