TASMANIAN ASSESSMENT, STANDARDS & CERTIFICATION

External Assessment 2026

Attach your candidate label here

ECONOMICS

ECN315116

Section A

Pages: 16
Questions: 9

Preparation time for this exam: 15 minutes

Suggested working time: 45 minutes

Instructions:

- There are **three (3) parts** to this section:
  - **Part 1 – Unit 1** – answer **two (2)** questions from this part
  - **Part 2 – Unit 2** – answer **two (2)** questions from this part
  - **Part 3 – Unit 3** – answer **two (2)** questions from this part.
- Answer **all** items within a question.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include diagrams where relevant.
- Each question is worth 7.5 marks (6 x 7.5 = 45 marks in total for **Section A**).
- The exam is **three (3)** hours in length. The suggested working time is provided in the instructions for each part.
- All answers must be written in **English**.
- You **must** make sure your answers address the listed criteria.

Marker use	
C1	/ 45
C5	/ Alpha

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Guide to Exam Structure

	Parts	Questions available	Questions to answer	Suggested working time	Marks available
Section A	Part 1	3	2	15 minutes	15 marks and A+ to z rating
	Part 2	3	2	15 minutes	15 marks and A+ to z rating
	Part 3	3	2	15 minutes	15 marks and A+ to z rating
Section B	Part 1	3	2	15 minutes	15 marks and A+ to z rating
	Part 2	3	2	15 minutes	15 marks and A+ to z rating
	Part 3	3	2	15 minutes	15 marks and A+ to z rating
Section C	Part 1	3	2	45 minutes	A+ to z rating
	Part 2	3	2	45 minutes	A+ to z rating
Totals		**24**	**16**	**180 minutes (3 hours)**	**90 marks and A+ to z rating**

Criteria

You **must** make sure your answers address:

- Criterion 1 describe and apply economic terms, concepts, theories and ideas
- Criterion 5 communicate economic ideas and information.

Part 1

- Answer **two (2)** questions from **Unit 1** – An Introduction to Economics.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include **diagrams** where relevant.
- This part is worth 15 marks. The suggested working time you should spend on this part is **approximately 15 minutes**.
- This part assesses **Criteria 1** and **5**.

Unit 1 – An Introduction to Economics

Question 1

Explain the role of markets and governments in determining what to produce and how to produce in a mixed market economy.

(7.5 marks)

Question 2

Distinguish between a leakage and injection in the circular flow model. Explain how an increase in spending on imports may impact equilibrium.

(7.5 marks)

Question 3

Describe positive and negative externalities. Explain how government policy can be used to address **one (1)** of these types of market failure.

(7.5 marks)

Part 1 – Question Number: ☐

Write the question number you are answering in the box.

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Part 1 – Question Number:

Write the question number you are answering in the box.

Marker use

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Total P1

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Exam continues over the page

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Part 2

- Answer **two (2)** questions from **Unit 2** – Economic Management.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include **diagrams** where relevant.
- This part is worth 15 marks. The suggested working time you should spend on this part is **approximately 15 minutes**.
- This part assesses **Criteria 1** and **5**.

Unit 2 – Economic Management

Question 4

Describe monetary policy as a tool to achieve price stability. Explain a circumstance under which the Reserve Bank of Australia may use contractionary monetary policy.

(7.5 marks)

Question 5

Distinguish between unemployment and underemployment. Explain **one (1)** impact of expansionary fiscal policy on unemployment.

(7.5 marks)

Question 6

Explain the effect of a microeconomic policy on productivity and efficiency in the Australian economy.

(7.5 marks)

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Part 3

- Answer **two (2)** questions from **Unit 3** – Australia and the Global Economy.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include **diagrams** where relevant.
- This part is worth 15 marks. The suggested working time you should spend on this part is **approximately 15 minutes**.
- This part assesses **Criteria 1** and **5**.

Unit 3 – Australia and the Global Economy

Question 7

Outline the importance of international trade for Australia's economy. Explain **one (1)** reason for reducing levels of protection.

(7.5 marks)

Question 8

Outline the relationship between the balance of payments and the exchange rate. Explain **one (1)** cause of a depreciation of the Australian dollar against the US dollar.

(7.5 marks)

Question 9

Distinguish between foreign debt and foreign investment. Explain **one (1)** benefit of foreign debt to the Australian economy.

(7.5 marks)

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End of Section A

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TASMANIAN ASSESSMENT, STANDARDS & CERTIFICATION

External Assessment 2026

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ECONOMICS

ECN315116

Section B

Pages: 24
Questions: 9

Suggested working time: 45 minutes

Instructions:

- There are **three (3) parts** to this section:
  - **Part 1 – Unit 1** – answer **two (2)** questions from this part
  - **Part 2 – Unit 2** – answer **two (2)** questions from this part
  - **Part 3 – Unit 3** – answer **two (2)** questions from this part.
- Answer **all** items within a question.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include diagrams where relevant.
- Each question is worth 7.5 marks (6 x 7.5 = 45 marks in total for **Section B**).
- The exam is **three (3)** hours in length. The suggested working time is provided in the instructions for each part.
- All answers must be written in **English**.
- You **must** make sure your answers address the listed criteria.

Marker use	
C2	/ 45
C5	/ Alpha

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Guide to Exam Structure

	Parts	Questions available	Questions to answer	Suggested working time	Marks available
Section A	Part 1	3	2	15 minutes	15 marks and A+ to z rating
	Part 2	3	2	15 minutes	15 marks and A+ to z rating
	Part 3	3	2	15 minutes	15 marks and A+ to z rating
Section B	Part 1	3	2	15 minutes	15 marks and A+ to z rating
	Part 2	3	2	15 minutes	15 marks and A+ to z rating
	Part 3	3	2	15 minutes	15 marks and A+ to z rating
Section C	Part 1	3	2	45 minutes	A+ to z rating
	Part 2	3	2	45 minutes	A+ to z rating
Totals		**24**	**16**	**180 minutes (3 hours)**	**90 marks and A+ to z rating**

Criteria

You **must** make sure your answers address:

- Criterion 2 apply economic models and mathematical techniques to analyse economic data and information
- Criterion 5 communicate economic ideas and information.

