

# The Australian National University

*First Semester Examinations 2005*

## 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 both of the following questions:

- (i) Explain why the size of the Indigenous population in Australia began to decline sharply after 1788 up to mid-nineteenth century?
- (ii) How do you think immigration into Australia in the last decade and a half has influenced the wage rate of comparatively low skilled labour relative to that for higher skilled labour?

Explain your answer.

2. Answer both of the following questions:

- (i) Sketch out relevant information on the level of the quantity and quality of formal education in Australia since about the mid-1970s up to the present.
- (ii) Have the relevant changes in the level of the quantity and quality of education been of importance for the development of the Australian economy over this period?

Explain your answer.

3. Critically assess the arguments used in the past to support the imposition on tariffs on imports into Australia from 1901 up to the early nineteen eighties.

4. Answer both of the following questions:

- (i) Provide details on how the distribution of household incomes has varied over the period 1994 up to 2001?
- (ii) Have changes in the distribution of income in Australia been of importance for determining the level of social welfare in Australia in the last three decades?

Explain your answer.

5. Answer all of the following questions:

- (i) Provide examples of environmental externalities in the Murray-Darling River system.
- (ii) Why is the setting of appropriate prices for water important for reducing the extent of these externalities?
- (iii) Is it socially beneficial that there are at least some environmental externalities present in the Murray-Darling River system? Explain your answer

6. Answer both of the following questions:

- (i) Does the operation of the social security and taxation systems applied in Australia tend to reduce the incentives for unemployed individuals to seek employment?

Explain your answer

- (ii) How might the incentive structures in the social security and taxation systems be improved upon to encourage those from lower income groups to seek employment?

7. There are two broad approaches to increasing life expectancy at birth in a community: the public-health approach aimed at preventing illnesses in the community and the personal-medical-services approach directed at curing illnesses. Which of these two approaches has been responsible for most of the increase in the level of life expectancy at birth in Australia since 1901 up to the present?

Carefully explain your answer.