

HSC Economics

Exam Planner

*Your guide for exam goal-setting,
preparation and success.*



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Subject: Economics

EXAM DATE

GOAL

Topic: The Global Economy	Do I have it in my notes?	Note-making deadline	Memorising deadline
<i>International economic integration</i>			
• The global economy			
• Gross World Product			
• Globalisation			
– Trade in goods and services			
– financial flows			
– Investment and transnational corporations			
– Technology, transport and communication			
– International division of labour, migration			
• The international and regional business cycles			
Trade, financial flows and foreign investment			
• The basis of free trade – its advantages and disadvantages			
• Role of international organisations – WTO, IMF, World Bank, United Nations, OECD			
• Influence of government economic forums – G20, G7/8			
• Trading blocs, monetary unions and free trade agreements			

– Advantages and disadvantages of multilateral (EU, APEC, NAFTA, ASEAN) and bilateral agreements			
Protection			
• Reasons for protection – infant industry argument, domestic employment, dumping, defence			
• Methods of protection and the effects of protectionist policies on the domestic and global economy – tariffs, subsidies, quotas, local content rules, export incentives			
Globalisation and economic development			
• Differences between economic growth and economic development			
• Distribution of income and wealth			
• Income and quality of life indicators			
• Developing economies, emerging economies, advanced economies			
• Reasons for differences between nations			
• Effects of globalisation			
• Trade, investment and transnational corporations			
• Environmental sustainability			
• The international business cycle.			
Topic: Australia's Place in the Global Economy	Do I have it in my notes?	Note-making deadline	Memorising deadline
Value, composition and direction of Australia's trade and financial flows			
• Trends in Australia's trade pattern			
• Trends in financial flows – debt and equity			

Australia's Balance of Payments			
• Structure			
– Current Account, debits and credits			
– Capital and Financial Account			
• Links between key Balance of Payments categories			
• Trends in the size and composition of Australia's Balance of Payments			
– International competitiveness, terms of trade, international borrowing, foreign investment			
– Effects of these trends on Australia's Balance of Payments			
Exchange rates			
• Measurement of relative exchange rates			
– To other individual currencies			
– Trade Weighted Index			
• Factors affecting the demand for and supply of Australian dollars			
• Changes in exchange rates – appreciation/depreciation			
• Determination of exchange rates including fixed, flexible and managed rates			
• The influence of the Reserve Bank of Australia on exchange rates			
• The effects of fluctuations in exchange rates on the Australian economy			
Free trade and protection			
• Australia's policies regarding free trade and protection			

• Australia's multilateral and bilateral free trade agreements – (overview of two examples of each type of agreement)			
• The implications of Australia's policies for individuals, firms and governments			
• Implications for Australia of protectionist policies of other countries and trading blocs.			
Topic: Economic issues	Do I have it in my notes?	Note-making deadline	Memorising deadline
Economic growth			
• Aggregate demand and its components: $Y = C+I+G+X-M$			
• Injections and withdrawals ($I+G+X$; $S+T+M$)			
• The simple multiplier: $k = 1/(1-MPC)$			
• Measurement of growth through changes in real Gross Domestic Product			
• Sources and effects of economic growth in Australia			
• Increases in aggregate supply – improvements in efficiency and technology			
• Trends in business cycle			
Unemployment			
• Measurement			
– Labour force			
– Participation rate			
– Unemployment rate			
• Trends			
• Types and causes			
– Cyclical			

– Structural			
– Frictional			
– Seasonal			
– Underemployment			
– Hidden			
– Long term			
• Non-accelerating inflation rate of unemployment (NAIRU)			
• Main groups affected by unemployment			
• Effects of unemployment – economic and social costs			
Inflation			
• Measurement – headline and underlying			
• Trends			
• Causes			
– Demand inflation			
– Cost inflation			
– Imported inflation			
– Inflationary expectations			
• Positive and negative effects			
External stability			
• Measurement			

– Current Account Deficit (CAD) as a percentage of Gross Domestic Product			
– Net foreign debt as a percentage of Gross Domestic Product			
– net foreign liabilities as a percentage of Gross Domestic Product			
– Terms of trade			
– Exchange rate			
– International competitiveness			
• Trends			
• Positive and negative causes and effects			
Distribution of income and wealth			
• Measurement – Lorenz curve and Gini coefficient			
• Sources of income as a percentage of household income			
• Taxation, transfer payments and other assistance			
• Sources of wealth			
• Dimensions and trends, according to gender, age, occupation, ethnic background and family structure			
• Economic and social costs and benefits of inequality			
Environmental sustainability			
• Ecologically sustainable development			
• Private and social costs and benefits – externalities, market failure			
• Public and private goods – free riders			

• Environmental issues:			
– Preservation of natural environments			
– Pollution, climate change			
– Depletion of renewable and non-renewable resources.			
Topic: Economic policies and management	Do I have it in my notes?	Note-making deadline	Memorising deadline
Economic objectives in relation to:			
• Economic growth and quality of life			
• Full employment			
• Price stability			
• External stability			
• Environmental sustainability			
• Distribution of income			
• Potential conflicts among objectives			
Macroeconomic policies			
• Rationale for macroeconomic policies – stabilisation and shifts in aggregate demand			
Fiscal policy			
• Federal Government budgets and budget outcomes			
• Effects of budgetary changes on resource use, income distribution and economic activity			
• Methods of financing deficits			
• Use of a surplus			
Monetary policy			

• Purpose of monetary policy			
• Implementation of monetary policy by the Reserve Bank of Australia			
• Impact of changes in interest rates on economic activity and the exchange rate			
Microeconomic policies			
• Rationale for microeconomic policies including shifts in aggregate supply, efficiency			
• Effects of microeconomic policies on individual product and factor markets, individual industries and the economy			
• Regulation and deregulation – competition policy			
Labour market policies			
• Role of national and state systems			
• The national system for determining			
– Minimum employment standards			
– Minimum wages			
– Awards			
– Enterprise agreements			
– Employment contracts for high income earners			
• Dispute resolution			
• Arguments for and against the use of centralised, decentralised and individualised methods of determining employment contracts			
• Education, training and employment programs			

National and global context for environmental management			
• Regulations			
• Market-based policies			
• Targets			
• International agreements			
Limitations of economic policies			
• Time lags			
• Global influences			
• Political constraints			
Policy responses and their effects in dealing with the economic objectives			
• Economic growth and quality of life			
• Full employment			
• Price stability			
• External stability			
• Distribution of income			
• Environmental sustainability.			

Practice Schedule

PRACTICE EXAM	DEADLINE
Practice Exam 1	
Practice Exam 2	
Practice Exam 3	
Practice Exam 4	
Practice Exam 5	
EXAM DATE:	

› Congratulations!

You're ready! Now relax and think about how good it will feel leaving the exam room knowing the hard work has paid off. Congratulations and good luck (not that you need it)!



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