Part 1

- Answer **two (2)** questions from **Unit 1** – An Introduction to Economics.
- Answer **all** items within a question.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include **diagrams** where relevant.
- This part is worth 15 marks. The suggested working time you should spend on this part is **approximately 15 minutes**.
- This part assesses **Criteria 2** and **5**.

Unit 1 – An Introduction to Economics

Question 10

Table 1 shows the demand and supply of electric vehicles in a hypothetical economy.

Price ($) per electric vehicle	Quantity demanded per year	Quantity supplied per year
100,000	1,000	3,500
80,000	1,500	3,000
60,000	2,500	2,500
40,000	3,000	1,000
20,000	3,500	500

Table 1: Demand and supply of electric vehicles.

a) Determine the price elasticity of demand for electric vehicles when the price per unit changes from:

   i. $20,000 to $40,000 **and**

   ii. $60,000 to $80,000.

b) Using Figure 1 provided, illustrate and describe how improvements in technology **may** impact the production of electric vehicles.

(7.5 marks)

Question 10 continues

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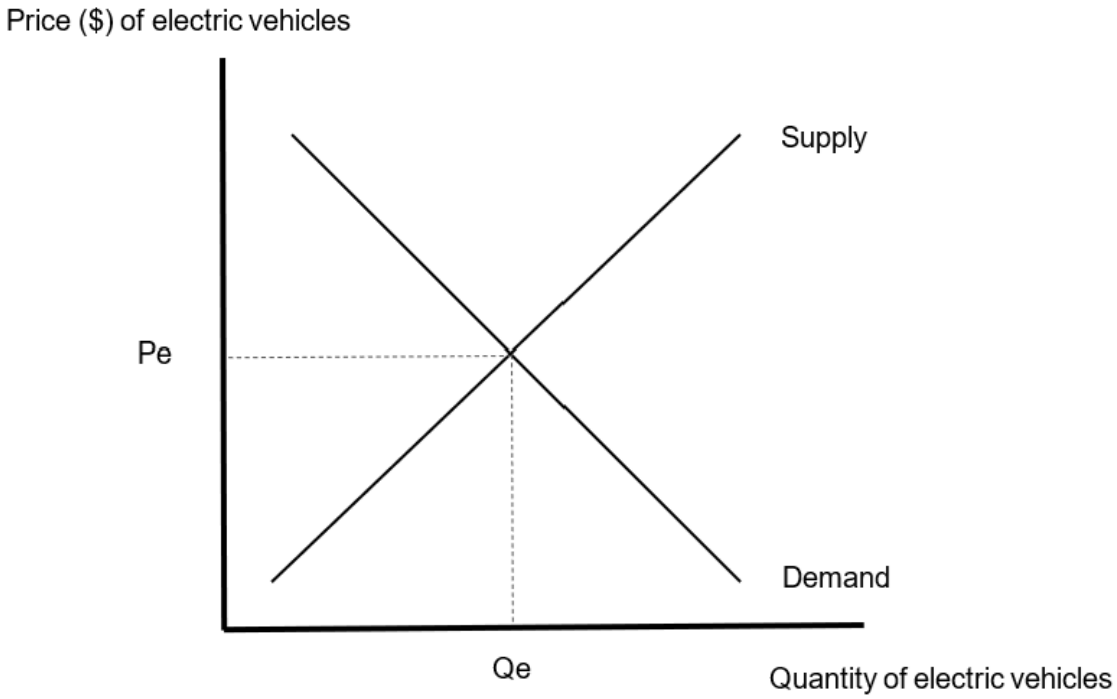


Figure 1: Diagram for annotation of answer to Question 10 b).

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Question 11

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Table 2 shows production possibilities in a hypothetical economy.

	A	B	C	D	E	F
Wheat	0	10	20	30	40	50
Sugar	75	60	45	30	15	0

Table 2: Production possibilities for wheat and sugar.

a) Use the data in Table 2 to plot a production possibility curve for Economy A in Figure 2.

b) Calculate the opportunity cost of a unit of wheat for Economy A in moving production from Point D to E.

c) Using Figure 3, explain at which point Economy A should choose to produce to ensure long term economic growth.

(7.5 marks)

a)

