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**Willetton Senior High School**

**Year 11 AEECO 2020**

**Assessment 3**

**Name:**

**Teacher: Your Mark: \_\_\_\_\_\_\_\_\_/25**

**TYPE:** Extended Answer

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

**WEIGHTING:** 8%

**CONTENT:** Market Efficiency

**Time allowed:** 45 minutes writing time + 5 minutes extra time to upload your answers

**Conditions:**

This assessment is an open book test which is to be written online. The questions will be made available on Connect and via individual emails to all students by 7.25 am. Students need to submit their answers on Connect or by email by 8.15 am sharp.

**Important Points to note:**

* Students must also write their name and their teacher’s name on the word document/ handwritten document before submitting it.
* Make sure you start each part on a separate page and indicate clearly the question number: a, b or c at the top of the page.
* Students submit a compressed folder containing the answers to all questions and not three separate word documents on Connect.
* You should be aiming to write up to 3 pages in total.

1. “Commonwealth Rent Assistance (subsidy) is a payment paid to tenants(renters) who receive certain social security payments (in most cases, Newstart Allowance, Disability Support Pension or Age Pension) and who don’t live in public housing.”

https://www.tenants.org.au/tu/commonwealth-rent-assistance

This is a co-payment/ the assistance paid to the landlord. Assume that the subsidy is $10 per renter, draw a demand and supply curve for the rental market showing the shift caused by the subsidy and explain the effect of the above subsidy on total welfare and the government revenue. (5 marks)

1. Explain each of the two advantages and disadvantages of placing a price ceiling for rental properties. (10 marks)
2. Demonstrate and explain, using appropriate diagrams the impact of minimum wage in an economy. (10 marks)