

The Australian National University

First Semester Examinations 2004

ECHI1006 The Australian Economy

Study period : 15 minutes

Writing Period Two (2) hours duration

Permitted materials: Dictionaries for students with written departmental approval only

ANSWER ANY THREE (3) QUESTIONS

1. Answer all parts of the following question:
 - (i) Why did the Commonwealth Government, from the mid-1980s on, begin to reduce the effective tariff rates imposed on imported goods?
 - (ii) What do you believe are the potentially major social benefits, and the social costs resulting from these changes?

2. Answer both parts of the following question:
 - (i) What is meant by the term 'The Big Trade-Off'?
 - (ii) Make use of this concept to explain how you might determine if the level of personal taxation in Australia is too high, or too low.

3. Answer both parts of the following question:
 - (i) Why did infant and child mortality rates amongst the non-indigenous population in Australia begin to fall sharply after 1900 on and not earlier, or later?
 - (ii) In the 1980s and after what medical condition imposed the highest economic costs on the Australian community? Why was this so?

4. Answer both parts of the following question:
- (i) Sketch out the history of how Federal-State financial relations evolved in Australia from 1901 up to the present.
 - (ii) What are the main weaknesses associated with Federal-State financial relations?
5. Answer both parts of the following question:
- (i) Which groups have been the winners and losers from migration to the Australian continent from 1788 up to the present?
 - (ii) Why did this occur?
6. Answer both parts of the following question:
- (i) Would the application of a guaranteed minimum-income-taxation system in Australia tend to cause poorer groups in the community to increase their work effort?
 - (ii) Would the application of such a taxation system cause all groups in this community to increase their work effort?

Explain your answer.

7. 'Institutions of various types have been extremely important for allowing Australia to reach the level of gross national income per capita it did in 2004.'

Discuss this assertion.