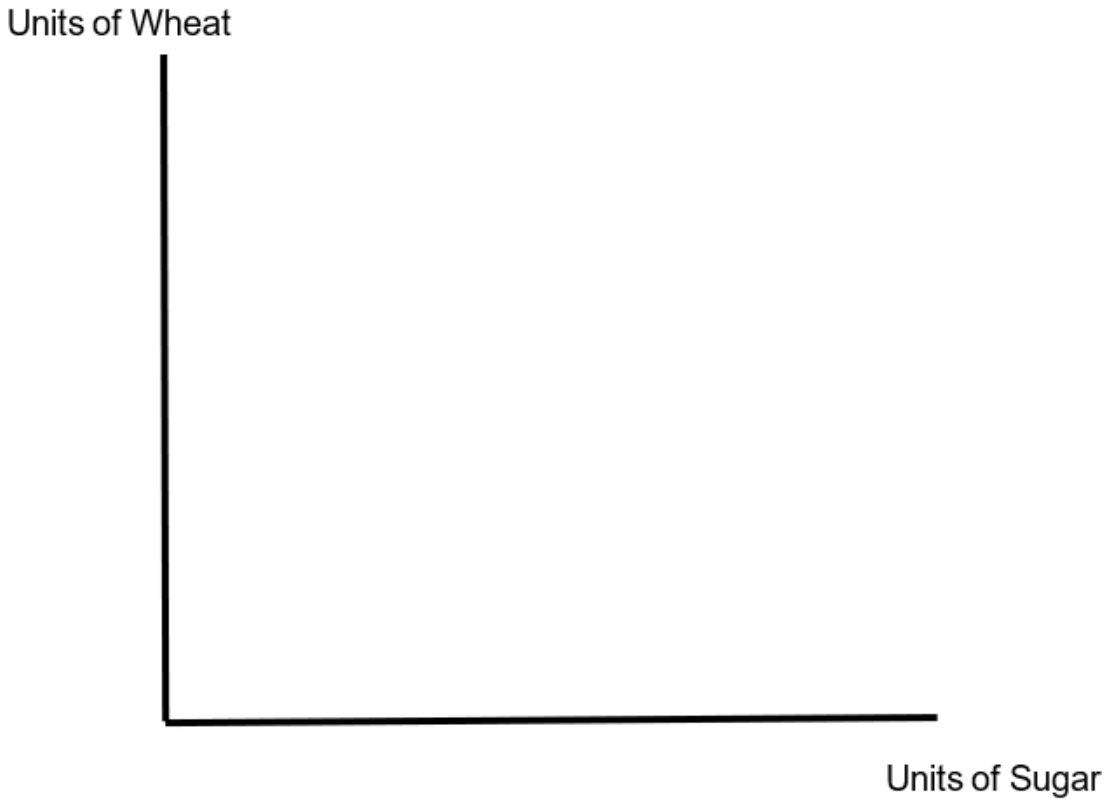


Figure 2: Graph for annotation of answer to Question 11 a).

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Question 11 continues

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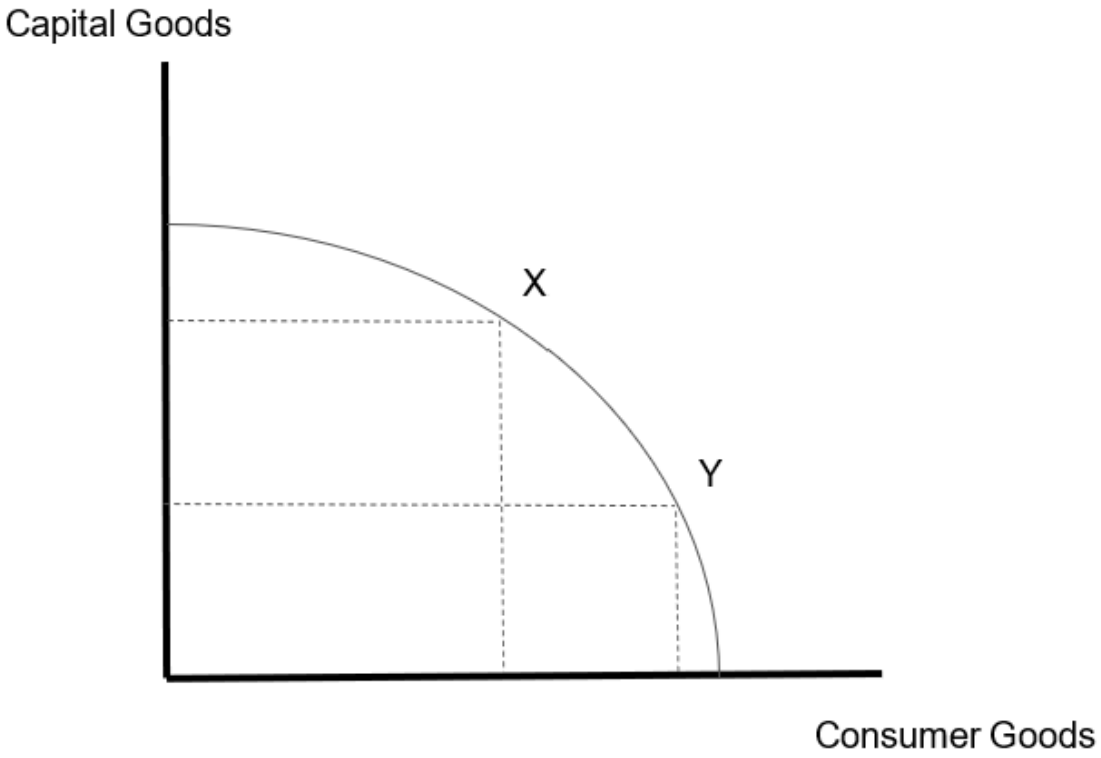


Figure 3: Diagram for annotation of answer to Question 11 c).

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Question 12

Figure 4 shows the demand for robot vacuum cleaners.

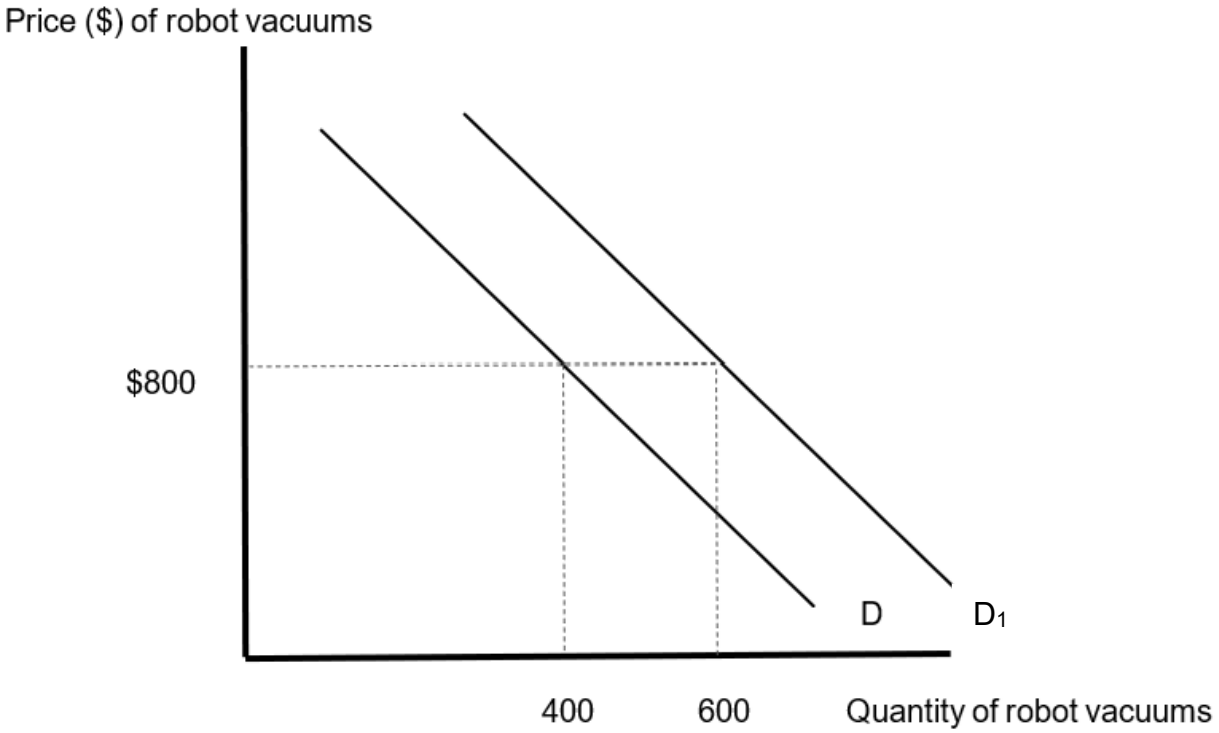


Figure 4: Diagram of the robot vacuum cleaner market.

a) Explain **one (1)** determinant of demand that could cause the shift in the demand curve from D to D_1.

b) Outline how an increase in the costs of the factors of production **may** impact the supply of robot vacuum cleaners.

c) Explain how the forces of supply and demand interact to establish equilibrium in the robot vacuum cleaner market.

(7.5 marks)

Question 12 continues

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Part 2

- Answer **two (2)** questions from **Unit 2** – Economic Management.
- Answer **all** items within a question.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include **diagrams** where relevant.
- This part is worth 15 marks. The suggested working time you should spend on this part is **approximately 15 minutes**.
- This part assesses **Criteria 2** and **5**.

Unit 2 – Economic Management

Question 13

Table 3 shows hypothetical macroeconomic data for the Australian Economy.

Year	GDP Growth (%)	Employed Persons	Unemployed Persons	Inflation (%)
1	2.5	13,440,000	560,000	3
2	3.8	13,701,000	501,900	3.9
3	4.1	14,050,000	450,500	4.3

Table 3: Hypothetical macroeconomic data for the Australian Economy.

a) Using the data in Table 3 calculate the following:

   i. Unemployment rate in Year 2

   ii. Unemployment rate in Year 3.

b) Explain how the Reserve Bank of Australia would likely respond in the year following Year 3.

(7.5 marks)

Question 13 continues

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Question 14

Figure 5 shows the number of new dwellings approved in Australia over time.



Figure 5: Graph of new dwellings approved in Australia.

a) Outline the current trend in new dwelling approvals in Australia.

b) Explain how deregulation may affect the housing supply in Australia.

c) Using Figure 6, illustrate how an increase in housing supply could impact Australia's aggregate supply.

(7.5 marks)

Question 14 continues

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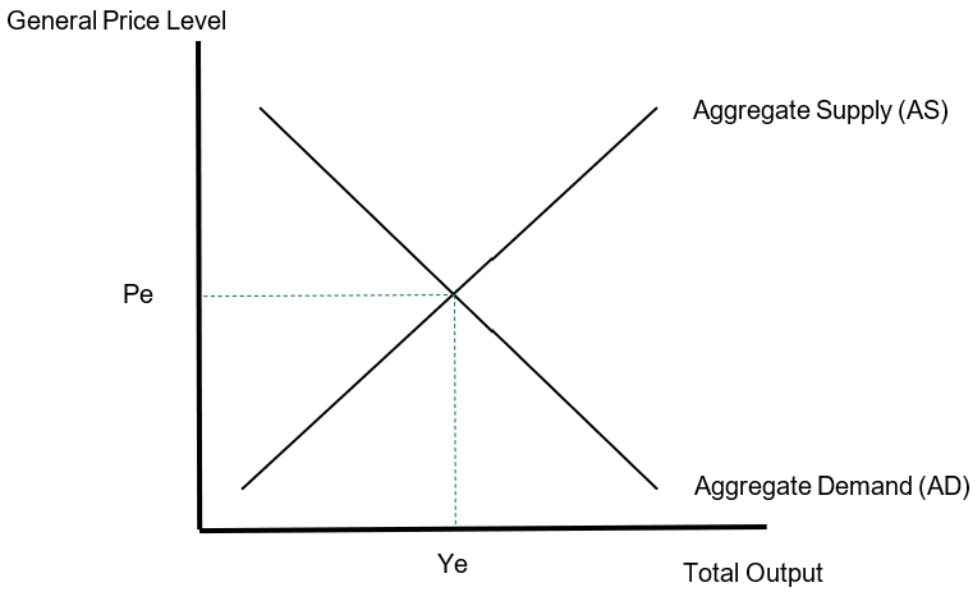


Figure 6: Graph for annotation of answer to Question 14 c).

Total Q14

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Question 15

The data in Table 4 shows selected hypothetical components of Australia's national income for a given year.

	$bn
Household Consumption	1,120
Savings	240
Taxation	330
Imports	480
Investment	360
Government Spending	420
Exports	510

Table 4: Hypothetical components of Australia's national income.

a) Calculate the value of GDP for this economy.

b) The Australian Government decides to increase spending on key infrastructure projects. Illustrate on Figure 7 the effect of this policy on aggregate demand.

c) Describe **one (1)** possible impact on the general price level as a result of this increased spending.

(7.5 marks)

Question 15 continues

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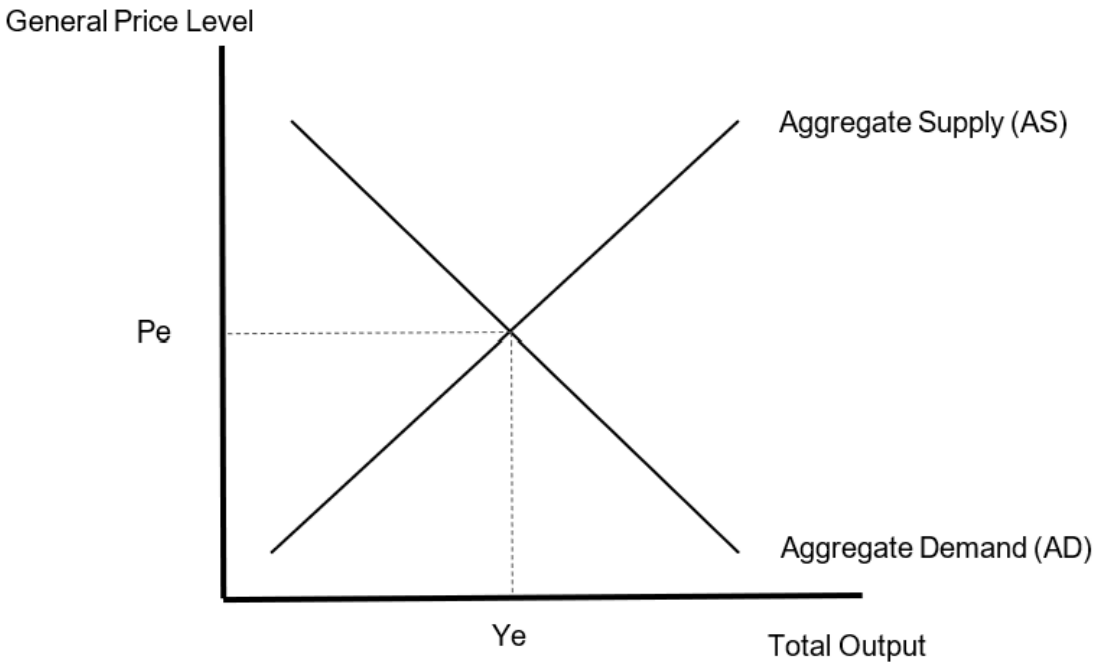


Figure 7: Graph for annotation of answer to Question 15 b).

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Total Q15

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Part 3

- Answer **two (2)** questions from **Unit 3** – Australia and the Global Economy.
- Answer **all** items within a question.
- Write your answers in the spaces provided in this exam paper. You are encouraged to include **diagrams** where relevant.
- This part is worth 15 marks. The suggested working time you should spend on this part is **approximately 15 minutes**.
- This part assesses **Criteria 2** and **5**.

Unit 3 – Australia and the Global Economy

Question 16

Figure 8 shows the foreign exchange market for the Australian dollar (AUD) against the United States dollar (USD).

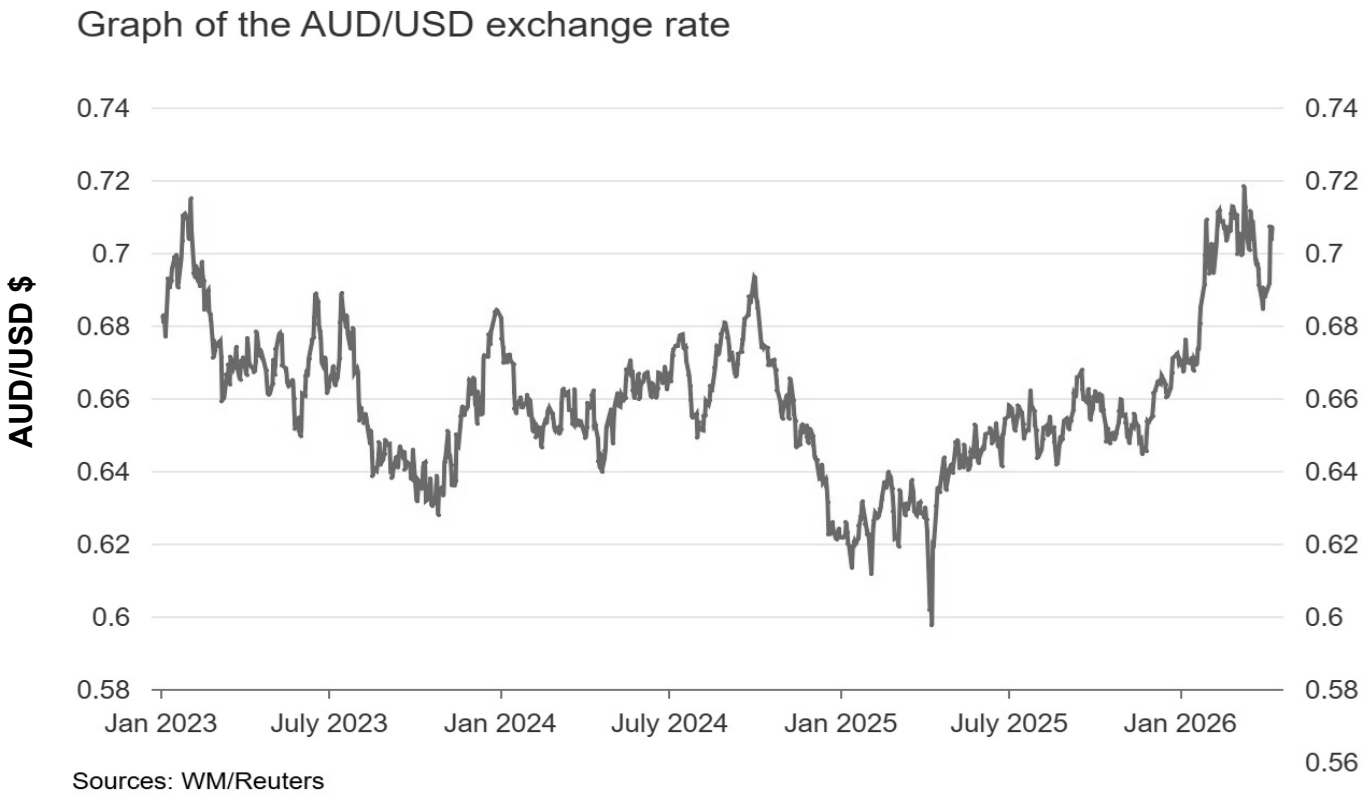


Figure 8: Graph of the AUD/USD exchange rate.

a) Using Figure 8, describe the trend in the AUD/USD exchange rate since January 2025.

b) Outline **one (1)** possible reason for the trend identified in part a).

c) Explain the impact of this trend for businesses that are reliant on imports.

(7.5 marks)

Question 16 continues

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Question 17

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The government of a hypothetical economy, *Elchastina*, wants to protect their aquaculture industries by introducing a subsidy.

Figure 9 shows the market before the introduction of the subsidy.

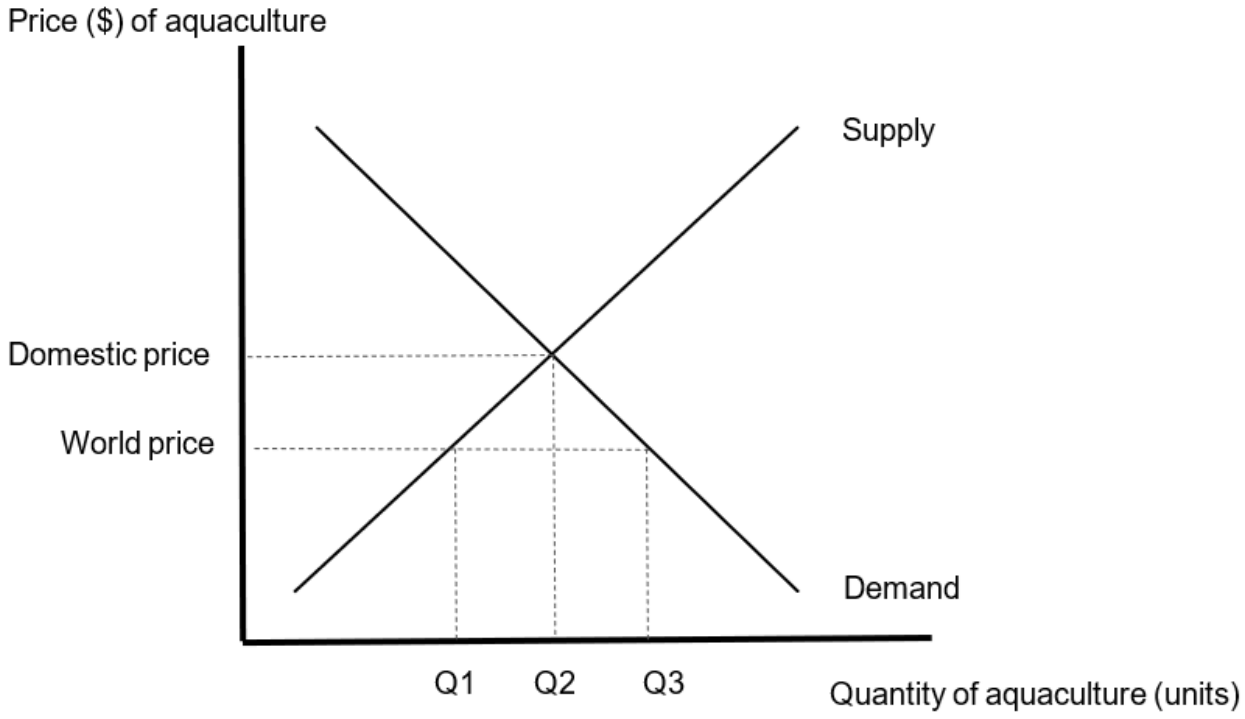


Figure 9: Graph for annotation of answer to Question 17 a).

a) Using Figure 9, draw a curve to show the effect of the subsidy on the aquaculture market.

b) Outline the impact of the subsidy on the level of imports in the aquaculture market. Refer to Figure 9 in your response.

c) Explain **one (1)** impact on domestic businesses that are selling imported aquaculture products.

(7.5 marks)

Question 17 continues

Marker use

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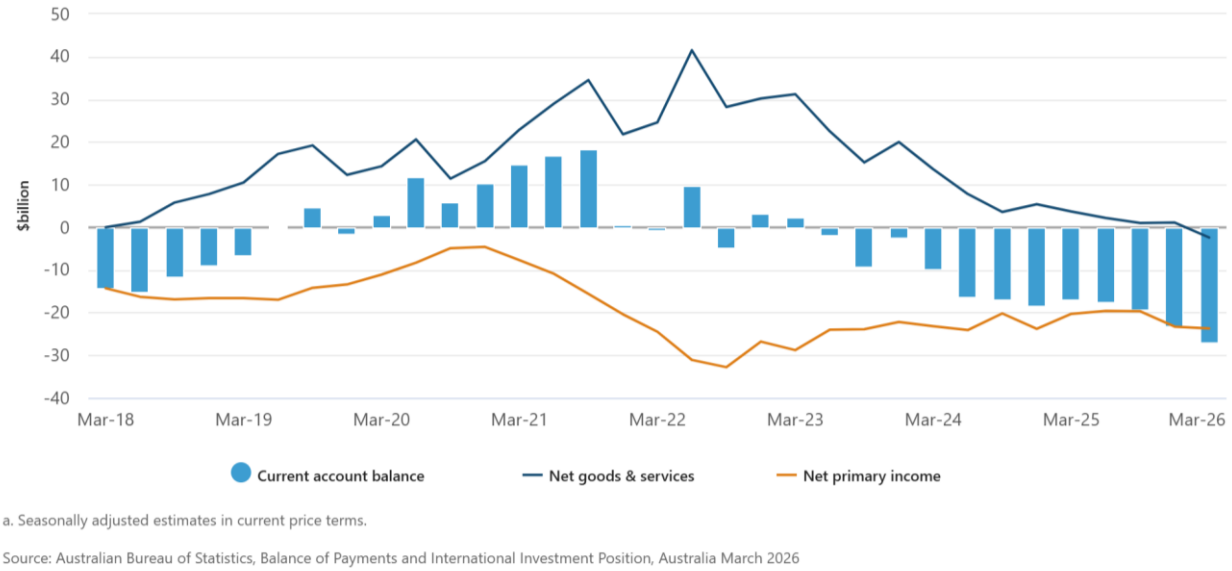
Total Q17

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Question 18

Figure 10 shows the current account balance for Australia from March 2018 to March 2026.

Australia's Current Account Balance



a. Seasonally adjusted estimates in current price terms.

Source: Australian Bureau of Statistics, Balance of Payments and International Investment Position, Australia March 2026

Figure 10: Graph of current account balance for Australia from March 2018 to March 2026.

a) Using Figure 10, describe the trend in the current account balance from March 2022 to March 2026.

b) Identify **one (1)** component of the current account and outline what it measures.

c) Describe **one (1)** reason why Australia has historically recorded a deficit in the current account balance.

(7.5 marks)

Question 18 continues

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Acknowledgements

Sources:

Figure 5:

Australian Bureau of Statistics. (n.d.). *Building approvals, Australia*. Australian Bureau of Statistics. https://www.abs.gov.au/statistics/industry/building-and-construction/building-approvals-australia/latest-release

Figure 8:

Reserve Bank of Australia. (n.d.). *Exchange rates*. Reserve Bank of Australia. https://www.rba.gov.au/statistics/frequency/exchange-rates.html

Figure 10:

Australian Bureau of Statistics. (n.d.). *Balance of payments and international investment position, Australia*. Australian Bureau of Statistics. https://www.abs.gov.au/statistics/economy/international-trade/balance-payments-and-international-investment-position-australia/latest-release

End of Section B

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TASMANIAN ASSESSMENT, STANDARDS & CERTIFICATION

External Assessment 2026

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ECONOMICS

ECN315116

Section C

Pages: 12
Questions: 6
Answer Booklets: 2

Suggested working time: 90 minutes

Instructions:

- There are **two (2) parts** to this section:
  - **Part 1 – Unit 2** – answer **two (2)** question from this part
  - **Part 2 – Unit 3** – answer **two (2)** question from this part.
- Answer **all** items within a question.
- Write your answer to each part in **a separate answer booklet**. You are encouraged to include diagrams where relevant.
- The exam is **three (3)** hours in length. The suggested working time is provided in the instructions for each part.
- All answers must be written in **English**.
- You **must** make sure your answers address the listed criteria.
- Mark allocation will be entered by Markers on the generic answer booklets.

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Guide to Exam Structure

	Parts	Questions available	Questions to answer	Suggested working time	Marks available
Section A	Part 1	3	2	15 minutes	15 marks and A+ to z rating
	Part 2	3	2	15 minutes	15 marks and A+ to z rating
	Part 3	3	2	15 minutes	15 marks and A+ to z rating
Section B	Part 1	3	2	15 minutes	15 marks and A+ to z rating
	Part 2	3	2	15 minutes	15 marks and A+ to z rating
	Part 3	3	2	15 minutes	15 marks and A+ to z rating
Section C	Part 1	3	2	45 minutes	A+ to z rating
	Part 2	3	2	45 minutes	A+ to z rating
Totals		**24**	**16**	**180 minutes (3 hours)**	**90 marks and A+ to z rating**

Criteria

You **must** make sure your answers address:

- Criterion 3 describe and analyse problems arising from economic issues and events
- Criterion 4 describe and analyse economic solutions and make recommendations for future economic action
- Criterion 5 communicate economic ideas and information.

Part 1 (Unit 2)

- Answer **two (2)** questions from Question 19, Question 20 **or** Question 21.
- Answer **all** items within a question.
- Write your answers to Unit 2 and Unit 3 in **separate answer booklets**. You are encouraged to include **diagrams** where relevant.
- The suggested working time you should spend on this part is **approximately 45 minutes**.
- This part assesses **Criteria 3**, **4** and **5**.
- You are expected to use the stimulus material **and** the economic theory as outlined in the course in your answers.

Question 19 Stimulus

Statement by the Monetary Policy Board: Monetary Policy Decision

At its meeting today, the Board decided to increase the cash rate target by 25 basis points to 4.10 per cent.

While inflation has fallen substantially since its peak in 2022, it picked up materially in the second half of 2025. Information since the February meeting suggests that some of the increase in inflation reflects greater capacity pressures. In addition, the conflict in the Middle East has resulted in sharply higher fuel prices, which, if sustained, will add to inflation.



Figure 11: Graph of consumer price inflation for Australia.

Source: Reserve Bank of Australia. (2026, March 27). *Statement by the Monetary Policy Board: Monetary policy decision*. https://www.rba.gov.au/media-releases/2026/mr-26-08.html

Question 19 continues

Item a) assesses **Criteria 3** and **5.**

a) Explain the current causes of inflation in the Australian economy.

Item b) assesses **Criteria 4** and **5.**

b) Evaluate the impact of further cash rate increases on individuals, businesses, and the government.

OR

Question 20 Stimulus

Treasurer to deliver 'ambitious' tax package to address rising economic pressures

“This year's federal budget will be centered on three major reform packages on tax, savings, productivity and investment”, says Jim Chalmers.

The Treasurer said the government was currently considering three ambitious reform packages to address issues such as high inflation, low productivity growth, and capacity constraints. These include a savings package, a productivity and investment package, and a tax package.

Chalmers said the productivity-enhancing reforms would boost supply and generate higher living standards, and unlock more investment in the process, helping the economy grow without adding to price pressures.

Source: Adapted from Brownlee, M. (2026, March 23). *Treasurer to deliver ‘ambitious’ tax package to address rising economic pressures. Accounting Times*. https://www.accountingtimes.com.au/tax/treasurer-to-deliver-ambitious-tax-package-to-address-rising-economic-pressures

Question 20

Item a) assesses **Criteria 3** and **5.**

a) Explain how increased investment may improve productivity in the economy.

Item b) assesses **Criteria 4** and **5.**

b) Evaluate how microeconomic reforms “would boost supply and generate higher living standards” in the Australian economy.

OR

Question 21 Stimulus

Federal budget 2026: Winners and losers

The signature cost-of-living piece in this budget is an ongoing $250 tax reduction offset for more than 13 million working Australians, starting in 2027–28.

That means people won't see money in their pocket until after July 2028, with Treasurer Jim Chalmers attributing the delay to the need to avoid fuelling inflation in the near term.

About 6.2 million workers (42 per cent of taxpayers) are expected to benefit from the change, saving an average of $205 per year.

Source: Adapted from Tregenza, H., & Dick, S. (2026, May 12). *Federal budget 2026: Winners and losers*. *ABC News*. https://www.abc.net.au/news/2026-05-12/federal-budget-2026-winners-and-losers/106639966

Question 21

Item a) assesses **Criteria 3** and **5**.

a) Explain how the $250 tax reduction offset could “fuel inflation”.

Item b) assesses **Criteria 4** and **5**.

b) Evaluate the effectiveness of fiscal policy as a tool for promoting economic growth in the Australian economy.

Part 2 (Unit 3)

- Answer **two (2)** questions from Question 22, Question 23 **or** Question 24.
- Answer **all** items within a question.
- Write your answers to Unit 2 and Unit 3 in **separate answer booklets**. You are encouraged to include **diagrams** where relevant.
- The suggested working time you should spend on this part is **approximately 45 minutes**.
- This part assesses **Criteria 3**, **4** and **5**.
- You are expected to use the stimulus material **and** the economic theory as outlined in the course in your answers.

Question 22 Stimulus

Prosecco makers lose out as Australia seals EU free-trade deal after 8 long years of talks

Australia and the European Union have finalised a free trade agreement after eight years of negotiations. The deal will remove nearly all tariffs between the two economies, including Australia's 5% tariff on imported European cars. Australian exporters will gain improved access to EU markets, with beef quotas increasing to 35,000 tonnes and sheep meat quotas expanding significantly. However, Australian wine producers will gradually lose the right to use the name “Prosecco” on exports. The agreement is expected to boost trade and strengthen economic ties between Australia and the EU.

Source: Adapted from Moir, H. (2026, March 24). *Prosecco makers lose out as Australia seals EU free-trade deal after 8 long years of talks*. *The Conversation*. https://theconversation.com/prosecco-makers-lose-out-as-australia-seals-eu-free-trade-deal-after-8-long-years-of-talks-278877

Question 22

Item a) assesses **Criteria 3** and **5**.

a) Explain the advantage(s) and disadvantage(s) of Australia removing the tariff on imported European cars.

Item b) assesses **Criteria 4** and **5**.

b) Evaluate the impact of Australia entering into new free trade agreements.

OR

Question 23 Stimulus

Donald Trump trashed global economic orthodoxy. A year on, did he leave Australia a winner or loser?

The United States introduced new tariffs on imports as part of a protectionist trade policy aimed at supporting their domestic industries. Although Australia faced lower tariffs than some countries, Australian exporters of steel, aluminum and other goods encountered reduced access to the US market. Economists warned that rising trade barriers could slow global economic growth, reduce international trade and increase uncertainty for businesses. At the same time, Australia may benefit if its exports become relatively more competitive than those from countries facing higher US tariffs.

Source: Adapted from Commins, P. (2026, January 21). *Donald Trump and the global economy: Impact on Australia*. *The Guardian*. https://www.theguardian.com/business/2026/jan/20/donald-trump-global-economy-impact-on-australia

Question 23

Item a) assesses **Criteria 3** and **5.**

a) Explain the impacts of the United States of America imposing tariffs on Australian made goods.

Item b) assesses **Criteria 4** and **5.**

b) Evaluate how changes in world trade can impact the Australian economy.

OR

Question 24 Stimulus

Why it seems like everyone in Australia is travelling to Vietnam

Australian travel to Vietnam has reached a 10-year high, with more than 528,000 Australians visiting in 2024 compared to 246,000 in 2016. Vietnam has become one of the fastest-growing destinations for Australian tourists, driven by factors such as affordability, improved flight connections, and changing travel preferences. The Australian dollar has maintained significant buying power in Vietnam with 7.90% growth in the AUD/VND across 2025.

Source: Adapted from Lee, I. (2026, May 25). *Tourism: Australian travel to Vietnam hits South-East Asia 10-year high*. *The Guardian*. https://www.theguardian.com/travel/2026/may/25/tourism-australian-travel-to-vietnam-south-east-asia-10-year-high

Question 24

Item a) assesses **Criteria 3** and **5.**

a) Explain how an appreciation of the Australian dollar could affect Australia's tourism imports.

Item b) assesses **Criteria 4** and **5.**

b) Evaluate the effect of fluctuations in the Australian dollar on the Australian economy.

Acknowledgements

Sources:

Stimulus 19:

Reserve Bank of Australia. (2026, March 27). *Statement by the Monetary Policy Board: Monetary policy decision*. https://www.rba.gov.au/media-releases/2026/mr-26-08.html.

Stimulus 20:

Adapted from Brownlee, M. (2026, March 23). *Treasurer to deliver 'ambitious' tax package to address rising economic pressures. Accounting Times*. https://www.accountingtimes.com.au/tax/treasurer-to-deliver-ambitious-tax-package-to-address-rising-economic-pressures.

Stimulus 21:

Adapted from Tregenza, H., & Dick, S. (2026, May 12). *Federal budget 2026: Winners and losers*. *ABC News*. https://www.abc.net.au/news/2026-05-12/federal-budget-2026-winners-and-losers/106639966.

Stimulus 22:

Adapted from Moir, H. (2026, March 24). *Prosecco makers lose out as Australia seals EU free-trade deal after 8 long years of talks*. *The Conversation*. https://theconversation.com/prosecco-makers-lose-out-as-australia-seals-eu-free-trade-deal-after-8-long-years-of-talks-278877.

Stimulus 23:

Adapted from Commins, P. (2026, January 21). *Donald Trump and the global economy: Impact on Australia*. *The Guardian*. https://www.theguardian.com/business/2026/jan/20/donald-trump-global-economy-impact-on-australia.

Stimulus 24:

Adapted from Lee, I. (2026, May 25). *Tourism: Australian travel to Vietnam hits South-East Asia 10-year high*. *The Guardian*. https://www.theguardian.com/travel/2026/may/25/tourism-australian-travel-to-vietnam-south-east-asia-10-year-high.

End of Section C



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